

timeTM

2022

ANNUAL

REPORT

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PERFORMANCE INDICATORS

REVENUE FY2022

RM **1,575.8** mil

RM1,396.4 mil in FY2021

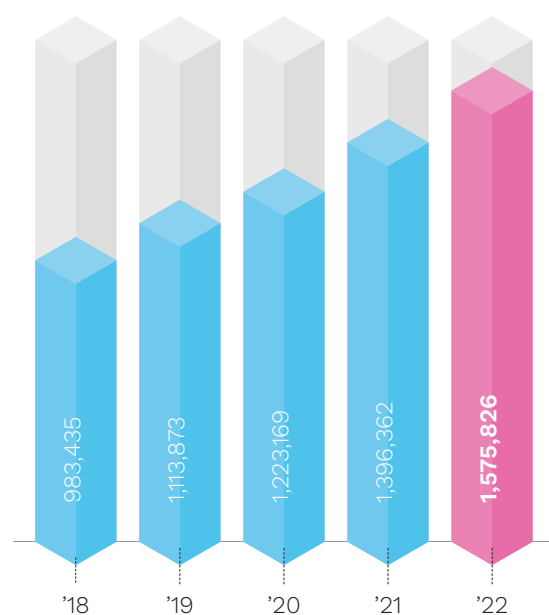
13%

EBITDA FY2022

RM **758.1** mil

RM689.2 mil in FY2021

10%



OPERATING PROFIT FY2022

RM **571.3** mil

RM526.0 mil in FY2021

9%

EPS FY2022

24.6 sen

21.6 sen in FY2021

14%

TOTAL SHAREHOLDERS' EQUITY FY2022

RM **3,127.7** mil

RM3,163.5 mil in FY2021

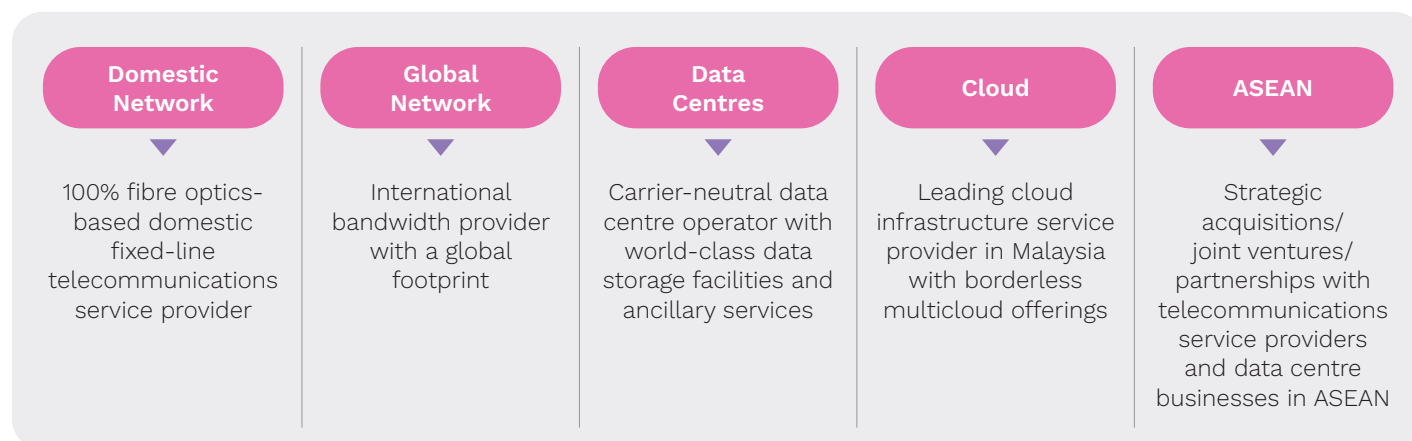
1%

Note:

1. Due to the announced and impending divestment of stakes in AIMS Data Centre Holding Sdn Bhd and AIMS Data Centre (Thailand) Limited (collectively as "AIMS"), and according to MFRS 5: "Non-current assets held for sale and discontinued operations", AIMS is to be treated as an asset held for sale, and thus disclosed as discontinued operations separately from continuing operations in the financial statements of the Group. For purposes of comparability, this financial review is presented on a fully consolidated basis.

CORPORATE PROFILE

INTRODUCTION AND BUSINESS MODEL



TIME dotCom Berhad (“Time” or “the Group” or “the Company”) is a telecommunications service provider, headquartered in Malaysia that delivers domestic connectivity across the Retail market segment as well as international connectivity, data centre, cloud computing and managed service solutions catered to the Wholesale and Enterprise market segments to its customers across the ASEAN region.

Time’s fibre optic network assets span across Singapore, Thailand, Vietnam and Cambodia – countries in which it has established an operational presence. With stakes in UNITY, FASTER, Asia Pacific Gateway (“APG”) and Asia-Africa-Europe-1 (“AAE-1”), Time is able to seamlessly connect Europe, Africa, Asia all the way to the United States Western seaboard. This extensive reach allows Time to generate stronger revenues amidst robust competition in the global bandwidth market.

Through a strategic partnership with affiliates of DigitalBridge Group, Inc. (“DigitalBridge”) and the Group’s data centre business, AIMS Data Centre (“AIMS”), allows Time to capture significant opportunities in underserved markets across Asia in its highly connected, ecosystem-centric data centre segment.

As a leading carrier-neutral data centre operator and managed services provider in Malaysia and Southeast Asia, AIMS prides itself on its reputable world-class data storage facilities and value-added ancillary services.

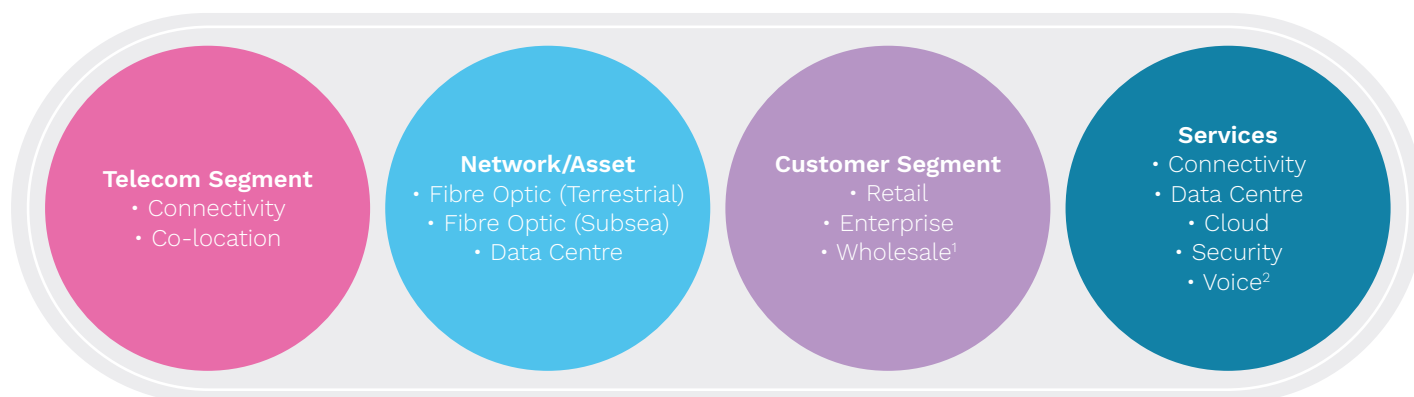
AIMS is headquartered in Malaysia, with data centre presence in Kuala Lumpur and Cyberjaya. AIMS also has growing data centre presence in Singapore, Thailand and Vietnam through investments, directly or via associates, in those respective countries.

With foresight to establish itself as a regional cloud business, the Group also has 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, with strategic acquisitions/joint ventures/partnerships initiated to strengthen business sustainability going forward by reducing reliance on a single market, notably Malaysia. Thus far, the Group counts Symphony Communications Public Company Limited (“SYMC”) in Thailand and CMC Telecommunications Infrastructure Corporation (“CMC”) in Vietnam as associates.

CORPORATE PROFILE

TIME'S FOCUS AREAS AND TELECOMMUNICATIONS SOLUTIONS

**Notes:**

1. Wholesale refers to other telecommunications service providers, over-the-top ("OTT") content providers and Internet Service Providers ("ISP"), both domestic and international.
2. Voice is a secondary business focus.

BUSINESS STRENGTHS

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

**Robust Business Model**

The Group offers a diverse range of telecommunications, data centre and cloud computing 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. This, along with the support of its data centre and cloud business, reduces reliance on a single geographical market ensuring that Time is able to continue generating positive financial returns.

**Healthy 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 healthy financial performance leads to consistent returns for its shareholders.

**Expanding Domestic & Regional Presence**

Time continues to improve its reliable, high-speed fibre optic network to support its domestic expansion plans, and ensure customer satisfaction and retention. Insights and best practices from different geographic markets are shared across the Group to enhance operational efficiency, drive competitive advantage and expand its presence in the region.

CORPORATE PROFILE



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 talents that enable the Group to deliver on its business goals and benefit from a strong, customer-centric culture.



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.

- Bridge connectivity with network accessibility and uninterrupted service for better customer experience
- Create high-quality and meaningful solutions through innovation for all customer segments
- Extend domestic reach to new locations by increasing the number of premises passed in Peninsular and East Malaysia
- Continued focus on meeting cross-border connectivity via the UNITY, FASTER, APG and AAE-1 subsea cable systems
- Drive further ASEAN expansion by creating a seamless regional telecommunications network with Time's partners in Thailand, Vietnam and Cambodia
- Become a digital transformation enabler for the Enterprise segment

CONTINUED EXCELLENCE

Moving forward, Time will continue to leverage on its strengths to focus on both regional business expansion and to increase market share across the geographies it operates in by delivering a fast, reliable and unparalleled quality experience that is tailored to the present and future requirements of all its customer segments.

Having built a reputation for bringing high-performance solutions, innovative product offerings and unwavering dedication to its customers, Time remains committed to delivering service excellence to its customers and stakeholders. Time continues to push the boundaries to be the best-in-class telecommunications service provider in Malaysia and the region.

CORPORATE INFORMATION

BOARD OF DIRECTORS

Elakumari Kantilal
Chairman,
Non-Independent
Non-Executive Director

Mark Guy Dioguardi
Senior Independent
Non-Executive Director

Koh Cha-Ly
Independent
Non-Executive Director

Datuk Azailiza Mohd Ahad
Independent
Non-Executive Director

Anthony Low Kim Fui
Independent
Non-Executive Director

Kuan Li Li
Independent
Non-Executive Director

Hong Kean Yong
Non-Independent
Non-Executive Director

Selvendran Katheerayson
Non-Independent
Non-Executive Director

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

Patrick Corso
Non-Independent
Executive Director

AUDIT COMMITTEE

Kuan Li Li (Chairman)
Hong Kean Yong
Datuk Azailiza Mohd Ahad

NOMINATION AND REMUNERATION COMMITTEE

Mark Guy Dioguardi (Chairman)
Elakumari Kantilal
Anthony Low Kim Fui

TENDER COMMITTEE

Hong Kean Yong (Chairman)
Mark Guy Dioguardi
Koh Cha-Ly

COMPANY SECRETARY

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

REGISTERED OFFICE

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Jalan Majistret U1/26
HICOM Glenmarie Industrial Park
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Fax : +603 5032 6063

WEBSITE

www.time.com.my

SHARE REGISTRAR

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

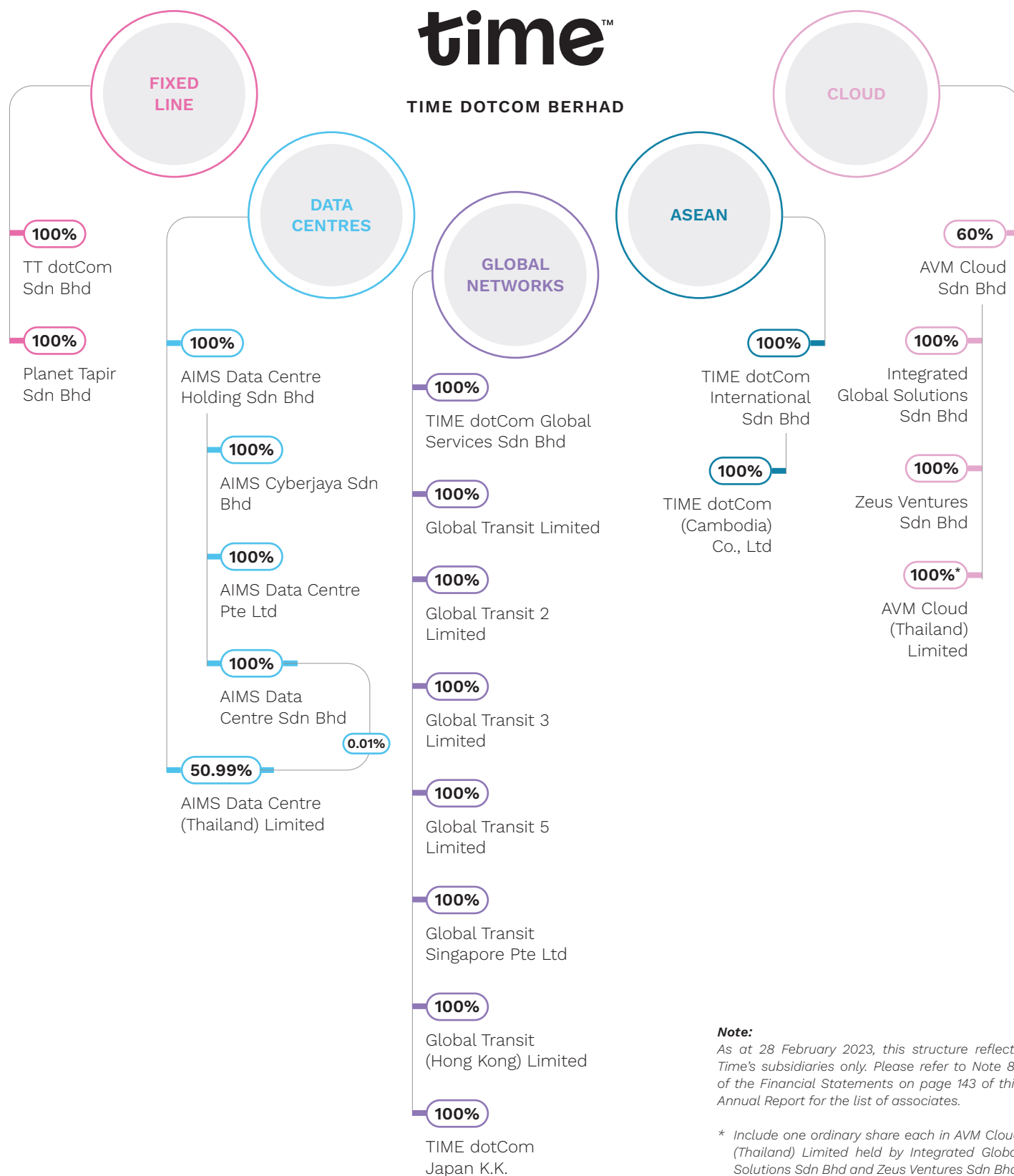
AUDITORS

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**
Stock Name: TIMECOM
Stock Code : 5031

CORPORATE STRUCTURE



CHAIRMAN'S STATEMENT



Dear Shareholders,

The key theme for 2022 was revitalisation. In my first year as Chairman of Time, the Board of Directors (“Board”) and Senior Management wanted to continue building from our strong foundation and revitalise the business, especially as we emerged from the pandemic.

As the provider of one of the essential services during these difficult times, we were very aware that the work we do touches the lives of those both at home and at work, and we remained firmly focused on ensuring network availability and stability for our customers. While we remained cautious with regards to the health and well-being of our employees and stakeholders and took many mitigating measures in that regard, we also took some bold steps in driving Time forward on its sustainable growth journey, including through an aggressive product innovation effort to meet the needs of our customers and stay ahead of the competition in an increasingly digital and connected landscape.

YEAR IN REVIEW

I am pleased to report that the Group was able to deliver yet another solid performance for the past year, owing, in part, to the robust business model and strategies that we have in place.

Time made a calculated and decisive move to shake up some areas of its business to stay ahead of the market. We boldly launched the Time Fibre Home 2Gbps plan, the first and only plan of its kind in Malaysia, alongside the unveiling of Time's revitalised brand on 7 October 2022. This was a timely move made to accommodate our growing retail business as well as in anticipation of market needs in the coming years. We are proud to say that in addition to being awarded Malaysia's Most Consistent Broadband Provider by Ookla® for Q1 2022 to Q4 2022, we have also been named Top Rated ISP by Ookla® for Q3 and Q4 2022. This is particularly meaningful to us as the data is drawn from ratings submitted by consumers of broadband services and we are humbled by the support from our customers.

In line with government aspirations for a digital-first nation, we have continued to expand our coverage footprint to reach more Malaysians. The Group fully supports efforts to narrow the digital divide among different segments of our society. In fact, we introduced our Pakej MyKabel in November 2022,

targeted to customers located at Program Perumahan Rakyat (“PPR”) locations, offering our signature high speed fibre broadband services at a rebate to make it more accessible and available to more Malaysians.

Growth was recorded across all customer segments, with demand for data and cloud offerings being particularly healthy. We've also made strides in our regional data centre ambitions in the form of a strategic partnership with affiliates of DigitalBridge for the Group's AIMS data centre business as announced in November 2022. It was a carefully considered decision that will allow Time to capture significant opportunities in underserved markets across Asia in the highly connected, ecosystem-centric data centre segment.



The Group posted a **consolidated profit after tax (“PAT”) of RM453.6 million** for the period under review, which is **14% higher** on the back of higher revenue growth across the group.



Details of business strategies and action plans implemented in FY2022 can be found in the **Management Discussion & Analysis** section of this Annual Report.

SHAREHOLDER REWARDS

To demonstrate our commitment to continue to grow shareholder value and providing high returns, the Board announced a special interim tax exempt (single tier) dividend of 16.34 sen per ordinary share was declared on 29 August 2022 and paid out on 27 September 2022.

Subsequently, on 28 February 2023, the Board declared an ordinary interim and a special interim tax exempt (single tier) dividend of 12.33 sen and 2.36 sen per ordinary share, respectively. This was paid out on 24 March 2023.

CHAIRMAN'S STATEMENT

CORPORATE GOVERNANCE & SUSTAINABILITY

The Group continues to be guided by corporate governance and sustainability considerations in its strategic decision-making processes and in mitigating existing and emerging risks in our business model.



The exercise of aligning the Group's practices to the Malaysian Code on Corporate Governance is an ongoing one. Details for this can be found in the **Corporate Governance Overview Statement**.

The Board would like to reiterate that the topic of sustainability is one that the Group takes seriously. We've undertaken a materiality assessment in 2022 to ensure that material topics driving the Group are still relevant.



You can find disclosures of our strategic efforts to drive good corporate governance and improved environmental and social performance in the **Sustainability Statement** section of this Annual Report.

OUTLOOK & PROSPECTS

While we remain cautious and vigilant of macroeconomic factors, we are optimistic of the Group's prospects for the coming year. Robust demand, especially for data and cloud services from the Retail and Enterprise customer segments, should persist given the increasing momentum stemming from digitalisation efforts in the country.

The Group's priorities have not changed and we will continue to keep the health and safety of our employees and stakeholders at the forefront of our minds as we work hard to ensure network availability and stability for our customers. This is underscored by our continued commitment to expand our network footprint, so we are well positioned to seize opportunities in local as well as regional markets. We will also continue to focus on product and service innovation with the aim to enhance overall customer experience.

In particular, we look forward to the expansion of our data centre business, AIMS, into the Asian region through our strategic partnership with DigitalBridge. There is a lot of potential in underserved markets in the region, specifically in the highly connected, ecosystem-centric data centre segment and the partnership will significantly accelerate the speed at which AIMS can reach these markets.

ACKNOWLEDGEMENTS

I took on the role of acting Chairman in 2021 following the retirement of Encik Abdul Kadir Md Kassim as Chairman. Subsequently, I assumed Chairmanship of the Board on 29 August 2022 and I would like to take this opportunity to thank my fellow Board members and the Group for the trust they have placed in me. I hope I was able to provide the guidance and insights required to steer the business toward its goals.

We saw some changes to the Board in 2022, which I believe will maintain our Board bench strength. Firstly, I'd like to welcome Mr. Anthony Low Kim Fui, Ms. Kuan Li Li and Mr. Selvendran Katheerayson who joined us on 25 July 2022, 19 August 2022 and 28 November 2022, respectively. We look forward to the expertise and richness of experience that they bring with them to the Board. Mr. Mark Dioguardi was appointed as Senior Independent Director, effective 5 October 2022, and we look forward to his continued guidance and leadership.

I would also like to express my gratitude to Mr. Lee Guan Hong and Datuk Zainal Amanshah Zainal Arshad for their wisdom during their tenures as Directors on the Time Board, and am grateful that we can continue to benefit from their commitment as senior executives of the Group. I would also like to thank Mr. Ronnie Kok Lai Huat, who has since retired from his position effective 15 June 2022, for his keen insights and guidance during his tenure with Time as a director. We wish him the best in his future endeavours.

To our employees who have worked tirelessly, both behind the scenes and as our front liners, your efforts and sacrifices have not gone unnoticed. I speak for all of us on the Board and Senior Management when I say that we would not have been able to deliver another incredible year without all of you.

Lastly, I thank my fellow board members for their counsel, our shareholders for their continued support of the Group and the Malaysian Communications and Multimedia Commission ("MCMC") for their guidance and leadership.

Change requires exceptional commitment. This would not have been possible if even one component had lacked resolve. We will continue to further accelerate the Group's growth momentum for sustainable success.

ELAKUMARI KANTILAL

Chairman

MANAGEMENT DISCUSSION & ANALYSIS

TELECOMMUNICATIONS INDUSTRY REVIEW

Malaysia is on track for digital growth in the coming years. The Malaysian government, through the MCMC, has placed high priority on accelerating the deployment of a robust network and preparing the nation for its transition to a digital economy. This initiative has seen momentum pick up as the country transitioned out of the pandemic into the endemic phase in FY2022.

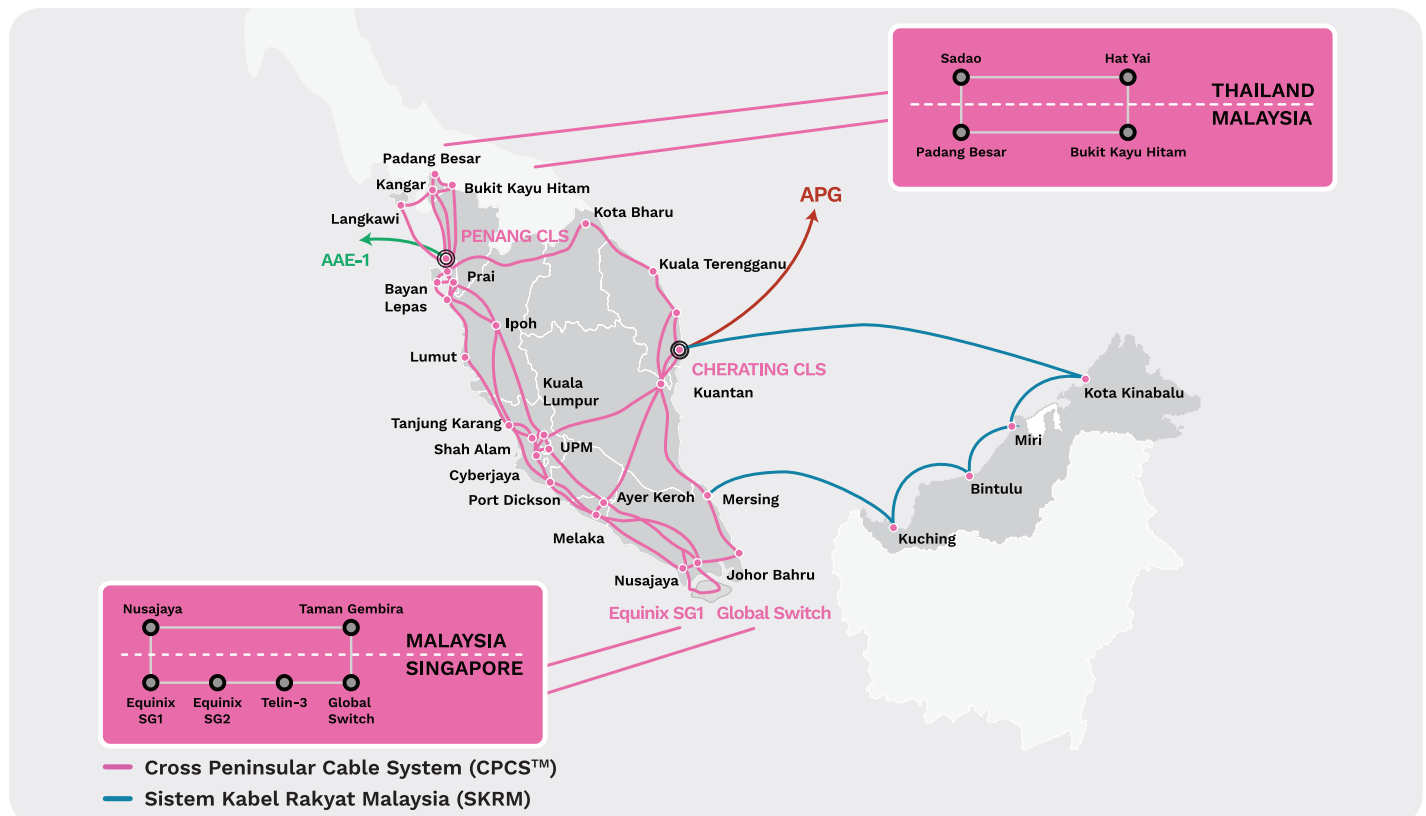
The COVID-19 pandemic intensified the pressure on communications service providers and necessitated changes that are likely here to stay. Digitalisation is becoming an increasingly critical component of sustainability as demand for connectivity, adoption of cloud and other digital services grows amongst corporates and homes.

Meeting the evolving needs of both the business-to-consumer and business-to-business markets mean maximising speed and consistency, and enabling access to an ever-growing ecosystem of services and enablers. MCMC announced in September 2022 that a total of 7.027 million households have access to fibre broadband. To ensure inclusive growth, various assistance and subsidy programmes have been offered to the rural population as well as the population at the bottom 40% of income earners ("B40") in the country.

Leveraging on these initiatives to support the community and the government, the Group has remained centred on the provision of superior network quality and reliability as well as competitively priced plans that deliver value to the end-user. The Group continues to deliver innovative and reliable solutions to cater to digitalisation efforts of corporates, the public sector and enterprises on the back of its connectivity and cloud products and services. Furthermore, the Group will keep exploring opportunities in the high-growth Southeast Asian region as and when they appear. This has paved the way for the expansion of Time's customer base and strengthened earnings in recent years.

GROUP BUSINESS AND OPERATIONAL PERFORMANCE

Domestic Network



MANAGEMENT DISCUSSION & ANALYSIS

Over the years, Time has established itself within the domestic telecommunications industry. The Group has successfully leveraged on demand for faster and more accessible broadband services in response to the opening up of economic activities in Malaysia.

The Group remains committed to ensuring strong network availability and reliability for its customers. To this end, it has continued expanding its network coverage, and enhancing solutions and customer service experience across all customer segments.



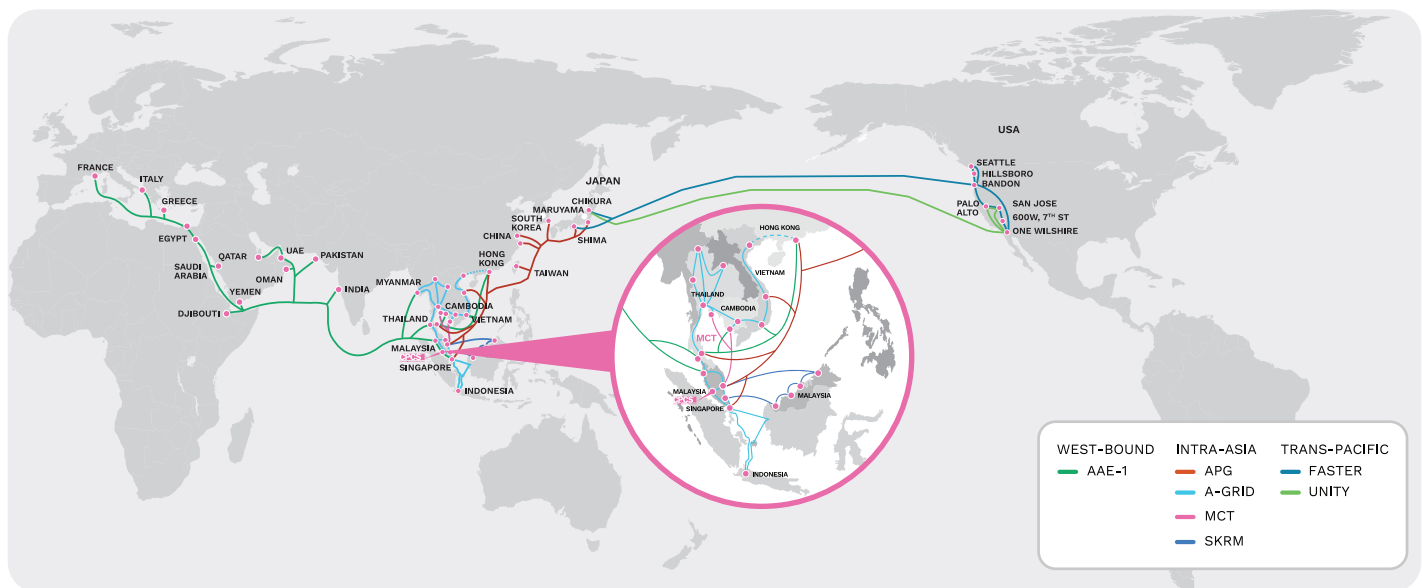
On the Retail front, Time was recognised by Ookla® for the following achievements in FY2022:

- **Malaysia's Most Consistent Broadband Provider for Q1 to Q4 2022**
- **Malaysia's Top-Rated ISP for Q3 and Q4 2022**

The Group is also proud to have launched the only 2Gbps home broadband plan available in Malaysia in October 2022. This was followed up by the launch of Pakej MyKabel in November 2022, a home broadband plan that was put together to cater to PPR residents as part of the Group's efforts to make gigabit access available to more Malaysians.

The Enterprise and Wholesale customer segments also displayed resilient demand for the Group's connectivity and cloud offerings, and the Group is cautiously optimistic this will continue into FY2023. Time remains committed to improving its network architecture and offerings to support digitalisation efforts in the country.

Global Network



As businesses globally recover from the COVID-19 pandemic, Time's extensive subsea cable systems continue to serve as the backbone for the Group's ability to meet demand for bandwidth and high-quality connectivity offerings for customers both domestically and internationally.

The demand for cost-efficient connectivity offerings bundled with software-defined solutions should sustain for the medium term.

The Group will continue to maximise the capacity of its international subsea cable systems while it continues with its network virtualisation efforts to keep up with shifting market needs.

MANAGEMENT DISCUSSION & ANALYSIS

Data Centres

Demand for data centres remain resilient, spurred by the migration of business processes and data into the cloud, driven in turn by the need for digitalisation, not just in Malaysia but across the region. AIMS, the Group's ecosystem centric data centre business, is well positioned to capture significant opportunities in this space, both locally and regionally.

After an extensive review of its data centre business, the Group concluded that in order to accelerate its regional data centre ambitions, a strategic partnership was needed. There were significant opportunities present in underserved markets across Asia that required significant investments as well as a deep understanding of how these markets operated.

A strategic partnership with DigitalBridge, one of the world's leading investors in digital infrastructure assets, was announced on 22 November 2022. Time and DigitalBridge envisioned a rapid and tactical expansion of data centre facilities across primary and secondary cities in ASEAN and beyond, with a focus on providing best-in-class services to multinationals, large enterprises, content providers, Internet infrastructure providers and financial institutions.

These plans will centre on AIMS as the primary platform for expansion whilst making Malaysia a core hub and gateway for greater connectivity in the region.

Via the strategic partnership, AIMS is valued at an enterprise value of RM3.2 billion compared to its current book value of RM240.0 million. This represents a significant gain since Time first acquired AIMS in 2012 for RM119.0 million.

The strategic partnership entails the immediate divestment by Time of 49% of the ordinary shares and 100% of the irredeemable convertible preference shares in AIMS Data Centre Holding Sdn Bhd, as well as 21% of the ordinary shares in AIMS Data Centre (Thailand) Limited. The transaction is expected to be completed by the end of Q2 2023, subject to certain conditions precedent being satisfied.

The Group will be able to crystallise substantial value from the investment made into AIMS over the years. Proceeds from the transaction, amounting to approximately RM2.0 billion, will partly be used to pay a special dividend of approximately RM1.0 billion to shareholders, while the balance will be reinvested into the Group to further grow shareholder value.

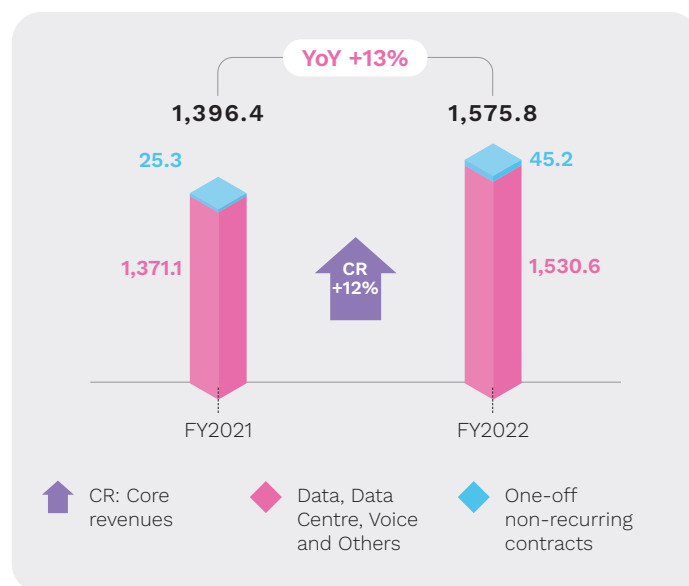
AIMS has seen an increase of 17% in total net lettable area in FY2022, which now stands at over 130,000 square feet.

Location	Net Lettable Area in Sq. Ft.
Kuala Lumpur	61,420
Cyberjaya	62,040
Others	7,020
TOTAL	130,480

ASEAN

The Group's regional operations continue to show similar growth trends to Malaysia, supporting the Group's regional diversification strategy. The Group will continue to expand its presence in Southeast Asia through its affiliates in Thailand and Vietnam and via other means, as opportunities present themselves.

Time's global customers continue to leverage Time's regional ecosystem to meet their increasing demand for bandwidth, which continues to support Time's business growth and expansion within the region.

FINANCIAL REVIEW¹**Group Revenue Performance (RM'million)**

¹ Due to the announced and impending divestment of stakes in AIMS Data Centre Holding Sdn Bhd and AIMS Data Centre (Thailand) Limited (collectively as "AIMS") and according to MFRS 5: "Non-current assets held for sale and discontinued operations", AIMS is to be treated as an asset held for sale, and thus disclosed as discontinued operations separately from continuing operations in the financial statements of the Group. For purposes of comparability, this financial review is presented on a fully consolidated basis.

MANAGEMENT DISCUSSION & ANALYSIS

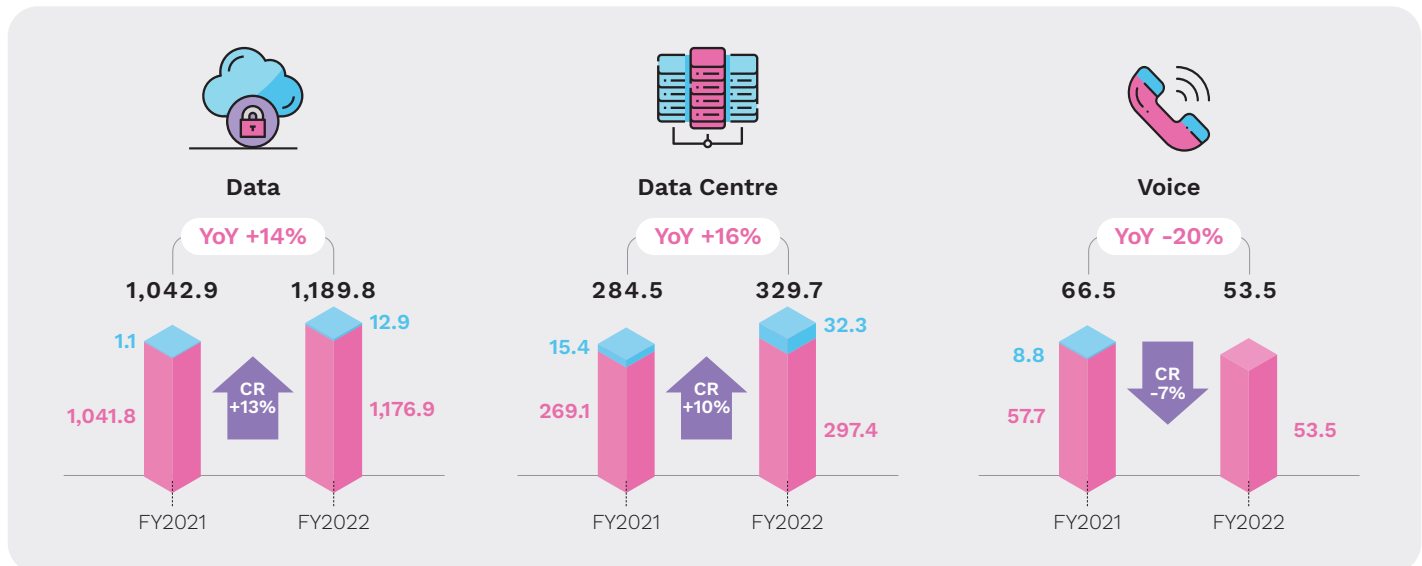
Operating Revenue	FY2021 RM'million	FY2022 RM'million
Within Malaysia	1,322.7	1,512.5
Outside Malaysia	73.7	63.3
	1,396.4	1,575.8

In FY2022, the Group reported consolidated revenue of RM1,575.8 million, which was RM179.4 million or 12.9% higher

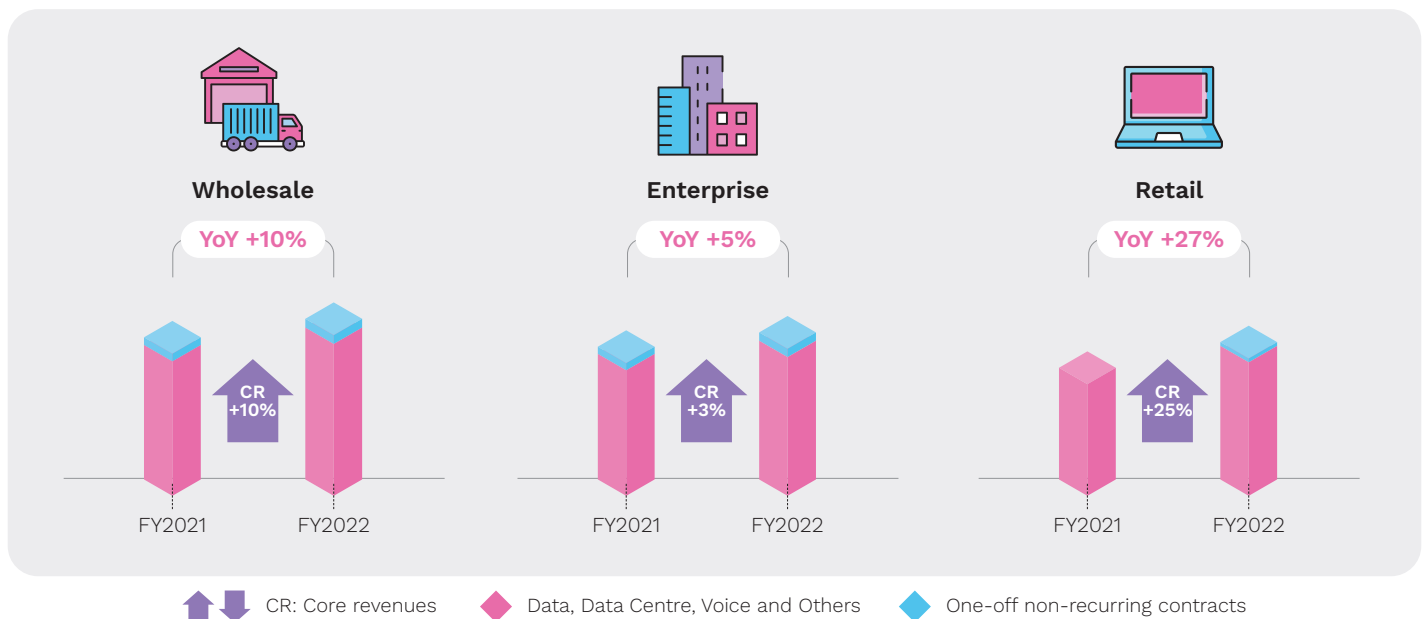
against RM1,396.4 million of consolidated revenue recorded in FY2021.

One-off non-recurring revenue and adjustments accounted for RM45.2 million of the total consolidated revenue recognised in FY2022 (FY2021: RM25.3 million). Excluding one-off non-recurring revenue and adjustments, the overall consolidated revenue in the current year increased by RM159.5 million or 11.6% when compared to the similarly adjusted revenue for FY2021.

Revenue by Product Group (RM'million)



Revenue by Customer Segment



MANAGEMENT DISCUSSION & ANALYSIS

The higher revenue was mainly due to higher recurring data revenue of RM135.1 million or 13.0%, and data centre revenue of RM28.3 million or 10.5% against the prior year.

All core customer groups contributed positively to overall revenue growth in FY2022. This was led by contributions from Retail, which grew by 26.7% against FY2021, and Wholesale, which grew by 9.6% against the preceding year. The Enterprise segment recorded revenue growth of 5.1% against last year.

Growth in Retail was driven by strong new customer acquisitions and a greater proportion of customers subscribing to higher bandwidth packages, as well as customer retention. Wholesale revenue growth was the result of robust take-up from OTT customers and the recovery in demand from other customers in this segment.

Enterprise revenue growth was mainly due to the continued increase of digitalisation, which underpinned demand for connectivity and ancillary solutions, in particular cloud services.

Income Statement

RM'million	FY2021	FY2022	YoY Variance %
REVENUE	1,396.4	1,575.8	13%
EBITDA	689.2	758.1	10%
PROFIT BEFORE TAX ("PBT")	532.7	577.1	8%
PROFIT AFTER TAX ("PAT")	396.8	453.6	14%
Adjustments on EBITDA:			
Donation for flood relief	-	1.3	
Reversal of overprovision for financial guarantee	(1.0)	-	
Forex gain	(19.1)	(28.8)	
Construction deposit and PPE written off	3.5	2.7	
Gain in disposal of PPE	-	(1.3)	
AIMS transaction related fees		2.4	
Total adjustments on EBITDA	(16.6)	(23.7)	
Adjustment on PBT and PAT:			
Dividend income	(0.4)	(0.2)	
Total adjustment on PBT and PAT	(0.4)	(0.2)	
Adjusted EBITDA	672.6	734.4	9%
Adjusted PBT	515.7	553.2	7%
Adjusted PAT	379.8	429.7	13%

Earnings before interest, tax, depreciation and amortisation ("EBITDA") grew by 10.0%, from RM689.2 million in FY2021 to RM758.1 million in FY2022.

The increase in the Group's FY2022 EBITDA was mainly due to higher overall revenue as well as higher net gain on foreign exchange ("forex"), higher gain on disposal of property, plant and equipment ("PPE"), and lower net impairment for construction deposits.

This was partially offset by higher staff-related costs, higher advertising expenses, higher allowance for doubtful debts and lower share of profit from associates.

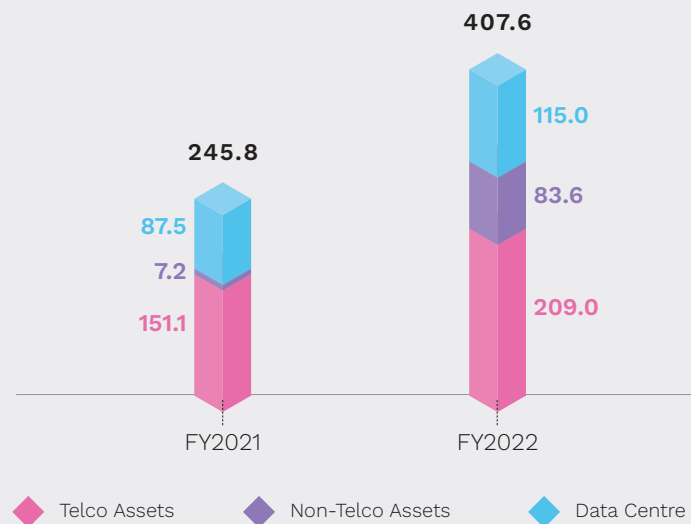
PAT was higher by 14.3% at RM453.6 million. This includes lower tax expenses due to the Group's recognition of deferred tax assets arising from approved investment tax allowances in a subsidiary.

MANAGEMENT DISCUSSION & ANALYSIS

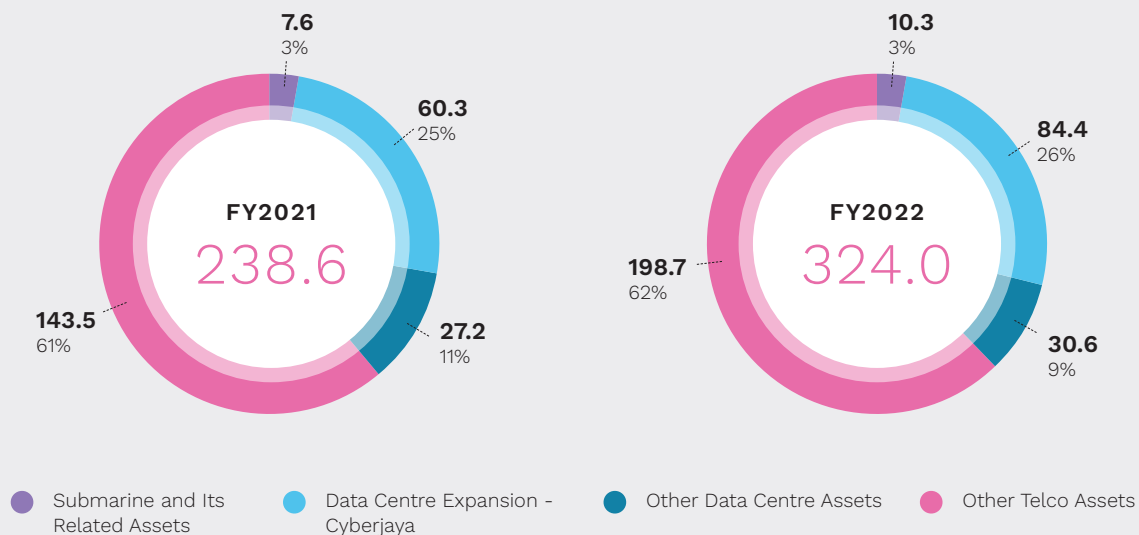
The Group's earnings were impacted by higher forex gains, gains on disposal of PPE, construction deposit and PPE write-off as well as AIMS transaction related costs and a donation for the December 2021 flood relief efforts. Excluding these items, as stated in the table above, the Group's Adjusted EBITDA was 9.2% higher at RM734.4 million in FY2022.

Capital Expenditure

CAPEX Breakdown (RM'million)



Breakdown of Telco Assets and Data Centre Assets (RM'million)



MANAGEMENT DISCUSSION & ANALYSIS

RM407.6 million or 25.9% of Group revenue was recorded for capital expenditure (“CAPEX”) for FY2022, 65.0% of which was spent on telco assets to expand domestic network coverage and upgrade Time’s existing network infrastructure including submarine cable related investments. 35.0% was spent on data centres, namely on AIMS Cyberjaya and other data centre assets. CAPEX for FY2022 was funded by internally generated funds and third-party borrowings.

Cash Flow

RM'million	FY2021	FY2022
Net cash inflow from operating activities	672.0	755.8
Net cash outflow from investing activities	(333.4)	(442.9)
Net cash inflow from operating and investing activities	338.6	312.9
Net cash outflow from financing activities	(295.4)	(588.1)
Net increase/(decrease) in cash and cash equivalents	43.2	(275.2)
Exchange effects on cash and cash equivalents	4.1	4.1
Cash and cash equivalents at beginning of the year	748.8	796.1
Cash and cash equivalents at end of the year	796.1	525.0*

* Cash balance for FY2022 includes asset held for sale.

During FY2022, Time recorded strong net cash inflow from operations of RM755.8 million (FY2021: RM672.0 million) and net cash outflow for investment activities of RM442.9 million.

The higher cash outflow from investing activities relate to higher acquisition of PPE (FY2022: RM452.0 million; FY2021: RM300.5 million), as well as additional investment in associate of RM12.9 million. Higher cash outflow from financing activities of RM588.1 million was recorded for FY2022 (FY2021: RM295.4 million), primarily due to higher payment of dividends, totalling RM540.2 million (FY2021: RM350.1 million) which included a one-off special dividend of RM300.1 million, arising from Time’s strong financial performance and balance sheet optimisation initiatives.

As at 31 December 2022, Time’s cash and cash equivalents stood at RM525.0 million, which includes RM40.4 million from assets held for sale.

Dividends

To demonstrate our commitment to continue to grow shareholder value and providing high returns, the Board announced a special interim tax exempt (single tier) dividend 16.34 sen per ordinary share that was declared on 29 August 2022 and paid out on 27 September 2022.

Subsequently, on 28 February 2023, the Board declared an ordinary interim and a special interim tax exempt (single tier) dividend of 12.33 sen and 2.36 sen per ordinary share, respectively. This was paid out on 24 March 2023.

MANAGEMENT DISCUSSION & ANALYSIS

Balance Sheet

RM' million	FY2021	FY2022
ASSETS		
Non-current assets	2,775.8	2,380.3
Current assets	1,345.5	1,056.4
Assets classified as held for sale	-	752.7
Total assets	4,121.3	4,189.4
EQUITY AND LIABILITIES		
Equity		
Share capital	1,379.1	1,418.6
Reserves	1,762.2	1,683.2
Total equity attributable to owners of the Company	3,141.3	3,101.8
Non-controlling interest	22.2	25.9
Total equity	3,163.5	3,127.7
Non-current liabilities	556.9	499.3
Current liabilities	400.9	389.2
Liabilities classified as held for sale	-	173.2
Total liabilities	957.8	1,061.7
Total equity and liabilities	4,121.3	4,189.4

The Group's balance sheet remains strong, with assets continuing to significantly outweigh liabilities.

The Group's total asset position has strengthened to RM4,189.4 million, 1.7% higher year-on-year (FY2020: RM4,121.3 million). The growth in total assets is attributed to the following:

- Increase in PPE of RM252.1 million due to the aforementioned network expansion, data centre expansion in Cyberjaya and acquisition of Bangunan KWSP;
- The additional investment in associate of RM12.9 million;
- Increase in trade and other receivables of RM79.0 million due to higher revenue; and
- Offset by decrease in cash and cash equivalents of RM271.1 million as a result of higher dividend payout of RM190.1 million and higher acquisition of PPE of RM151.5 million.

In FY2022, total liabilities increased by RM103.9 million to reach RM1,061.7 million. The biggest changes in liabilities came from higher deferred tax liabilities, unearned revenues from advanced billings to customers, higher provisions made for Universal Service Obligations and higher trade and other payables.

MANAGEMENT DISCUSSION & ANALYSIS

Loans & Borrowings

RM'million	FY2021	FY2022
Non-current	108.0	12.7
Term loans	108.0	8.0
Revolving credit	-	4.7
Current	22.5	16.9
Term loans	22.5	9.6
Revolving credit	-	7.3
Total loans & borrowings	130.5	29.6
Loans & borrowings under liabilities held for sale	-	90.6*
Total loans & borrowings with liabilities held for sale	130.5	120.2

* Items classified as held for sale are as per MFRS 5 in relation to the impending AIMS transaction.

As at 31 December 2022, the Group's gearing ratio improved at 4.2% (FY2021: 4.5%). The Group's low gearing, coupled with its robust cash balance, not only points to its financial strength and resilience but also underscores its ample capacity to access more funding through debt if the need arises.

RISK MITIGATION

Whilst the Group has been able to thrive by building a culture of innovation and high performance, it is mindful of the risks that come with exploring potential markets, adapting to new technologies, entering strategic partnerships and launching new service offerings.

The Board and Senior Management continuously work to mitigate possible risks that can impact business operations. Time also regularly reviews its strategic, business and operational processes and risks in tandem with changes in the external operating environment. This includes network failure and disruption, service outage, cyberthreats, supply chain disruptions and regulatory issues.

The Group has put in place a structured framework to identify crucial risks across the Group and map out action plans for mitigation. The Risk Register and Risk Matrix have been kept current and relevant to ensure the most comprehensive risk scenarios are included in the overall approach to risk management.

The Time Business Continuity and Disaster Recovery ("BCD") plans have also been scrutinised by the Board and Senior Management. These reviews include discussions on management submissions on strategic risks, identifying crucial risks and approving relevant action plans to mitigate such risks based on priority. Both the Risk Register and the BCD plan have been found to be robust and provide necessary guidance to ensure an effective response to a wide range of risk related scenarios.

The Group's Enterprise Risk Management ("ERM") framework ensures an effective response in identifying and prioritising risk factors and in providing effective mitigation. The ERM team works closely with risk owners and the Board maintains strategic oversight on risks via the Risk Management Steering Committee ("RMSC") and the Board Audit Committee ("AC").



Specific details on Time's ERM framework such as its triple-tier structure and supporting processes can be found in the **Directors' Statement on Risk Management and Internal Control ("SORMIC")** of this Annual Report.

OUTLOOK AND PROSPECTS

As the country navigated the pandemic, it became clear that connectivity and digitalisation were critical in cushioning the various impacts and disruptions to businesses and everyday life.

The Group is cautiously optimistic of its prospects, as demand for Time's products and services have remained robust, driven by higher utilisation and digitalisation initiatives across core customer segments.

In particular, demand for data and cloud services looks promising in the Retail and Enterprise segments. The Group will continue to focus on its execution capacity, whilst enhancing its solutions and customer service experience across the board for continued and sustainable growth.

SUSTAINABILITY STATEMENT

SCOPE & BOUNDARY

This Sustainability Statement (“Statement”) covers the period from 1 January 2022 to 31 December 2022 (“FY2022”). All initiatives and performance data disclosed are derived from the Group’s operations which includes subsidiary companies in Malaysia. Excluded are associates, overseas operations, third party contractors, suppliers, vendors and other related value chain partners.

This statement has been prepared in line with the Bursa Malaysia Sustainability Reporting Guide Third Edition. Where relevant, select disclosures have been developed in reference to the Global Reporting Initiative (“GRI”) Standards, Taskforce on Climate Change Financial Disclosures (“TCFD”) and the Sustainability Accounting Standards Board (“SASB”).

MATERIALITY

Information deemed material for inclusion have been determined based on the following considerations:

1. Topics that are material to enterprise value creation
2. Topics that are material to the environmental, social and governance (“ESG”) agenda

REITERATED INFORMATION

This statement contains some reiteration of information from the previous year’s statement. This includes information on stakeholder engagement, the governance structure, risk management frameworks as well as information on output produced and business processes.

This is due to the fact that such information remains unchanged from the previous year save for performance numbers, if any.

PRECAUTIONARY APPROACH

Time has applied the precautionary approach as reflected via its risk mitigation strategies and framework, and in preventing occupational health and safety (“OHS”) incidents.



For specific information, please refer to the subsection on OHS on page 44 and the **Directors’ Statement of Risk Management and Internal Control (“SORMIC”)** in this Annual Report.

DRIVING THE SUSTAINABILITY AGENDA

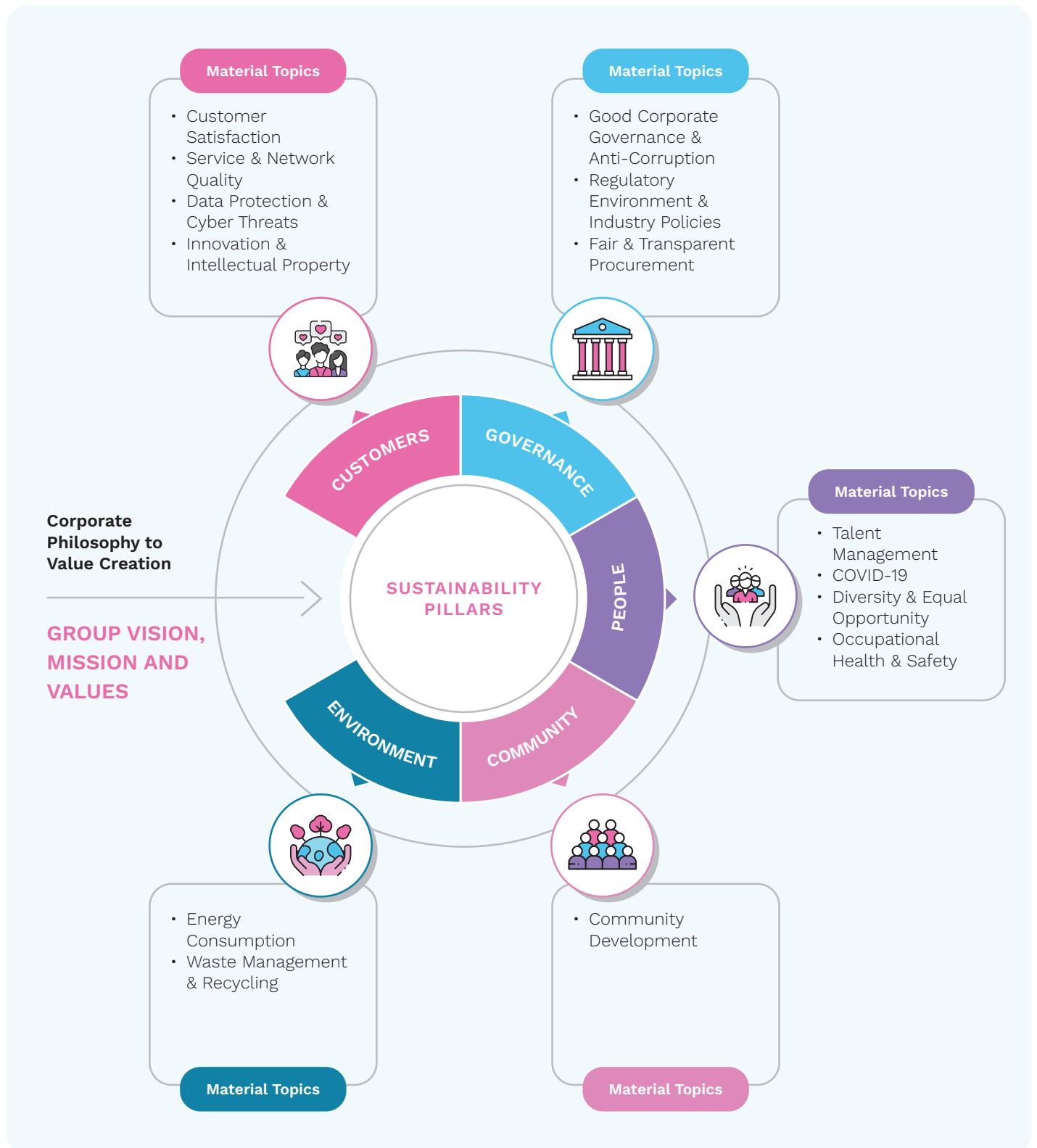
Time has continued to focus on its sustainability agenda in FY2022, given the increasing significance of ESG performance to business and operational outcomes. The Group is cognisant of the impact that non-financial performance has on value creation for stakeholders.

Prioritising ESG performance isn’t limited to risk mitigation and the Group is exploring the value accretive potential of ESG moving forward.

From fulfilling its responsibilities as a responsible corporate citizen to embedding ESG within its business model, Time will continue on its ESG journey to deliver non-financial performance as it works towards sustainable business growth.

SUSTAINABILITY STATEMENT

GROUP SUSTAINABILITY FRAMEWORK



SUSTAINABILITY STATEMENT

SUSTAINABILITY GOVERNANCE

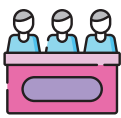
As previously reported, Time has established a robust governance structure to drive sustainability within the Group. The structure enables strategic oversight of ESG matters, to manage and mitigate risks, and to progressively link or embed ESG into the business model and business processes.

The governance structure ensures that sustainability is given the necessary strategic focus and is viewed as an intrinsic and fundamental part of business strategy and operations. A cross-functional, Group-wide approach allows for meaningful changes to be realised.



Board of Directors

- The Board of Directors has oversight on sustainability.
- Strategies related to sustainability are also determined at the Board level.
- This includes matters such as integrity, anti-corruption, code of conduct, occupational health and safety as well as talent management and risk.



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.

The governance structure begins with the Board, the highest decision-making body in the Group. The SSC is responsible for the formulation of the Group’s overall sustainability strategy and the SWG.



For further details on the Board’s roles and responsibilities as well as Board Composition, Board independence and performance, kindly refer to the **Corporate Governance Overview Statement** in this Annual Report.

SUSTAINABILITY STATEMENT

The **Corporate Governance Report** also showcases how Time has applied the stipulated practices of the MCCG 2021. In FY2022, the Group implemented two new policies that were approved by the Board:

Directors' Fit and Proper Policy

On 30 May 2022, the Board approved the adoption of the Directors' Fit and Proper Policy for implementation within the Company and its group of companies. This policy is in line with the amended Main Market Listing Requirements and addresses board quality and integrity for the appointment and re-election of directors of the listed issuer and its subsidiaries which came into effect on 1 July 2022. The policy can be viewed at www.time.com.my/2022-Directors_Fit_and_Proper_Policy.

Directors' Conflict of Interest Policy

On 28 November 2022, the Board approved the adoption of the Directors' Conflict of Interest Policy in an effort to ensure that each of the Directors of the Group ("Director") exercise judgement and perform their duties with integrity, accountability and openness.

The policy sets out the disclosure obligations of each Director with respect to conflict of interest ("COI"), and the procedures to be followed when a COI arises or potentially arises to ensure systematic identification, disclosure and management of COI in an effective and timely manner. The policy can be viewed at www.time.com.my/2022-Directors_Conflict_of_Interest_Policy.

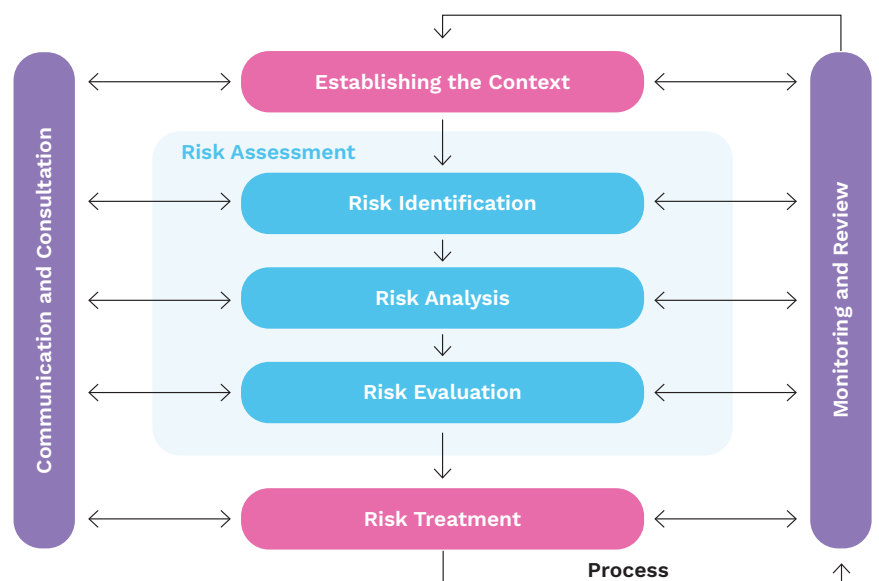
EMBEDDING ESG FOCUS INTO GROUP RISK MANAGEMENT

As part of the management approach to sustainability, ESG-related risks are being progressively incorporated into the Group's Risk Register to ensure a unified view of risk factors, to establish stronger linkages between financials, business operations and ESG matters.

Time's ERM process involves a systematic application of the risk management framework to facilitate risk identification, analysis and evaluation as well as risk treatment.



Detailed information on the Group's Risk Management Framework and its defence mechanisms are provided in the **SORMIC** of this Annual Report.



STAKEHOLDER ENGAGEMENT

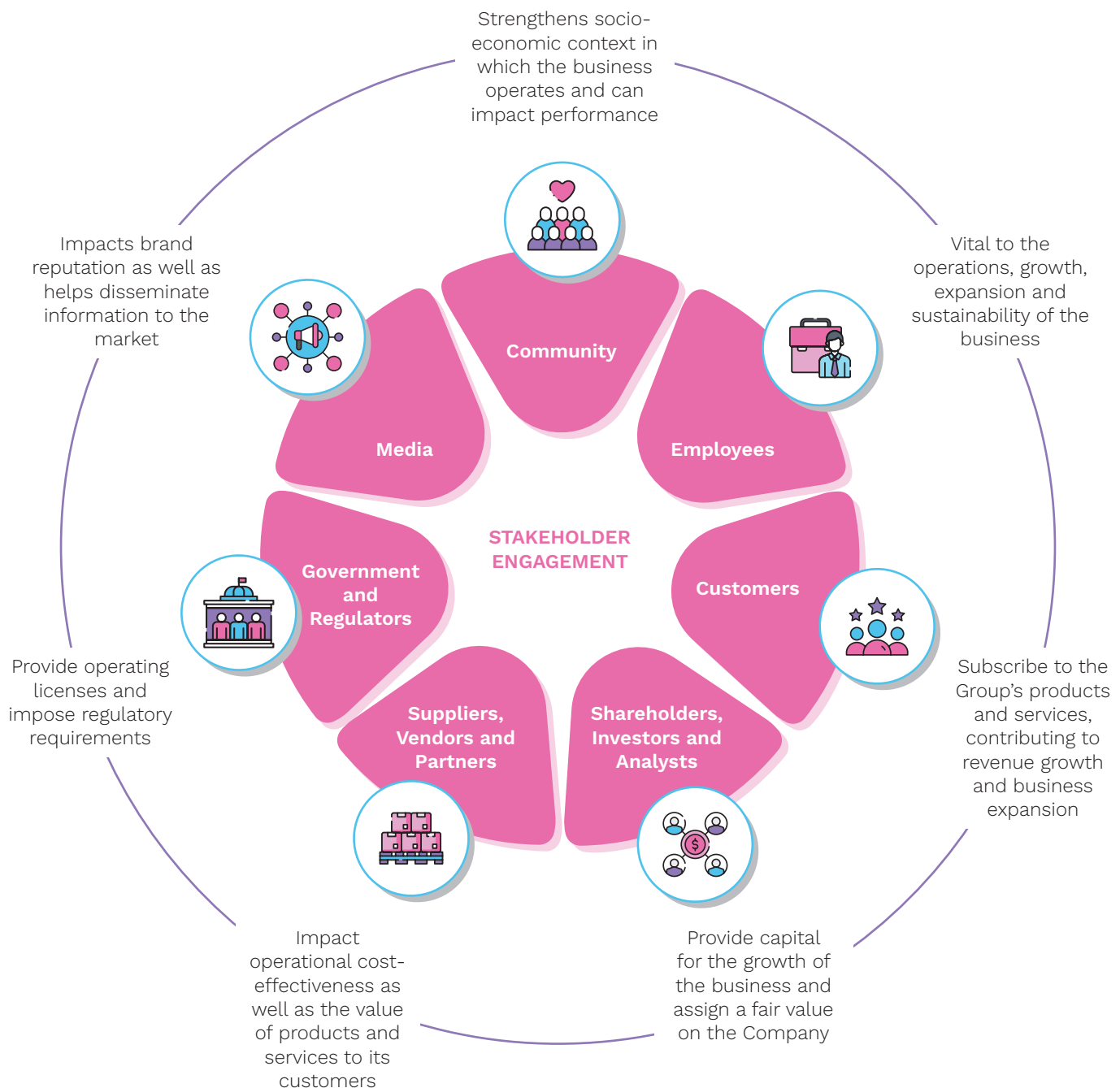
As in previous years, stakeholder management and engagement remain a fundamental aspect of Time's approach to sustainability. Stakeholders are an integral aspect and their views, perceptions, concerns and demands can affect changes in organisational performance.

The information and insights gathered from stakeholders (through both formal and informal engagement channels) provide Time with useful perspectives of what stakeholders expect and want from Time as well as what topics are deemed material to stakeholders.

SUSTAINABILITY STATEMENT

These perspectives then inform and are taken into consideration when the Group assesses its business and operational strategies. Time's stakeholders and engagement channels remain largely the same as the previous year, with the notable exception of more physical meetings with stakeholders as the business environment and landscape normalises.

Hence, the Stakeholder Engagement table presented in FY2022's disclosures is mostly a restatement from the previous financial year's reporting.



SUSTAINABILITY STATEMENT

Employees



Related Material Topic(s)	Strategy	Engagement Method	Material Stakeholder Interest
<ul style="list-style-type: none"> Talent Management Diversity & Equal Opportunity Occupational Health & Safety Anti-Corruption & Good Corporate Governance 	Ensure the safety and well-being of employees while maintaining consistent engagement. Talent retention and development remain key focus areas. Succession planning and talent development have also been embedded into Senior Management's KPI	<ul style="list-style-type: none"> Intranet, newsletters and broadcasts Employee self-service portal Engagement events i.e. culture, training & development programmes Hybrid townhalls Annual performance appraisal Employee satisfaction survey 	<ul style="list-style-type: none"> Personal & career development Safety & well-being Consistent communication with management and leadership Competitive remuneration

Customers



Related Material Topic(s)	Strategy	Engagement Method	Material Stakeholder Interest
<ul style="list-style-type: none"> Service & Network Quality Customer Satisfaction Data Protection & Cyber Threats Anti-Corruption & Good Corporate Governance Brand Appeal 	Ensure that customers are kept informed of offerings available to them and other related developments as well as providing various channels for feedback	<ul style="list-style-type: none"> Contact centre hotline and email Social media Advertising & promotions Client/service managers Tactical events, roadshows, conferences, webinars, etc. Self Care portal & Time Internet app 	<ul style="list-style-type: none"> 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

Suppliers, Vendors and Partners



Related Material Topic(s)	Strategy	Engagement Method	Material Stakeholder Interest
<ul style="list-style-type: none"> Anti-Corruption & Good Corporate Governance Regulatory Environment & Industry Policies Fair & Transparent Procurement 	Ensure two-way dialogue to support constant improvement, performance monitoring/feedback and updates on internal policies to achieve alignment	<ul style="list-style-type: none"> Virtual meetings Supplier assessment system Product launches Virtual briefings and trainings 	<ul style="list-style-type: none"> Health and safety standards Fair procurement and treatment Business collaboration opportunities Operational and business innovations

SUSTAINABILITY STATEMENT



Government and Regulators

Related Material Topic(s)	Strategy	Engagement Method	Material Stakeholder Interest
<ul style="list-style-type: none"> • Customer Satisfaction • Service & Network Quality • Data Protection & Cyber Threats • Regulatory Environment & Policies • Anti-Corruption & Good Corporate Governance • Climate Change & Emissions 	Ensure two-way dialogue to support constant improvement, performance monitoring/feedback and updates on internal policies to achieve alignment	<ul style="list-style-type: none"> • Virtual meetings • Supplier assessment system • Product launches • Virtual briefings and trainings 	<ul style="list-style-type: none"> • Health and safety standards • Fair procurement and treatment • Business collaboration opportunities • Operational and business innovations



Shareholders, Investors and Analysts

Related Material Topic(s)	Strategy	Engagement Method	Material Stakeholder Interest
<ul style="list-style-type: none"> • Service & Network Quality • Customer Satisfaction • Data Protection & Cyber Threats • Anti-Corruption & Good Corporate Governance • Regulatory Environment & Industry Policies • Climate Change & Emissions 	Ensure that shareholders, investors and analysts are kept updated on the financial and non-financial performance of the Group	<ul style="list-style-type: none"> • Shareholder updates • Virtual briefings, meetings and conferences • Investor Relations website • Financial reports • Annual report • Virtual annual general meeting • Virtual extraordinary general meeting 	<ul style="list-style-type: none"> • 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 payout

SUSTAINABILITY STATEMENT

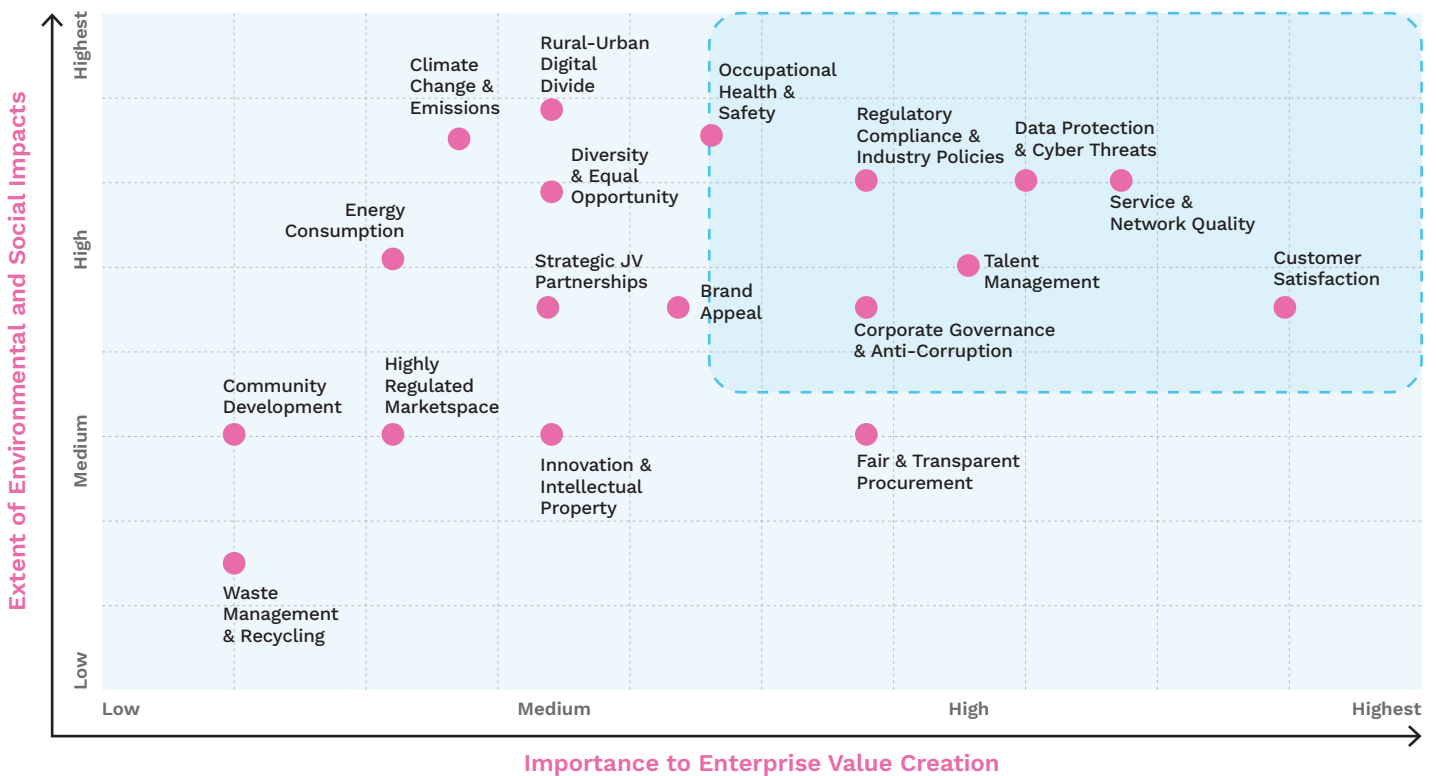
MATERIAL ESG TOPICS

In FY2022, Time undertook a fresh materiality assessment exercise (“MAE”) to identify and prioritise its material ESG topics. Malaysia started its transition to the endemic phase on 1 April 2022 following the effectiveness of its public health preventative and control measures, making it an opportune time to reassess the Group’s material topics.

The objective was to ascertain whether there would be significant changes to materiality in FY2022 post-pandemic. The FY2022 MAE was conducted based on the following approaches to materiality:

- Extent of topic’s impact on Time’s ability to create enterprise value
- Extent of topic’s impact on Time’s ESG agenda

Materiality Matrix



SUSTAINABILITY STATEMENT



CUSTOMERS

Customer Satisfaction

Amidst an increasingly competitive landscape where customers are spoiled for choice, customer satisfaction is more critical than ever in contributing to business and financial growth. The Group's approach to ensuring high levels of customer satisfaction involve a close inspection of customer touchpoints across the customer journey and life cycle.

Pricing, speed and quality of Time's products and services are tracked and monitored closely, with continuous improvements being implemented across the business process and value chain to provide enhanced value propositions.

Time also measures customer satisfaction at critical points of customer engagements. Surveys are conducted periodically for accurate assessments. The Group continues to leverage technology to deliver predictive and customised solutions.

In addressing customers, Time uses chatbots, self-care applications, interactive voice response and other digital platforms, together with conventional mediums such as customer hotlines and emails. This is done to ensure that customers can interact with Time in whatever manner suits their needs most.

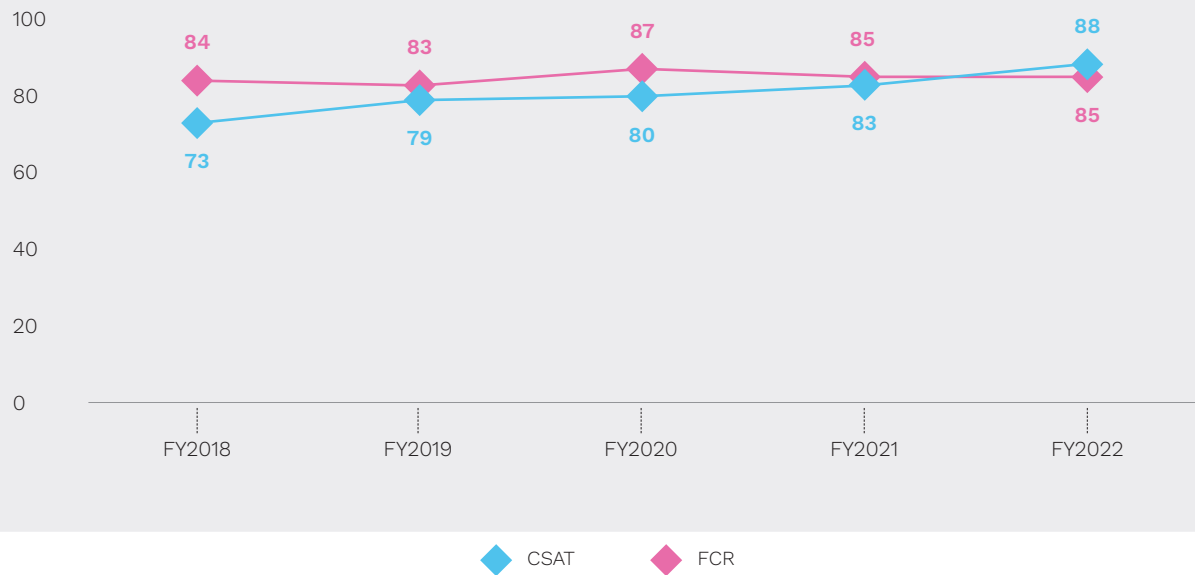
In FY2022, Time initiated and undertook the following measures to improve customer service and subsequently, customer satisfaction:

- Improvements in chatbot features and effectiveness were made. Chatbots were re-trained on queries and a bigger question bank was built to make the platform more intuitive. A greater degree of automation was implemented towards enabling better responses to customers' queries in order to generate accurate answers. The various improvements resulted in more than 50% of live chat customer engagements and queries being resolved by chatbots. This has led to a reduced volume of calls and emails, while improving resolution times.
- Real-time JomPay payment update and service restoration within 30 minutes was implemented as opposed to the previous process where updates could only be made on the next business day.
- Next business day installation and flash installation (same day installation), which saw a take-up rate of 22% of total volume of installations from January to December 2022.
- Doubled optical line terminal capacity from 10Gb to 20Gb, enabling Time to navigate larger traffic loads without experiencing reduction in speed.
- Improved network backup and redundancy resulting in reduced incidents of service interruption during fibre cuts.
- Enhancement of self-care functionalities and development of various "How To" videos, self-help guides and self-care functionalities such as self-diagnostics system tests and results. These enabled customers to quickly seek assistance and on many occasions, resolve issues on their own, further improving customer experience.
- The ongoing digitalisation drive has led to 74% of all customer interactions and transactions being performed through online mediums.

As a result of the various efforts taken to improve service levels and experiences across the customer experience journey, Time has continued to achieve a commendable customer satisfaction ("CSAT") score for FY2022. The Group was also able to retain a first call resolution ("FCR") rate within the same range.

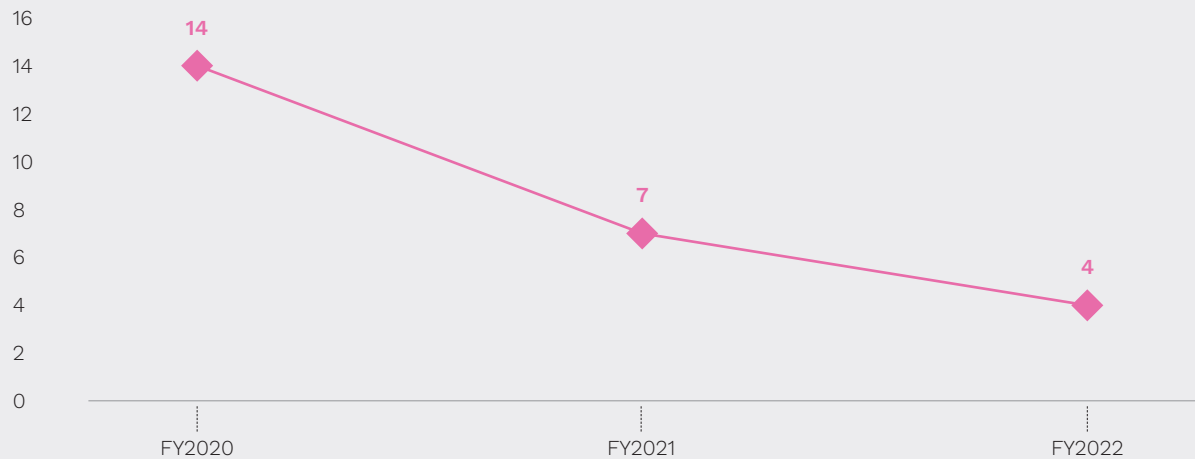
SUSTAINABILITY STATEMENT

CSAT and FCR Scores (%)



In addition, Time has reduced the mean time to respond (“MTTR”) by almost 50% with an average of four hours in FY2022 compared to an average of seven hours in FY2021. MTTR is defined as the average outage recovery time to troubleshoot and repair faulty or damaged equipment.

MTTR (Hours)



SUSTAINABILITY STATEMENT

Regulatory Compliance for Customer Satisfaction

In FY2022, Time had exceeded the Mandatory Standards of Quality of Service parameters set by the industry regulator, the MCMC. The Group registered an 87% fulfilment of calls answered within 30 seconds, exceeding the regulator's benchmark of 85% of calls answered within 30 seconds.

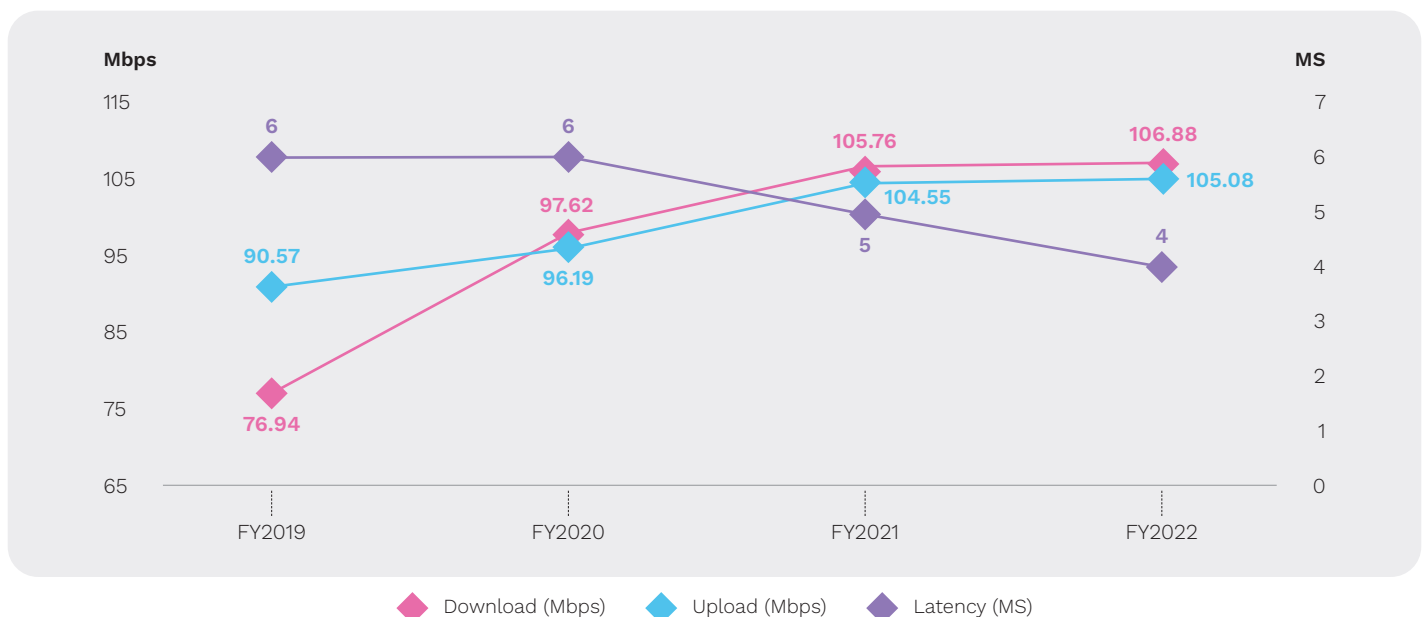
The Group has also seen a significant 47% reduction in complaints lodged by stakeholders to MCMC on Time's products and services. The Group's regulatory compliance performance for FY2022 can be seen below:

Item	FY2022
Incidents of non-compliance with regulations resulting in a fine or a penalty	0
Incidents of non-compliance with regulations resulting in a warning	Notice under sub-section 51(2) of the CMA dated 21 September 2022 on Mosques (WBAS) a. Testing Procedure (FTP) b. Testing Procedure (CPE)
Total monetary value of significant fines	0
Total number of non-monetary sanctions	0
Cases brought through dispute resolution mechanisms	0

Service Network & Quality

Service network and quality are key aspects that contribute to customer satisfaction. Time is committed to providing strong network availability and quality services by constantly improving its network infrastructure. This includes fibre routing, network health, operation processes and automation.

As a result, Time was recognised as Malaysia's Most Consistent Fixed Network based on analysis by Ookla® of Speedtest Intelligence® data from Q1 2022 through Q4 2022. Further to that, Time was also recognised as Malaysia's Top-Rated ISP based on analysis of data by Ookla® from Q3 2022 and Q4 2022.

Average Throughput and Latency

SUSTAINABILITY STATEMENT

In FY2022, the Group has continued to focus on network stability to provide a seamless experience to its customers. Network virtualisation is an ongoing exercise as part of a larger initiative to digitalise Time's network infrastructure and architecture. Efforts focused on Smart WiFi technology were maintained and intensified. Smart WiFi technology ensures that everyone in the household gets connected to the strongest, fastest signal automatically.

The continued deployment and upgrade of management and analysis software across the network has enabled faster and more precise detection of WiFi connectivity issues alongside quicker and more effective resolution of the same.

For its efforts, Time has continued to be recognised by the industry, regulators and others for exceptional performance:

- First telecommunications service provider in Southeast Asia to obtain the industry-leading MEF 3.0 SD-WAN certification
- One of only two providers in the world with all three headlining certifications from MEF
- Malaysia's Most Consistent Broadband Provider by Ookla® for Q1 to Q4 2022
- Malaysia's Top-Rated ISP by Ookla® for Q3 and Q4 2022
- First telecommunications service provider in Malaysia to provide a 2Gbps home fibre broadband plan

Validation of Time's high level of service and network quality is provided in the Group's continued certification to the following industry and regulatory standards:

Certifications/ Compliance	Description	Products/Services/ Business
ISO 9001:2015 Quality Management System	Quality Management System ("QMS") specifies requirements to consistently provide products and services that meet the needs of customers and other relevant stakeholders.	Time Cloud Services, Time Security Advance Monitoring, Data Centre Managed Services and Co-location
NRA	A Network Resilience and Risk Assessment ("NRA"), as per the requirements of Bank Negara Malaysia's ("BNM") Risk Management in Technology ("RMiT") policy, is carried out to determine the capability of an infrastructure system to cope with unusual events that may damage the system, and the ability and time needed to recover efficiently from such damage.	IP Core, Metro Ethernet, GPON and DWDM Networks
MEF 3.0 SD-WAN	MEF 3.0 SD-WAN certification defines an SD-WAN service and its service attributes to facilitate creation of powerful new hybrid networking solutions optimised for digital transformation.	Time Managed SD-WAN
MEF 3.0 Carrier Ethernet	MEF 3.0 Carrier Ethernet certification validates performance excellence, provides competitive differentiation and enables service providers to establish a standards-compliant presence within a federation of automated networks, among other business benefits.	Point-to-point, E-NN1 Point-to-multipoint and Multipoint-to-multipoint
MEF 3.0 LSO Sonata	MEF 3.0 LSO Sonata certification enables the verification and resulting business velocity to inter-provider service automation by establishing and validating adherence to the LSO Sonata API standards.	Time Core Network Services

Additionally, in FY2022, Time was successfully recertified for ISO 9001:2015 QMS.

SUSTAINABILITY STATEMENT

Data Protection & Cyber Threats

Time abides by the Personal Data Protection Act 2010 in keeping all pertinent data, including customer data, safe.

Time adopts a wide range of ICT-based systems to ensure safe storage of data. This includes firewalls and other protection mechanisms. Data integrity and confidentiality is always prioritised.

Network security enhancements undertaken in FY2022 include the following:

- Deployed a centralised management server to improve the efficiency in managing multiple firewall configurations
- Expanded license capacity for various security systems to cover all critical assets for access control, vulnerability management, firewall policy optimisation and distributed denial-of-service (“DDoS”) attack defence

Employees are briefed on the importance of safeguarding data privacy during their induction into Time as new employees. Access to data is also carefully guarded with restricted levels of access. Transfer of files are encrypted to ensure safety.

In FY2022, there were zero cases of data breach. All DDoS attacks faced were arrested and mitigated without affecting the Group's systems, customers or other stakeholders.

The Group has implemented strong access controls that include advanced threat detection and prevention for critical systems to increase data security. Time's approach to ensuring data and network security against cyber threats is proven robust through the certifications below:

Certifications/ Compliance	Description	Products/Services/ Business
ISO/IEC 27001:2013 Information Security Management System	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 Advance Monitoring, Data Centre Managed Services and 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/IEC 20000-1:2018 IT Service Management System	ISO/IEC 20000-1 outlines the requirements to deliver IT managed services, measure service levels and assess their performance. This standard is aligned with the IT Infrastructure Library, the global de facto standard for IT Service Management.	Co-location
PCI-DSS 3.2.1	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 Infrastructure-as-a- Service, AIMS Data Centres and Co-location
TVRA	A Threat and Vulnerability Risk Assessment (“TVRA”), as per the requirements of the Monetary Authority of Singapore Technology Risk Management Guidelines, is carried out to assess the physical and environmental security of a data centre to ensure it is up-to-date and fully capable of handling security issues, as well as overall business risk.	AIMS Kuala Lumpur, AIMS Cyberjaya and AIMS CJ1

SUSTAINABILITY STATEMENT

Certifications/ Compliance	Description	Products/Services/ Business
DCRA	The Data Centre Resilience and Risk Assessment (“DCRA”), as per the requirements of BNM’s RMiT policy, is carried out to identify all major risks, operational weaknesses and current level of resiliency in a data centre in order to determine the extent of protection needed to safeguard it.	AIMS Kuala Lumpur and AIMS Cyberjaya
TIA-942 Rated-3	The Telecommunications Infrastructure Standards (“TIA-942 Rated-3”) indicates a data centre facility has redundant capacity components and redundant distribution paths that serve the computer equipment and protect against most physical events.	AIMS Kuala Lumpur
CSA STAR	The Cloud Security Alliance’s Security, Trust, Assurance and Risk (“CSA STAR”) Registry showcases an organisation’s security and compliance posture, including the regulations, standards and frameworks they adhere to.	Time Cloud Services
Uptime Institute Tier III Certification of Design Documents	Tier Certification of Design Documents is a rigorous set of standards that ratifies the functionality and capacity evidenced in the engineering and architectural specifications of a facility design, taking into account criteria covering mechanical, electrical, structural and site elements.	AIMS Cyberjaya and AIMS CJ1
Uptime Institute Tier III Certification of Constructed Facility	Tier Certification of Constructed Facility ensures that a facility has been constructed as designed, and verifies that it is capable of meeting the defined availability requirements based on review of multiple mechanical and facility criteria.	AIMS Cyberjaya and AIMS CJ1

In addition, for FY2022, Time was successfully recertified for the following:

- ISO/IEC 20000-1:2018 IT Service Management System
- ISO/IEC 27017:2015 Security Control for Cloud Services
- PCI-DSS 3.2.1
- CSA Star

Customers can rely on Time Cloud Services to comply with the latest RMiT guidelines for financial institutions as issued by BNM to ensure data confidentiality, integrity and availability in the cloud.

This demonstrates Time’s information security defences are robust and specific issues critical to cloud security have been addressed. When customers host their mission critical data and systems with Time, they can be confident that their data is protected by strong security measures based on the highest security controls of CSA Star standards.

SUSTAINABILITY STATEMENT



GOVERNANCE

Good Corporate Governance

Time has also established its Group-wide Sustainability Policy which outlines the Group's commitment to addressing ESG matters, and its broad goals, objectives and plans related to material topics. The Sustainability Policy can be viewed at www.time.com.my/2021-Sustainability_Policy.

The Group has also established various other related policies and complies with the relevant industry laws and guidelines:

Group Policies

- Terms of Reference
- Code of Conduct & Ethics
- Anti-Bribery & Corruption ("ABC") Policy
- Whistleblowing Policy
- Corporate Disclosure Policy
- Conflict of Interest Policy
- Fair and Transparent Procurement Policy

Regulations and Industry Standards

- 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

In addition, Time also complies with the latest policies released by MCMC.

- Commission Determination on the Mandatory Standards for Quality of Service (Wired Broadband Access Service), Determination No. 1 of 2021
- Commission Determination on the Mandatory Standards for Quality of Service (Customer Service), Determination No. 4 of 2021
- Commission Determination on Access List, Determination No. 6 of 2021
- Changes to the Numbering and Electronic Addressing Plan ("NEAP"), Amendment No. 1 of 2021

Driving Good Governance through Operational Site Certification

Time continuously aligns itself to certifications such as ISO certifications, PCI-DSS, CSA Star, etc. These are incorporated into the current scope of business.

SUSTAINABILITY STATEMENT

In FY2022, Time's Core and Metro Ethernet networks (IP Core, DWDM, ME and GPON) continued to comply with BNM's RMIT Guidelines for network resilience, NRA. All key operational sites and the following subsidiaries possess the necessary certifications as follows:

Company	Certification
Time/TTdC	ISO/IEC 27001:2013 ISO/IEC 27017:2015 ISO 9001:2015 PCI-DSS 3.2.1 NRA CSA STAR MEF 3.0 SD-WAN MEF 3.0 Carrier Ethernet MEF 3.0 LSO-Sonata
AIMS	ISO/IEC 27001:2013 ISO 9001:2015 ISO 20000:2018 ISO/IEC 20000-1 PCI-DSS 3.2.1 TVRA (AIMS Kuala Lumpur, AIMS Cyberjaya & AIMS CJ1) DCRA (AIMS Kuala Lumpur & AIMS Cyberjaya) TIA-942 Rated-3 (AIMS Kuala Lumpur) Uptime Institute Tier III Certification of Design Documents and Constructed Facility (AIMS Cyberjaya & AIMS CJ1)

Regulatory Compliance

In September 2022, MCMC issued its latest Mandatory Standards on Access.

Time continues to ensure compliance with the following government and industry regulations:

- Communications and Multimedia Act 1998 and its subsidiary laws and regulations
- General Consumer Code of Practice for the Communications and Multimedia Industry in Malaysia
- NEAP
- Competition Act 2010
- REG-T007 – Regulatory Framework for Telecommunications Network Boundaries
- Commission Determination on the Mandatory Standard on Access, Determination No. 1 of 2022
- Commission Determination on the Mandatory Standard on Access Pricing, Determination No. 1 of 2017 - ongoing revision process
- Commission Determination on Access List, Determination No. 6 of 2021
- Commission Determination on the Mandatory Standards for Quality of Service (Public Switched Telephone Network Service), Determination No. 1 of 2002
- Commission Determination on the Mandatory Standards for Quality of Service (Wired Broadband Access Service), Determination No. 1 of 2021
- Commission Determination on the Mandatory Standards for Quality of Service (Customer Service), Determination No. 4 of 2021
- Commission Determination on the Mandatory Standards for Quality of Service (Public Cellular Service), Determination No. 1 of 2015
- Commission Determination on the Mandatory Standards for Quality of Service (Digital Leased Line Service), Determination No. 3 of 2009

SUSTAINABILITY STATEMENT

Zero-Tolerance Stance on Corruption

Time adopts a zero-tolerance approach to all forms of corruption, including bribery or the giving and solicitation of favours and contracts. Pursuant to Section 17A of the Malaysian Anti-Corruption Commission ("MACC") Act 2009, Time implemented its ABC Policy in June 2020.

The ABC Policy is guided by the Ministerial Direction/Guidelines published by the Malaysian government, which is anchored to the pillars of T.R.U.S.T. In essence, the ABC Policy defines what corrupt acts are and strictly prohibits them from being carried out in any manner within the Group or in any dealings involving the Group or its business partners, including agents and vendors. As such, the Policy extends to any engagements and interactions between business partners or representatives of Time with external stakeholders.

The Policy covers commissions and incentives, unofficial payments, gifts and entertainment, political contributions and donations, gratifications, charitable support as well as other stipulated behaviours constituting bribery and corruption. It also stipulates what punitive actions will be taken against anyone engaged in corrupt acts.

A Compliance & Ethics ("C&E") Officer 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 11 March 2022, the ABC Policy was updated and adopted for greater clarity and to facilitate implementation by the Group. The key amendments to the policy can be viewed at www.time.com.my/2022-ABC_Policy.

As at 31 December 2022, 100% of employees and 100% of active vendors have provided written acknowledgment that states they will abide by the Group's ABC Policy. 96% of employees have completed the ABC Learning Module. The remaining 4% comprise largely of new hires who will complete the ABC Learning Module in due time.

Board Oversight on Anti-Corruption and Whistleblowing

Oversight on anti-corruption and the related whistleblowing policy and channel comes under the purview of the Board and Senior Management. The Board reviews the policy and may suggest updates or changes in tandem with changes in the operating environment.

The Board is also tasked with deliberating on whistleblowing reports. This may include recommendations for punitive action, instruction to pursue further investigations or to have a hearing involving the relevant parties. The Board is also empowered to report serious cases of misconduct to the relevant enforcement authorities for further action.

Cascading the Anti-Corruption Agenda to the Supply Chain

Time continues to reinforce its stand against bribery and corruption and cascades its ABC policy across the value chain. All suppliers must provide written affirmation of their willingness to abide by the ABC Policy as a prerequisite to bid for contracts and/or to remain on the Group's procurement panel. Failure to provide affirmation will lead to reminders to take necessary action and if still unrectified within the stipulated period, said supplier will be barred from bidding for contracts and removed from the vendor list.

Anti-Corruption Risk Assessments

As part of its overall efforts to strengthen anti-corruption controls and to identify potential areas of risk, Time has identified that some parts of its organisation may be at greater risk to corruption, in particular Procurement and Contracts. Additional check and balance systems shall be instituted going forward.

Time has continued to strengthen Group-wide internal controls and procedures to minimise and mitigate corruption risks within its supply chain. These include additional training for relevant staff to identify corrupt acts, increased audit as well as check and balances, and decentralisation of decision making towards ensuring more than a single party is required for major commercial decisions, installation of CCTV cameras and more.

SUSTAINABILITY STATEMENT

Anti-Corruption Training

Time continues to organise various anti-corruption briefings, programmes and training sessions for staff as well as suppliers.

The intention is to constantly reinforce in internal stakeholders that Time has a zero-tolerance stance regarding corrupt practices and that employees are expected to comply with such stance.

Whistleblowing Mechanism

In compliance with the Whistleblower Protection Act 2010 ("Act 711"), Time has established its whistleblowing policy which provides 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 for further deliberation and decision making.

If the allegations are founded, appropriate action will be taken against the offender. This includes warnings, suspensions, dismissals or even reporting the offender to the relevant enforcement authorities.

Changes were made to the Whistleblowing Policy on 11 March 2022 and 24 November 2022 to provide better clarity and make them more suitable to Time's practices. The summary of changes to the policy can be viewed at www.time.com.my/2022-Whistleblowing_Policy.

In FY2022, the Group received four whistleblowing reports that have since been resolved.

Fair and Transparent Procurement

Time continues to advocate a preference for local suppliers, with local being defined as the geographical location in which the Group operates. The choice to support local procurement is based on both values created for the organisation - competitive pricing, faster fulfilment of products and services, and ability to develop specific vendors to meet long-term procurement requirements as well as values created from social and environmental perspectives.

Local procurement typically has shorter value chains which reduces travel requirements and thus reduced energy consumption and environmental footprint. Local procurement spurs employment and entrepreneurship opportunities such as development of local communities and supply chains, job creation, skills transfer, fostering of innovation and more.

All suppliers may bid under an open bidding system for contracts. Suppliers with the best value proposition, which comprises cost, quality, performance track record and other factors will be awarded projects. All tenders typically have multiple supplier bids except for certain cases.

All suppliers comply to Time's procurement policies including Code of Conduct, Anti-Bribery and Corruption, and Safety, Environmental and Health.

SUSTAINABILITY STATEMENT



PEOPLE

Time's 1,479-strong professional workforce is a key asset for the Group. Talent management, namely the acquisition, retention and development of employees is a key contributing factor in sustaining business performance and operational productivity. This includes the development of a succession planning programme, where there are sufficient talents identified for key management, operations and technical positions across the Group.

The Board and Senior Management continues to prioritise talent management and development. Specific strategies have been implemented towards attracting, retaining and developing a competent, motivated and results oriented talent pool, supported by a conducive organisational culture centred on respect, transparency, professionalism and rewards based on meritorious performance.

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 statutes are aligned to the International Labour Organisation and the Universal Declaration of Human Rights.

In FY2022, Time reported zero incidents of infringements of the rights of any persons, adult or child, nor any incidence of forced or compulsory labour.

Employee Recruitment Approach

Time's approach to recruitment is centred on merit. The identification and hiring of talent is determined based on the candidate's capabilities, expertise, qualifications and experience related to the job. Socio-demographic factors such as ethnicity, gender, religion, marital status and others are disallowed from being considered as part of the evaluation criteria.

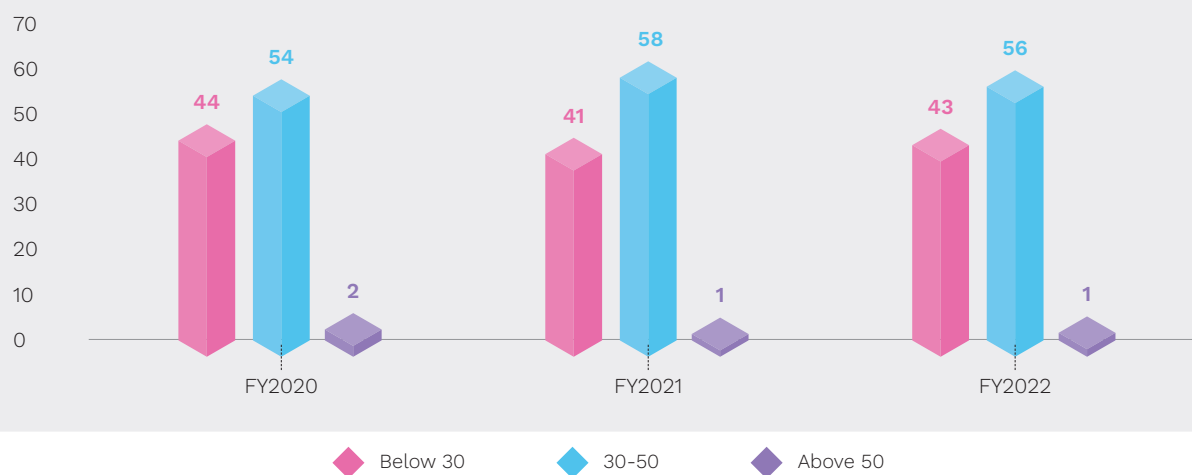
Recruitment is done using a wide range of communication channels to provide as many talents as possible an opportunity to apply. Preference is provided to local talents. The Group also encourages employment of physically challenged or differently abled talents for suitable positions across the Group.

All new hires are briefed on their rights as an employee as provided for in the laws of the country. This includes labour and human rights and the Group policies on good governance, corporate compliance, ethics and the ABC policy. New hires are also provided an induction session to enable them to acclimatise to their new work environment and organisational culture.

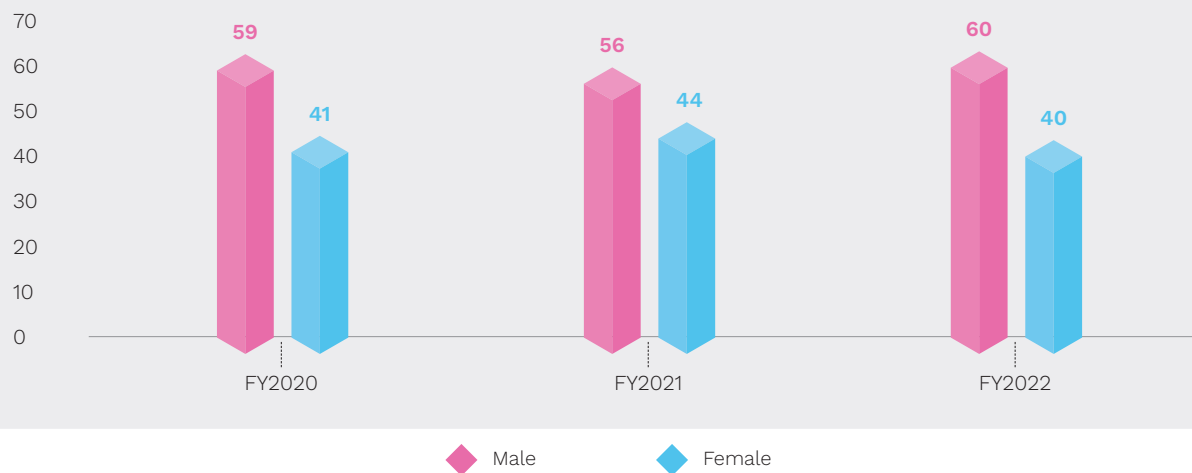
During this period, employees are given as much support and assistance possible to adjust to their jobs and new work environment.

SUSTAINABILITY STATEMENT

New Hires by Age (%)

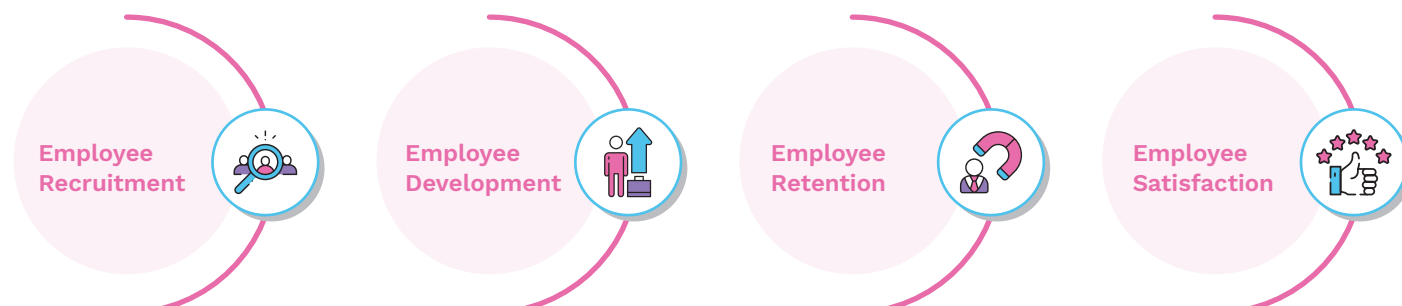


New Hires by Gender (%)



Talent Management Approach

In essence, Time's approach to talent management is based on the following focus areas.



SUSTAINABILITY STATEMENT

Time has established its Employment Policy which serves as a guiding framework for talent management.

The entire approach to talent management is centred on merit, i.e. the skills, competencies, experience and professional qualification that any individual talent can bring to the Group as well as Time's requirements related to its business operations and growth strategies.

The rights of employees can be found in the Time Employee Handbook.

Employee Retention Approach

The approach to employee retention is driven by ensuring high employee satisfaction and morale. This entails providing a fair and rewarding work experience that is well aligned to the career prospects and aspirations of employees.

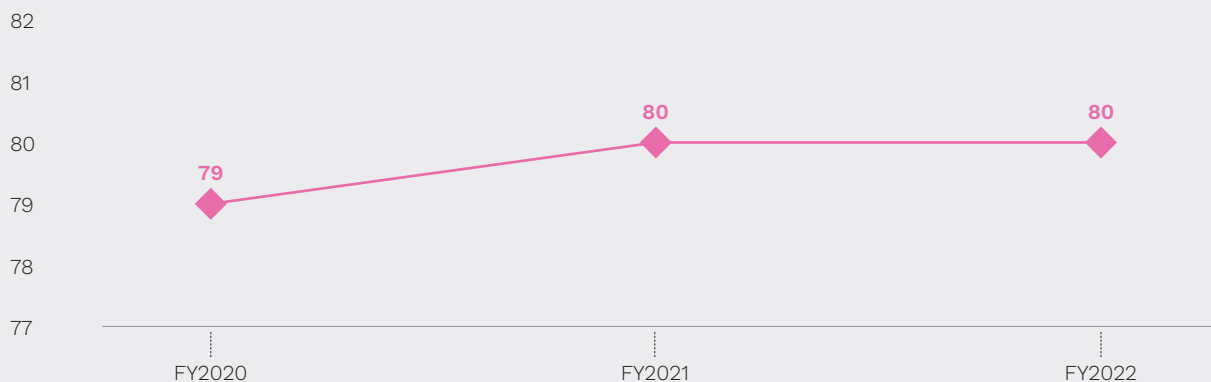
Therefore, beyond the cultivation of a high-performance, meritorious organisational culture, it is also essential to competitively remunerate employees with salaries and benefits that are benchmarked to industry standards.

Employees are also provided opportunities for training and professional development paid for by the Group to improve their skills and employability. In addition, high-performing employees are fast-tracked for senior or critical positions in the Group, thus providing them with a clear career pathway within the organisation.

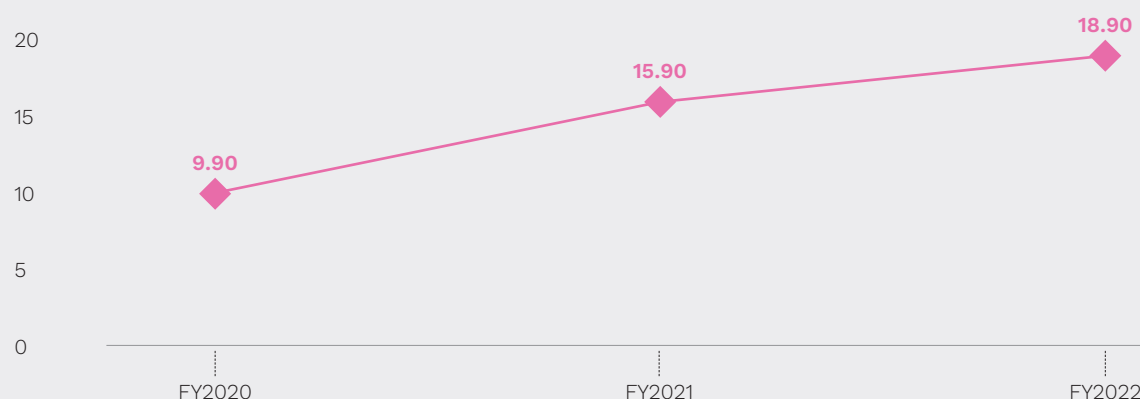
Regular employee communication is also essential in feeling the pulse of employees and in providing them a conduit to air their views and concerns if any. These cumulatively have enabled Time to attain continued high employee satisfaction levels and thereby maintain relatively low attrition rates.

All resigning staff are granted exit interviews. The information gained from an exit interview is used to assess what should be improved, changed or retained in the organisation.

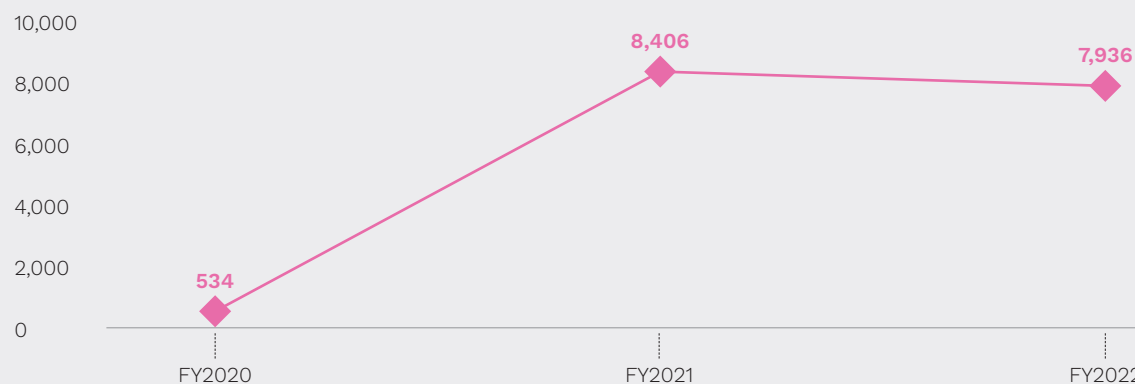
Employee Satisfaction Index (%)



SUSTAINABILITY STATEMENT

Attrition Rate (%)

Time's Employee Self-Service ("ESS") portal was launched in Q4 2020 and became a convenient addition for employees to manage human resource ("HR") matters. The portal's user-friendly interface has enabled employees to view and instantly modify their personal information or HR-related applications.

No. of ESS Transactions**Employee Remuneration and Benefits**

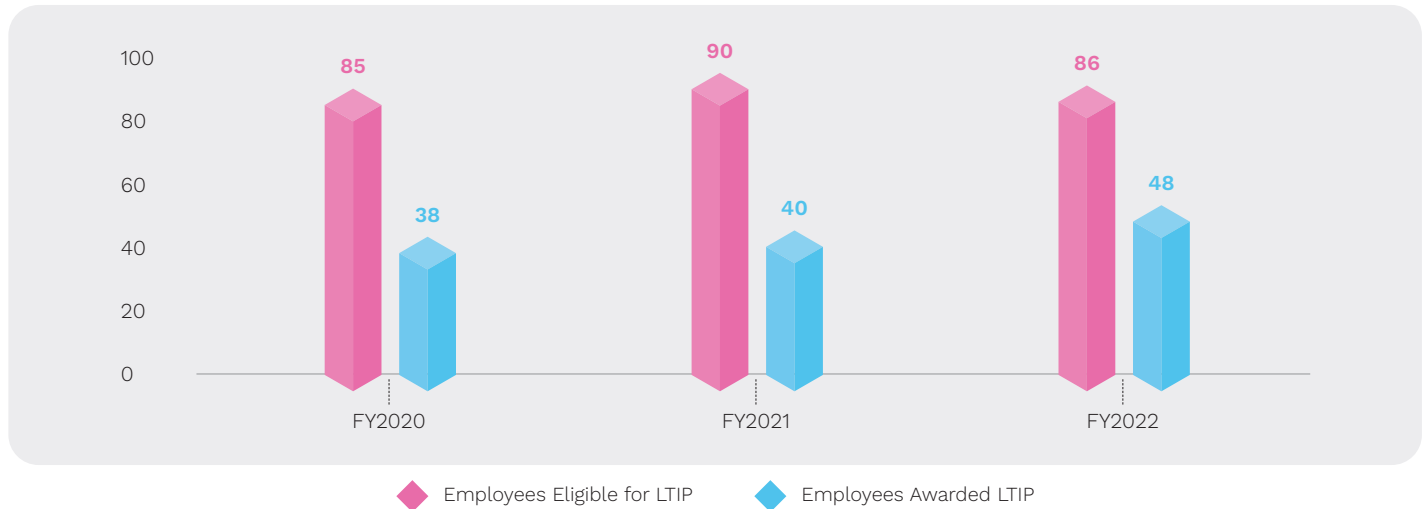
Time adheres to the principle of equal work for equal pay. Remuneration, including bonuses and salary increments, is determined by the employee's seniority or tenure and work performance in the realisation of personal, divisional and company KPIs.

Other factors considered when determining remuneration include employees' skills and professional qualifications. The performance of employees is assessed during the aforementioned employee appraisal process, which is held at least once annually. Time subscribes to the Malaysian government's minimum wage order, and has also made the necessary preparations to ensure compliance with the changes in employment laws with regards to working hours and overtime pay which has come into force effective 1st January 2023.

SUSTAINABILITY STATEMENT

The Group also has a long-term incentive plan (“LTIP”) 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. In FY2022, 86% of employees were eligible for the LTIP and 48% of staff were awarded LTIP options.

LTIP (%)



The current LTIP programme has expired in FY2022 but there are plans to table a new LTIP programme in FY2023.

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

Talent Development

The professional development of staff is a continuous process at Time and opportunities are provided to all employees to improve their job-related competencies and skills. The requirement for training is provided for in the People Development Procedure document of the Group and the Time Group Principles for People Development.

The assessment of training needs is performed annually for all staff via an annual appraisal, from which areas of improvement or competency gaps are identified. A customised personal development plan is then developed for the individual employee.

Recommendation of training programmes can be made by Group Human Resources, the employees themselves or their immediate superiors. The Senior Management team can also nominate employees that they believe would benefit from specific training programmes.

All job-related training courses and programmes are fully borne by the Group, utilising funds contributed to the Human Resources Development Fund. All training is assessed for effectiveness after conclusion of the training session, programme or briefing.

Assessment of training course or programme effectiveness is conducted via two methods:

- Provision of participants' feedback post conclusion of the training programme/course - participants provide feedback via forms or other methods evaluating the training
- Supervisor's evaluation - the supervisor of the participant will closely monitor the work performance of the trainee to see if there are on-the-job improvements post the training session

SUSTAINABILITY STATEMENT

Online Learning and Training

Post pandemic, the trend to leverage online platforms to facilitate professional training and development continues, given its effectiveness in terms of reach, convenience as well as cost effectiveness. In FY2022, up to 815 employees spent 5,658.5 hours on online learning platforms with 129 courses provided.

	FY2020	FY2021	FY2022
Total Training Hours as a Company	7,331	11,071	18,200
Average Training Hours Per Employee	5.5	8.1	12.3
Total Male Employees Attended Training	256	587	667
Total Female Employees Attended Training	207	396	423
Total Employees Attended Training	463	983	1,090
Average Training Hours Per Employee (Male)	5.9	8.6	17.2
Average Training Hours Per Employee (Female)	5.1	7.1	15.8
Average Training Hours Per Employee (Senior Management Staff)	3.6	14.4	19.2
Average Training Hours Per Employee (Management Staff)	7.8	9.7	18.0
Average Training Hours Per Employee (Executives)	8.4	6.7	11.7
Average Training Hours Per Employee (Non-Executives)	2.1	3.0	4.8

Diversity and Equal Opportunity

Time values the diversity of its workforce, with the inherent multi-cultural, multi-demographic and pluralistic composition of talent viewed as an inherent strength for the Group.

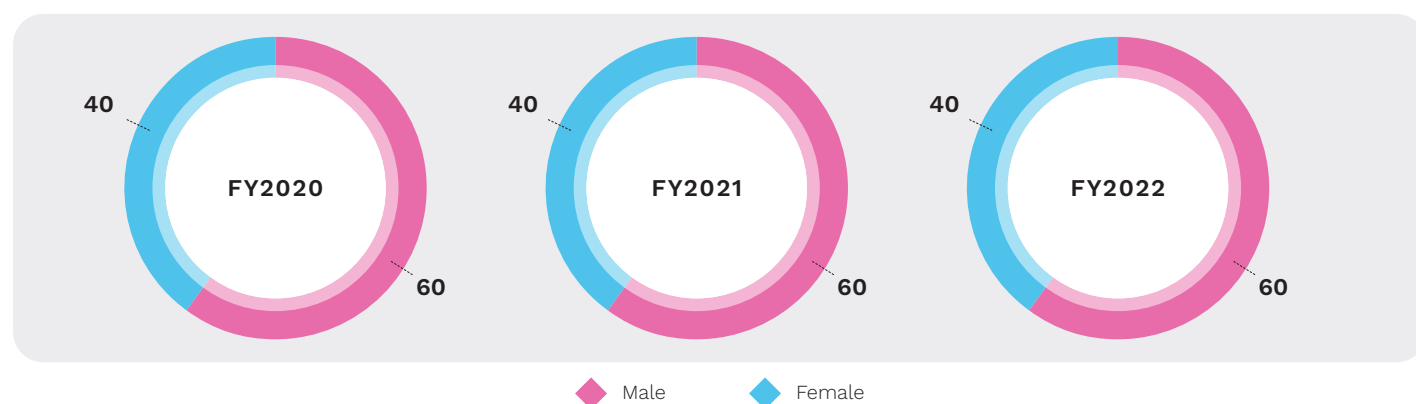
The prevalence of diversity across the workforce – reflected in terms of gender, ethnicity, age, skillsets, experiences and backgrounds has been a key factor in Time's ability to nurture a high-performance organisational culture, centred on competence and excellence as judged from the sole perspective of merit.

Diversity has also enabled Time to develop innovative and creative thinking which has commonly been discovered in companies or workplaces that embrace diversity.

Diversity comes together with inclusivity and equality, where all Time employees, are treated fairly in terms of all aspects of their employment with the Group. As previously mentioned, meritorious performance is the sole determinant in assessing employees for recruitment, promotion, benefits, training and more.

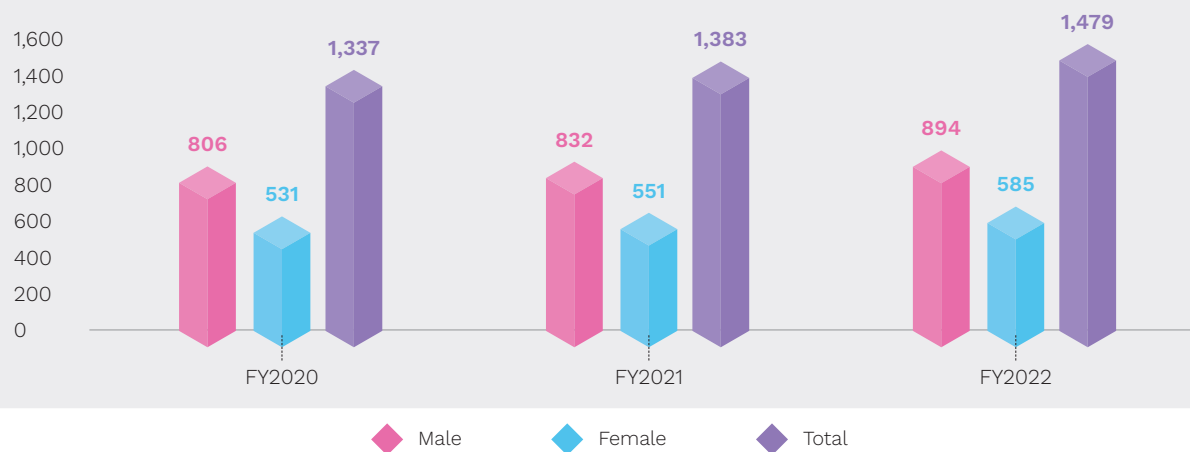
The Group adheres to the principle of equal pay for equal work across its operations.

Employee Gender Breakdown (%)

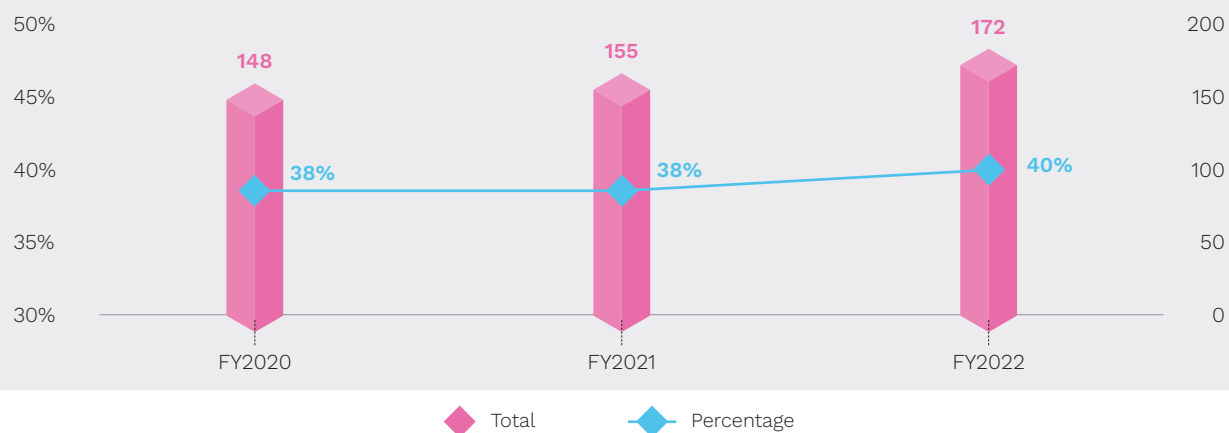


SUSTAINABILITY STATEMENT

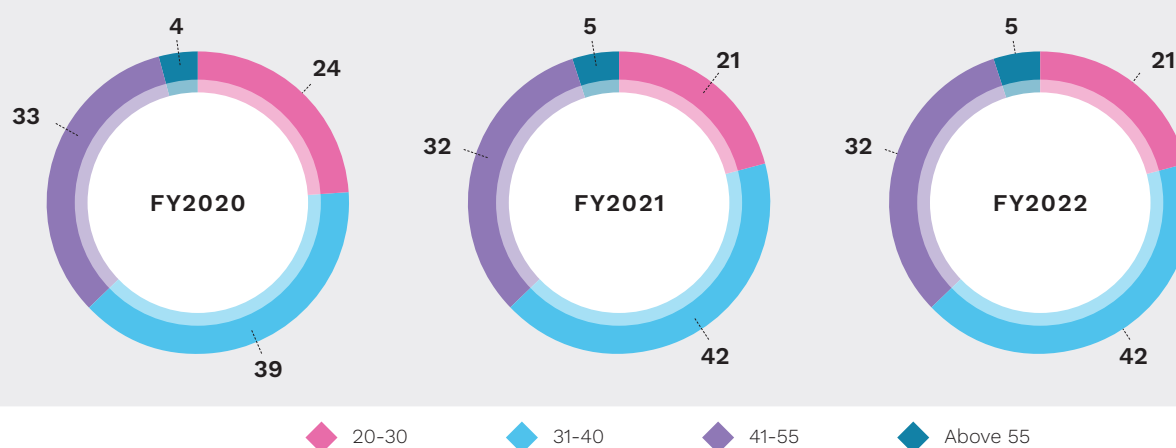
Workforce Composition



Women in Leadership Positions



Age Distribution by Workforce (%)



SUSTAINABILITY STATEMENT

Employee Engagement

Employees are regarded as one of Time's most important stakeholders and hence, engagement with the workforce is a significant aspect of the Group's overall communication strategy.

Employee engagement comes in many forms, through formal and informal channels as well as face-to-face engagements or via virtual and other mediums.

Employee engagement is also achieved through employee related social activities. In FY2022, Time has held many such activities for its workforce. Among these include cultural festivities celebrated in Malaysia. Other activities include sporting and recreational programmes and activities.

Activity	Date	Details
ZoomCha	January to May 2022	"Virtual Coffee Talk: Know You and Know Me" session with heads of divisions.
Virtual Talks	January to December 2022	Virtual talks by selected external speakers on various topics such as personal development, leadership, soft skills development and more.
Festive Related Celebrations	January to December 2022	Chinese New Year, Ramadan, Hari Raya Aidilfitri, Deepavali and Christmas.
Special Day Celebrations	March 2022	For International Women's Day, four virtual talks were held on cooking, health, personal motivation, and beauty and skincare. Hand bouquets of roses and chocolates were provided to women on that day.
	November 2022	For International Men's Day, various physical games were held as well as two virtual talks related to men's health i.e. prostate health.
Townhalls	January to December 2022	Three virtual and one physical townhall were held to update staff on company related developments and for employees to pose questions to management.
Knowledge Junction	January to December 2022	"Sharing Sessions" with Time staff on their life and career journey.
Health Related	August to November 2022	Free health checks, blood donation drives, flu vaccination campaign with discounted prices for staff, and various COVID-19 related health talks were held in collaboration with Beacon Hospital, Pusat Darah Negara and Health Junction.
People Meet People	September to November 2022	"Apa Khabar Session" involving various departments and units across Time was held.
TRECS	January to December 2022	Virtual Yoga and Zumba, reopening of the sports complex, drive for Flood Volunteers, SCORE Run, 5 Senses Trail Hunt and the Afzal Challenge Cup were held.

SUSTAINABILITY STATEMENT

Occupational Health and Safety

Time continues to adopt a no-compromise position with regards to the serious topic of OHS. It is viewed very seriously given the significant repercussions even a single incident could cause to financial performance and business operations.

However, the considerations for OHS are not limited to site productivity and operations, but also in the importance of ensuring a safe and secure working environment.

In ensuring good OHS performance, Time complies with the following:



The topic of OHS is most material on project sites (as opposed to office environments), where there can potentially be higher risks for the occurrence of OHS incidents. All necessary procedures and processes as required by local legislation have been implemented at all operational sites.

Management's Approach to OHS

Time's approach to OHS is guided by its OHS Policy.

Time employs the following towards maintaining a zero fatality and zero loss time incident ("LTI") performance across all operations:

- Hazard Identification, Risk Assessment & Risk Control
- Incidents management, emergency preparedness, workplace monitoring and inspection, and performance reporting
- Third-party supplier management and an optimum management approach based on industry best practices
- Compliance to Department of Occupational Safety and Health Malaysia guidelines and the Malaysian Standard (MS) 1722:2011
- License from the Construction Industry Development Board ("CIDB")

The CIDB license certifies that Time is a legal contractor and registered under the Malaysian CIDB, according to Section 25, CIDB Act 520. This CIDB license is crucial as it is a prerequisite for many of Time's customers.

Time encourages two-way engagement with employees to share their feedback, concerns and suggestions to management. Third-party contractors and service providers are also made aware of OHS policies and procedures through a safety induction programme organised prior to the commencement of work at our sites.

Training is provided to ensure employees possess the necessary knowledge, tools and equipment to perform their tasks competently and safely. In essence, they are aware of good working practices and are cognisant of the risks associated to their jobs, workplace or specific task. Training is also provided to ensure compliance with regulatory requirements.

SUSTAINABILITY STATEMENT

Following is a list of courses that was organised by Time or in which employees attended. All expenses related to these courses were borne by the Group or the relevant subsidiary company.

- Ergonomic at Workplace Online Awareness Session: Conducted twice on 18 and 25 March 2022 for all staff
- Basic Fire Fighting & Emergency Response Plan Training: First batch of 13 trainees from various departments completed on 21 June 2022. Second batch of eight attendees from various departments completed on 19 July 2022
- Warehouse & Store Forklift Handling Training: Completed on 6 August 2022 with seven attendees from Warehouse & Logistics departments
- Basic Occupational First Aid Training for the Emergency Response Team: First batch of 22 attendees from various departments completed on 17 October 2022. Second batch of 16 attendees completed on 20 October 2022
- Kursus Kesedaran Awam conducted by Jabatan BOMBA dan Penyelamat Negeri Selangor (Emergency Fire Drill 2022): Completed on 21 December 2022
- Emergency Fire Drill conducted on 21 December 2022 in collaboration with Jabatan BOMBA dan Penyelamat Negeri Selangor

The following table shows Time's OHS track record for the past three years.

Incident/Case	FY2020	FY2021	FY2022
No. of Fatality	0	0	0
No. of LTI	1	1	0
Incidents Rate	0.40	0.40	0
Frequency Rate	0.79	0.40	0
Severity Rate	22.65	40.82	0
No. of workers on long convalescence	1	1	0

Note: In FY2022, a new methodology for calculating the Severity Rate has been implemented. As such, the Severity Rate for FY2020 and FY2021 have been restated to reflect this.

There have been zero incidents in FY2022 where Time was fined or censured for health and safety non-compliance.

COVID-19 Health and Safety Management

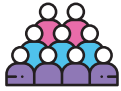
While COVID-19 in FY2022 was a significantly less disruptive factor to business operations, Time has continued to maintain its vigilant stance, especially due to the possibility of sporadic outbreaks that could impact the health and well-being of staff.

Time has updated its COVID-19 Handbook: Prevention and Management at Workplace (Volume 4) to align with the transition towards endemic phase as announced by the government. Standard COVID-19 case management was implemented according to the MOH standard which includes detection, isolation of infected staff and disinfection of workplace to ensure safe business operations.

Measures such as face masks use, social distancing, quarantine measures and more continued to be mainstay of the COVID-19 SOPs implemented. All new joiners are required to be vaccinated prior to commencing employment. All staff were encouraged to get their respective booster shots. Staff were provided special vaccination leave for this purpose.

The Time Group Principles on Vaccination were maintained throughout FY2022. Time also continued to offer assistance to staff via its Time Wellbeing Support Team (COVID-19 Special Task Force), which provided counselling and psychological and psychosocial support to employees.

SUSTAINABILITY STATEMENT



COMMUNITY

Time remains committed in playing a meaningful role in the development and upliftment of local communities. The Group views that providing financial and non-financial support to community infrastructure, services, initiatives and programmes is an essential part of its value aspirations as a business entity.

Lending support to the community during times of crises, or in addressing various societal challenges such as access to information and high school literacy rates among the B40 demographic segment is part and parcel of being a responsible and caring business.

Beyond corporate level donations and assistance, a key aspect of Time's approach to community assistance and support is employee volunteerism. The Group encourages its staff to take part in community related programmes and initiatives.

In FY2022, a total of 440 hours were spent on the following CSR programmes or initiatives:

Program	Date	Details	Staff / Hours Spent	Cost (RM)
KKMM: Bantu Hingga Selesai (BAHIS)	1 to 2 January	Home cleaning for flood victims	14 staff 112 hours	N/A
Feed The Need: Donation of essential items/dry food for orphans	12 March	Donation of essential food items and goods to the residents of Rumah Kasih Sayang, Bandar Puteri, Puchong	5 staff 40 hours	1,465.40
Feed The Need: Donation of essential items/dry food for B40 families	30 April	Donation of essential food items and goods to residents at PPR Lembah Subang 2	5 staff 40 hours	14,155.00
Elephants Sanctuary	29 June	Elephant feeding and sanctuary cleaning at Kuala Gandah National Elephant Sanctuary Centre	16 staff 128 hours	600.00
Deepavali Bazaar Donation	19 October	Cash donation to Pertubuhan Kebajikan Mental Selangor to assist mentally challenged and depressed persons	40 staff 120 hours	3,478.00

Corporate Donations

On a related note, Time made several corporate donations to the following CSR programmes/societal causes. The list includes government or industry regulator organised programmes.

- RM300,000 to Kementerian Komunikasi dan Multimedia ("KKMM") Disaster Relief Fund
- RM500,000 to Mercy Malaysia (Flood Relief Fund)
- RM500,000 to Malaysia Red Crescent (Flood Relief Fund)
- RM30,000 to Siri Ihya Ramadan MCMC 2022: Tazkirah Jalanan Digital Negara JENDELA Keluarga Malaysia
- RM20,000 to Intravarsity Malaysia Public Policy Advocacy Competition 2022

SUSTAINABILITY STATEMENT

**ENVIRONMENT**

With regard to environmental performance, Time continues to focus on its most material topics of energy consumption, emissions and waste materials. In particular the Group is cognisant of energy consumed to power its data centres. Data centres typically are energy intensive.

However, as Time focuses on reducing its environmental footprint, it also continues to take stock of how it can play a larger role beyond its own operations. This includes driving an increased positive effect across its value chains as well as among stakeholders, in particular employees.

Time remains committed to playing a meaningful role as a responsible corporate entity to address climate change while also insulating its business operations from the physical, transitional and legal risks associated with climate change.

Energy Consumption and Carbon Emissions

Electricity for Group operations is sourced from the national grid, which typically is reliant on fossil-fired power plants. Time's secondary energy source is fuel, which is used for its fleet of vehicles, machinery and equipment and power generators that are used during site work and/or to power sites where electricity supply from the grid is intermittent or unavailable.

However, while transitioning to renewable energy presents a viable alternative, upfront investments and CAPEX to fund the transition must be duly considered. Present energy saving efforts such as switching to LED lighting, using low wattage bulbs and reminders to staff to practice energy conservation methods in the office continue to be emphasised. These are part of Time's Green Workplace initiatives.

The Group also looks where possible to procure and use lower energy machinery and equipment such as smart lights and sensors that can automatically power on and off based on movement sensors and so on.

Board and Management Oversight

The Board and Management are cognisant of many benefits derived from a reduction in energy consumption. Beyond environmental benefits, other advantages include cost savings derived from medium to long-term operational efficiencies.

Hence, energy consumption, emissions and climate change has progressively come under the purview of the Board. The Board continues to be updated on strategies/measures to reduce the energy and carbon footprint of the Group with plans developed over short, medium and long-term perspectives.

SUSTAINABILITY STATEMENT

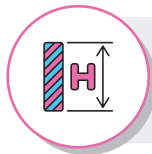
Managing Energy Consumption at Data Centres

Given that Time's data centre operations are significant consumers of energy, the Group has established a certified Energy Management System ("EMS") and acquired a Green Building Index certification to ensure energy efficient operations in accordance to industry and global best practices. Among the various best practices implemented include the following:



Cold aisle containment system and blanking panels

Cold aisle containment system and blanking panels have been installed at racks to minimise the mixing of cold air and hot air. This increases cooling capacity, and reduces energy consumption and operating costs. For FY2022, the Power Usage Effectiveness ("PUE") figure has improved – declining to 1.66 from 1.69 in FY2021 and FY2020 in AIMS Kuala Lumpur.



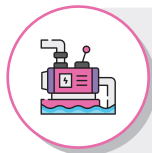
Raised floor height

Raised floor height with sufficient floor clearance and good cable management minimises air flow obstructions, thus ensuring all spaces are evenly and optimally cooled.



Rockwool insulation with 0.038 W/Mk thermal conductivity

Thermal insulation has been installed for AIMS Cyberjaya building walls. This has the potential to reduce energy consumption, depending on the variation of external temperature.



Variable Speed Drives ("VSD") pump for chilled water cooling system

Variable speed drives provide effective speed control of alternating current ("AC") motors by manipulating voltage and frequency. Controlling the speed of a motor provides users with improved process control, reduced wear on machines, increased power factor and large energy savings.



Energy efficient equipment with "ENERGY STAR" logo

Installed oil free magnetic bearing Smart DT water cooled chiller, BAC cooling tower, etc, including but not limited to high efficiency Uninterruptable Power Supply ("UPS") system, rectifier system replacement and Computer Room Air Conditioning ("CRAC").



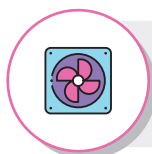
LED lighting

Installed LED lighting which provides environmental advantages, including energy efficiency, zero production of toxic elements, requires fewer light fixtures and have a longer life span.



Building Monitoring Systems

Building Monitoring Systems ("BMS") automate the measurement and generation of PUE instead of manual calculations. This provides more accurate calculations that support energy savings.



Electronically Commutated ("EC") fans in CRAC and CRAH systems

Installed EC fans that are powered by brushless direct current ("DC") motors can be up to 30% more efficient than AC motors, resulting in energy saving.

SUSTAINABILITY STATEMENT

Energy Consumption and Intensity

Due to growing demand for cloud and data centre services, Time has expanded its data centre facility in Cyberjaya, contributing to an increase in net lettable space and energy consumption year-on-year. Despite that, energy efficiency rate has been kept at the same levels as the previous year.

	FY2020	FY2021	FY2022
Energy Consumption (MWh)	40,803	46,993	59,542
Net Lettable Area (Sq Ft)	56,945	85,920	108,860
Energy Consumption/Net Lettable Area	0.717	0.547	0.547

Note: The data for energy consumption and net lettable area refers to directly owned data centres in Kuala Lumpur and Cyberjaya.

Solar Power Utilisation

In 2022, Time's continued usage of solar panels at its headquarters has generated 54,415kWH of clean energy while providing annual monetary savings of RM23,670. Of the energy generated, 51,679kWH were consumed for operations with 2,736kWH sold to the grid.

Waste Management and Recycling

Time continues to be cognisant of both scheduled and unscheduled waste generated from its operations. This includes electronic waste ("e-waste"). Again, the amount of waste generated is co-related to the amount of business activities. A growing business is likely to see increased waste generated.

Hence, within the precept of a 3R (Reduce, Reuse and Recycle) approach, Time's management approach to waste is to emphasise recycling of waste produced especially paper.

As part of running our network, Time use batteries for DC power backup in the event of AC power failure. The Group works with its contracted vendor to periodically replace and decommission batteries. Discarded batteries are recycled at recycling plants that have been approved by the Department of Environment. A total of 1,508 batteries were decommissioned in FY2022.

BOARD OF DIRECTORS

Elakumari Kantilal

**Chairman,
Non-Independent
Non-Executive Director**

Age
66

Nationality
Malaysian

Gender
Female

Appointed to the Board
8 March 2001

Board Committee
Member of the Nomination and Remuneration Committee

Puan 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 had also attended the Harvard Premier Business Management Program and is a member of the Malaysian Institute of Accountants.

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

She had held a number of executive positions and directorships across the investment and consultancy sectors. She had previously sat on the Board of Opus International Consultants Limited, Dagang NeXchange Berhad and UEM Edgenta Berhad.

Puan Elakumari is currently an Independent Non-Executive Director of Danajamin Nasional Berhad and Scicom (MSC) Berhad.

Mark Guy Dioguardi

**Senior Independent
Non-Executive Director**

Age
53

Nationality
Australian

Gender
Male

Appointed to the Board
17 June 2016

Board Committees

- **Chairman of the Nomination and Remuneration Committee**
- **Member of the Tender Committee**

Mr 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.

He has more than 30 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, Australia, the majority in the cellular wireless division, including one year of secondment to BTCellnet in the United Kingdom in 2000.

In 2002, Mr 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, he expatriated the second time to Maxis as 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, Mr Mark joined iiNet Limited, an Australian Internet Service Provider as Chief Technology Officer until January 2016. He was also a Board member of the Australian Communication Alliance, the Competitive Carriers' Coalition and also in an Advisory Board for a private company, Skand.

In 2018, Mr Mark joined Spirit Technology Solutions, an Australian Securities Exchange listed provider of IT&T solutions as Chief Operating Officer and later as Chief Technology and Information Officer and Executive Director. He retired from the Director position effective from 1 April 2022.

BOARD OF DIRECTORS

Koh Cha-Ly

**Independent
Non-Executive Director**



Nationality
Malaysian
Gender
Female

Appointed to the Board
28 February 2020

Board Committee
Member of the Tender Committee

Ms 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.

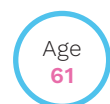
She is the founder and Chief Executive Officer of Urbanmetry Sdn Bhd ("Urbanmetry"), a data analytics company that cleans and analyses large amounts of city data, through its proprietary algorithms and provides data intelligence to various companies and government agencies including the World Bank, MyHSR 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 the 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, Ms 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.

Datuk Azailiza Mohd Ahad

**Independent
Non-Executive Director**



Nationality
Malaysian
Gender
Female

Appointed to the Board
27 August 2021

Board Committee
Member of the Audit Committee

Datuk Azailiza holds a Bachelor of Laws (Honours) Degree from the University of Malaya.

Datuk Azailiza has more than 30 years of experience in legal work relating to domestic and international matters and is currently a Partner with Messrs. Gani Patail Chambers (GPC).

She had served as the Special Envoy of the Government of Malaysia from April to July 2016. From November 2014 to April 2016, she served as the Solicitor General of Malaysia. Prior to that, she was the Deputy Solicitor General 1 (Advisory Sector) from April 2012 to October 2014.

Contemporaneously, she served as the Acting Director to the International Centre for Law & Legal Studies, a research institution attached to the Attorney General's Chambers, from July 2011 to April 2016. Between October 2005 to April 2012, she was the Head of the International Affairs Division in the Attorney Generals Chambers.

She served as a Senior Federal Counsel at the Economic Planning Unit, Prime Ministers Department from 1992 to 2000, Senior Assistant Registrar at the Kuala Lumpur High Court from 1989 to 1992 and Magistrate in Melaka from 1985 to 1989.

Datuk Azailiza also sits on the Board of Malaysia Airports Holdings Berhad.

BOARD OF DIRECTORS

Anthony Low Kim Fui

**Independent
Non-Executive Director**



Nationality
Malaysian

Gender
Male

Appointed to the Board
25 July 2022

Board Committee
Member of the Nomination and Remuneration Committee

Mr Anthony holds a Master of Science Degree in Management, Business Administration and General Management from the Cranfield School of Management, United Kingdom, and a Bachelor of Economics (Honours) Degree from the University of Malaya.

Between 1981 and 2016, Mr Anthony served in various roles at Nestle, most recently as Vice President, Regional Management, Zone Asia-Oceania-Africa & Middle East, overseeing 115 countries across 17 time zones, whilst being based out of Nestle's Swiss headquarters. He also held leadership roles in other markets for Nestle, including Commercial Director for Sales and Marketing Nestle China, Managing Director Nestle Singapore and Managing Director Nestle Taiwan. Throughout his time at Nestle, he gained deep insights and led teams in the areas of supply chain, sales & marketing management, production, marketing communication, corporate affairs, commercial operations and general management.

Since retiring, Mr Anthony has been an active mentor at Endeavor Malaysia, where he shares key perspectives with the next generation of entrepreneurs.

Kuan Li Li

**Independent
Non-Executive Director**



Nationality
Singaporean

Gender
Female

Appointed to the Board
19 August 2022

Board Committee
Chairman of the Audit Committee

Ms Kuan holds a Bachelor of Economics Degree and a Bachelor of Laws Degree from the University of Sydney. She is a Certified Public Accountant and had been admitted to the Supreme Court of New South Wales as a barrister and a solicitor.

Ms Kuan has over 30 years of banking, finance and tax leadership roles gained in banks, engineering, real estate, private equity and the big four accounting firms.

Previously, Ms Kuan was the Head of Tax, Asia Pacific of Barclays Capital Services Ltd, Chief Executive Officer of Barclays Merchant Bank (Singapore) Ltd and Barclays Capital Futures (Singapore) Private Limited, Country Head and Chief Operating Officer of Barclays Bank PLC, Singapore Branch and Chief Financial Officer at ABB Pte Ltd. She had also served on the boards of Barclays' investment banking and securities subsidiaries in Malaysia, Indonesia and Thailand.

Ms Kuan is currently an Independent Non-Executive Director, the Chairman of the Nominating Committee and a member of the Audit and Remuneration Committees of RH Petrogas Limited, a public company listed on the mainboard of the Singapore Stock Exchange. She also serves as an Independent Non-Executive Director of CapitaLand China Trust Management Limited, Salvia Investment Pte Ltd, Freemont Capital Pte Ltd, Cott Investment Pte Ltd, Larus Investment Pte Ltd, Namak Investment Pte Ltd, Otisco Investment Pte Ltd, Stris Investment Pte Ltd, Tringle Investment Pte Ltd and Winder Investment Pte Ltd. She is also a Director of Ben & Nic Pte Ltd and AIG Asia Pacific Insurance Pte Ltd and a Senior Advisor and Member of the Audit, Risk and Finance Committee of the World Wide Fund for Nature (Singapore) Limited as well as a member of the Valuation Review Board of Singapore and Legal Inquiry Panel of Singapore.

BOARD OF DIRECTORS

Hong Kean Yong

**Non-Independent
Non-Executive Director**

Age
60

Nationality
Malaysian

Gender
Male

Appointed to the Board
1 September 2012

Board Committees

- **Member of the Audit Committee**
- **Chairman of the Tender Committee**

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

Mr Hong began his career in Accenture Malaysia, where he held various senior positions from March 1987 to December 1994. He had 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 was the Senior Vice President of Strategic Planning and Technology Advisor until June 2018.

Mr Hong also sits on the Board of AMMB Holdings Berhad.

Selvendran Katheerayson

**Non-Independent
Non-Executive Director**

Age
52

Nationality
Malaysian

Gender
Male

Appointed to the Board
28 November 2022

Mr Selvendran holds a Master in Public Administration Degree from Harvard University, a Master of Business Administration (Finance) Degree from the University of Hull, United Kingdom, and an Honours Degree in Law from the University of London, United Kingdom.

Mr Selvendran is currently the Executive Director and Head of Real Assets & Property at Khazanah Nasional Berhad ("Khazanah"). Prior to joining Khazanah in January 2006, he has worked at Motorola Inc and Maxis Communications Berhad. He started his career at Ernst & Young in June 1994.

BOARD OF DIRECTORS

Afzal Abdul Rahim

Non-Independent Executive Director (Chief Executive Officer)

Age
45

Nationality
Malaysian

Gender
Male

Appointed to the Board

7 October 2008

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

He began his career in the automotive industry culminating in a regional role with Group Lotus PLC. As a technology entrepreneur, he also founded the non-profit Malaysian Internet Exchange (MylX) in 2006 and also served as a Board Member of Endeavor Malaysia, an organisation devoted to nurturing high-impact entrepreneurs.

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.

Patrick Corso

Non-Independent Executive Director

Age
49

Nationality
Italian

Gender
Male

Appointed to the Board

26 November 2015

Mr Patrick holds a BA (Honours) 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 eight 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, Mr 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 as 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.

Notes:

1. Family Relationship with Director and/or Major Shareholder

None of the Directors has any family relationship with any Director and/or major shareholder of the Company.

2. Conflict of Interest

None of the Directors has any conflict of interest with the Company.

3. Conviction of Offences

None of the Directors has been convicted of any offences (other than traffic offences, if any) within the past five years and there were no public sanctions or penalties imposed by the relevant regulatory bodies during the financial year ended 31 December 2022.

4. Attendance of Board Meetings

The attendance of the Directors at Board Meetings held during the financial year ended 31 December 2022 is disclosed in the Corporate Governance Overview Statement.

LEADERSHIP TEAM

Afzal Abdul Rahim

Chief Executive Officer/Commander-In-Chief

Age 45	Nationality Malaysian	Gender Male	Date of Appointment 7 October 2008
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Afzal's profile can be found on page 54 of this Annual Report.

Patrick Corso

Executive Director

Age 49	Nationality Italian	Gender Male	Date of Appointment 26 November 2015
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Patrick's profile can be found on page 54 of this Annual Report.

Lee Guan Hong

Executive Director

Age 48	Nationality Malaysian	Gender Male	Date of Appointment 1 November 2014
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Guan Hong has over 25 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 two-year Information Technology stint in Malaysia. He went on to spend six years in a Singapore-based service provider. He then joined Digi Telecommunications Sdn Bhd where he served in various capacities in the Technology division for six years.

He joined Time in 2009 and managed several portfolios over the years. On 1 November 2014, he was appointed as Chief Executive Officer of the Company's fixed line business and stayed in the role for more than two years. He was then appointed as a Non-Independent Executive Director from 9 March 2017 until 28 November 2022. He currently serves as Executive Director of TT dotCom Sdn Bhd and spearheads Time's cloud business.

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

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 five years and has no public sanction and/or penalty imposed by the relevant regulatory bodies during the financial year.

LEADERSHIP TEAM

Datuk Zainal Amanshah Zainal Arshad

Executive Director

Age 56	Nationality Malaysian	Gender Male	Date of Appointment 1 December 2022
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Datuk Zainal joined Time in January 2022 as an Independent Non-Executive Director and was redesignated as a Non-Independent Non-Executive Director on 5 October 2022. He then stepped down from the Board on 28 November to join the management team as an Executive Director of TT dotCom Sdn Bhd on 1 December 2022.

With more than 26 years of experience in the private sector and eight years in the Malaysian Government, Datuk Zainal has held several positions in multinational and local companies, and start-ups.

Prior to joining the Time management team, he was the Vice President of Malaysia and SEA Emerging Markets, and the Vice President of Key Accounts Management (Asia) at AECOM. Before that, he served as the first Chief Executive Officer at InvestKL Corporation ("InvestKL"), an Investment Promotion Agency under the Ministry of International Trade and Industry for eight years.

Prior to InvestKL, Datuk Zainal was the Group Chief Executive Officer and Executive Director of REDtone Digital Berhad (formerly known as REDtone International Berhad) ("REDtone"), a Malaysian public listed telecommunications provider that was brought to IPO in 2004. Before joining REDtone, he worked for several local and multinational companies including Unisys (M) Sdn Bhd, NCR Malaysia Sdn Bhd, Solsis Sdn Bhd, and Xylog Group and Lotus Software Sdn Bhd.

Datuk Zainal holds a Bachelor's Degree in Electronic Engineering from the University of Kent, United Kingdom.

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 five years and has no public sanction and/or penalty imposed by the relevant regulatory bodies during the financial year.

Shahnaz Farouque Jammal Ahmad

Chief Financial Officer

Age 48	Nationality Malaysian	Gender Male	Date of Appointment 13 October 2021
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Shahnaz was the Chief Executive Officer, Group Wholesale Banking of CIMB Group and prior to this, he was the Chief Financial Officer ("CFO") of CIMB Group. Before his role as Group CFO, he served in various capacities in CIMB in Group Finance, Group Risk Management, Corporate Client Solutions and PT Bank CIMB Niaga Tbk. Prior to joining CIMB in 2009, Shahnaz was with Goldman Sachs in London, England. He has also worked at Bankers Trust and Dresdner Kleinwort Wasserstein in London, as well as ABN AMRO Bank in Kuala Lumpur.

Shahnaz has over 20 years of banking experience covering mergers & acquisitions advisory, risk advisory, trading, risk management, corporate and investment banking, capital and balance sheet management, and finance. His qualifications include an MPhil in Economics from the University of Oxford, United Kingdom, and Bachelor (Double First Class) and Master of Arts in Economics from the University of Cambridge, United Kingdom. Shahnaz is a Non-Independent Non-Executive Director of Touch 'n Go Sdn Bhd and TNG Digital Sdn Bhd.

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 five 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 is made pursuant to paragraph 15.25(1) of the Main Market Listing Requirements (“Main Market Listing Requirements”) of Bursa Malaysia Securities Berhad (“Bursa Securities”). In producing this Corporate Governance Overview Statement, guidance was drawn from Practice Note 9 of the Main Market Listing Requirements, the Corporate Governance Guide (4th Edition) issued by Bursa Malaysia Berhad and the Malaysian Code on Corporate Governance (“MCCG”) issued by the Securities Commission Malaysia on 28 April 2021.

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 demonstrate how the Group is attuned to stakeholders’ expectations. This Corporate Governance Overview Statement outlines the Group’s corporate governance approach, a summary of the corporate governance practices during the financial year as well as the key focus areas and future priorities in relation to corporate governance.

The Corporate Governance Overview Statement is complemented by 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 and adoption of the Group’s corporate governance practices as recommended by the MCCG.

The Corporate Governance Report is made available on the Company’s website, www.time.com.my as well as the announcement made to Bursa Securities published 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, such as the Directors’ Statement on Risk Management and Internal Control, the Audit Committee Report and the Sustainability Statement.

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 being underpinned by the four key concepts of transparency, integrity, accountability and corporate performance. The Group adopts these key concepts in the various facets of its business 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 governance framework and structures, Time will continue to enhance its daily processes and standard operating procedures with a view of reflecting its position as a good corporate citizen.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

SUMMARY OF CORPORATE GOVERNANCE PRACTICES

Time has applied all the practices encapsulated in the MCCG for the financial year ended 31 December 2022 ("FY2022"), save for the following:

- **Practice 1.4** (Board Chairman is not a member of the Audit Committee, Nomination Committee or Remuneration Committee¹;
- **Practice 5.2** (Board to comprise a majority independent directors for Large Companies)²;
- **Practice 8.2** (Disclosure of top five Senior Management's remuneration on a named basis and in bands of RM50,000)³; and
- **Practice 12.2** (Adopt integrated reporting based on a globally recognised framework)⁴.

Notes:

- ¹ The Company's former Chairman, Encik Abdul Kadir Md Kassim, resigned as an Independent Non-Executive Chairman following his retirement on 22 October 2021. Puan Elakumari Kantilal, appointed as the Acting Chairman to preside over all meetings of the Board during the interim, subsequently assumed the chairmanship on 29 August 2022.
- ² In an ongoing effort for closer compliance with the best practice standards, the Board has appointed additional Independent Non-Executive Directors during the year namely, Mr Low Kim Fui and Ms Kuan Li Li on 25 July 2022 and 19 August 2022 respectively. However, with other several changes to the composition of the Board such as the re-designation of Mr Hong Kean Yong and Datuk Zainal Amanshah Zainal Arshad from Independent Non-Executive Directors to Non-Independent Non-Executive Directors ("NINED") on 15 June 2022 and 5 October 2022 respectively, followed by the appointment of Mr Selvendran Katheerayson as a NINED and the resignation from the Board of Mr Lee Guan Hong (Non-Independent Executive Director) and Datuk Zainal Amanshah Zainal Arshad (NINED) on 28 November 2022, half of the Board presently comprises of Independent Directors.
- ³ The Board believes that such disclosure will not be in the Company's interests given the highly competitive industry the Company operates in.
- ⁴ The Company has embarked on its journey of integrated reporting with the establishment of the Sustainability Policy & Framework and is working towards a full-blown Integrated Report. The Group is currently in the process of enhancing its Sustainability Report and embedding the Sustainability Policy & Framework Group-wide.

A more detailed explanation in the manner which Time is addressing the above departures are set out in the Corporate Governance Report. The explanations provided on the departures are supplemented with the articulation of 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 the announcement made to Bursa Securities published on the website of Bursa Malaysia Berhad.

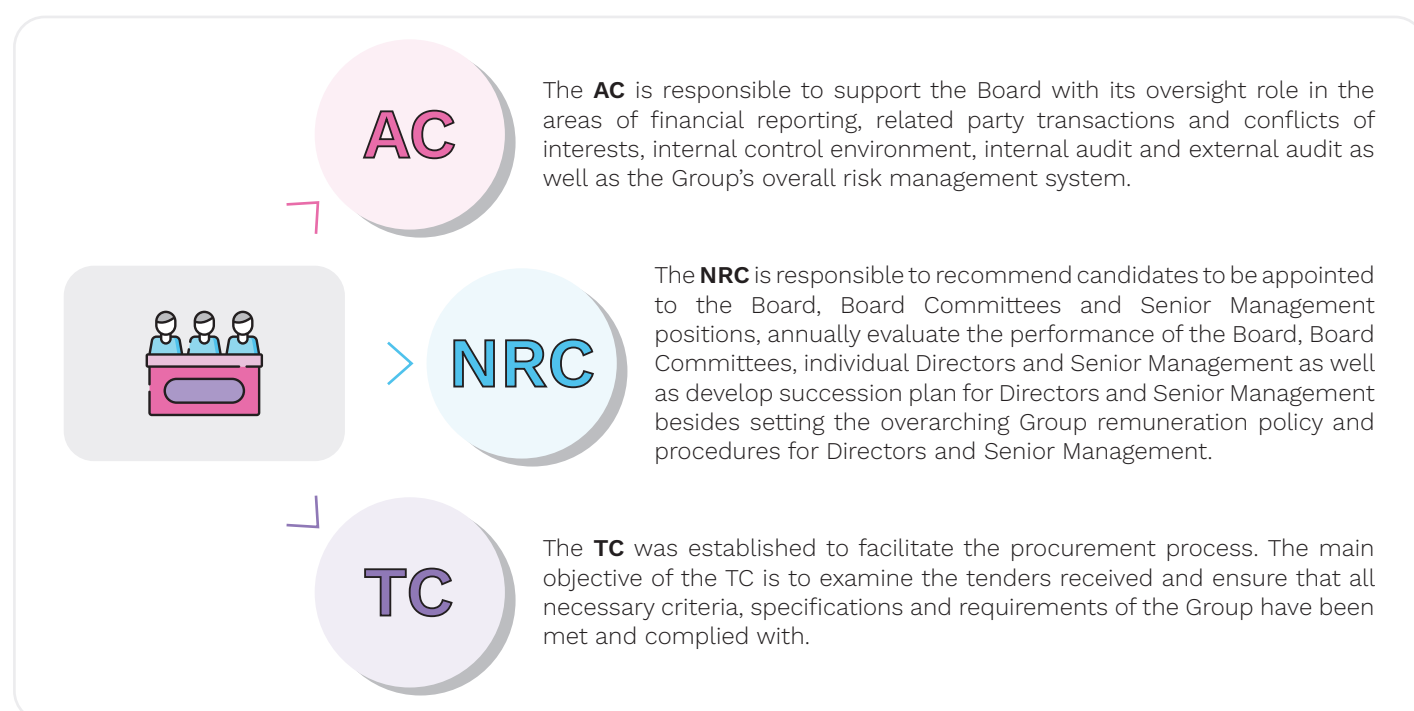
A summary of Time's corporate governance practices with reference to the MCCG is described below.

BOARD RESPONSIBILITIES

The Board is responsible for overseeing the management of the business and affairs of the Group, including setting the strategic direction, establishing short, medium and long-term business goals as well as monitoring the achievement of these goals. It also ensures effective leadership through management oversight and rigorous monitoring of the Group's activities, performance, conformance capabilities and control.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

In order to assist in the oversight function with respect to specific responsibility areas, the Board has established three Board Committees, namely the Audit Committee (“AC”), the Nomination and Remuneration Committee (“NRC”) and the Tender Committee (“TC”). The Board is kept apprised of the activities and proceedings of the Board Committees through the circulation of minutes of meetings of the Board Committees and update on meeting deliberations and outcomes by the respective Chairmen of the Board Committees at the Board meetings. Whilst authority is delegated to the Board Committees in accordance with the Terms of Reference of these Committees and the Group’s Discretionary Authority Limits, 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:



The Board and its Committees meet regularly to deliberate on matters under their purview. In addition to 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 in between scheduled meetings. During the year, the Board has deliberated on business strategies and critical issues concerning the Group, including business plan, annual budget, 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
Elakumari Kantilal ¹	15/15	4/4	7/7	
Mark Guy Dioguardi	15/15		7/7	4/4
Hong Kean Yong ²	15/15	6/6		4/4
Koh Cha-Ly ³	15/15	5/5	5/5	1/1
Datuk Azailiza Mohd Ahad ⁴	15/15	1/1		
Low Kim Fui ⁵	8/8		2/2	
Kuan Li Li ⁶	8/8	2/2		
Selvendran Katheerayson ⁷	1/1			
Afzal Abdul Rahim	15/15			
Patrick Corso	15/15			

Board/Board Committee Chairman

Member

CORPORATE GOVERNANCE OVERVIEW STATEMENT

Notes:

- 1 Puan Elakumari Kantilal ceased as AC Member on 19 August 2022 and was re-designated as the Chairman of the Board on 29 August 2022.
- 2 Mr Hong Kean Yong was re-designated from AC Chairman to AC Member on 15 June 2022 following his re-designation from a Senior Independent Non-Executive Director to a NINED on the same day. He was appointed as TC Chairman on 5 October 2022.
- 3 Ms Koh Cha-Ly was appointed as TC Member on 5 October 2022 and on the same day, she also ceased as AC Member and NRC Member.
- 4 Datuk Azailiza Mohd Ahad was appointed as AC Member on 5 October 2022.
- 5 Mr Low Kim Fui was appointed as an Independent Non-Executive Director on 25 July 2022 and as NRC Member on 5 October 2022.
- 6 Ms Kuan Li Li was appointed as an Independent Non-Executive Director on 19 August 2022 and was re-designated as AC Chairman on 12 September 2022.
- 7 Mr Selvendran Katheerayson was appointed as a NINED on 28 November 2022.

During FY2022, there were changes to the composition of the Board Committees effective from 5 October 2022 and the new compositions can be found on page 5 of this Annual Report.

The responsibilities of the Board and Management are clearly demarcated to ensure a balance of power and authority whilst facilitating effective discharge of the distinct roles of the Chairman and Chief Executive Officer (“CEO”). 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 CEO as the Head of Management is meanwhile responsible for developing and implementing the 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 is guided by 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 the newly appointed and existing Board members on the 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 meeting materials and/or information prior to the 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.

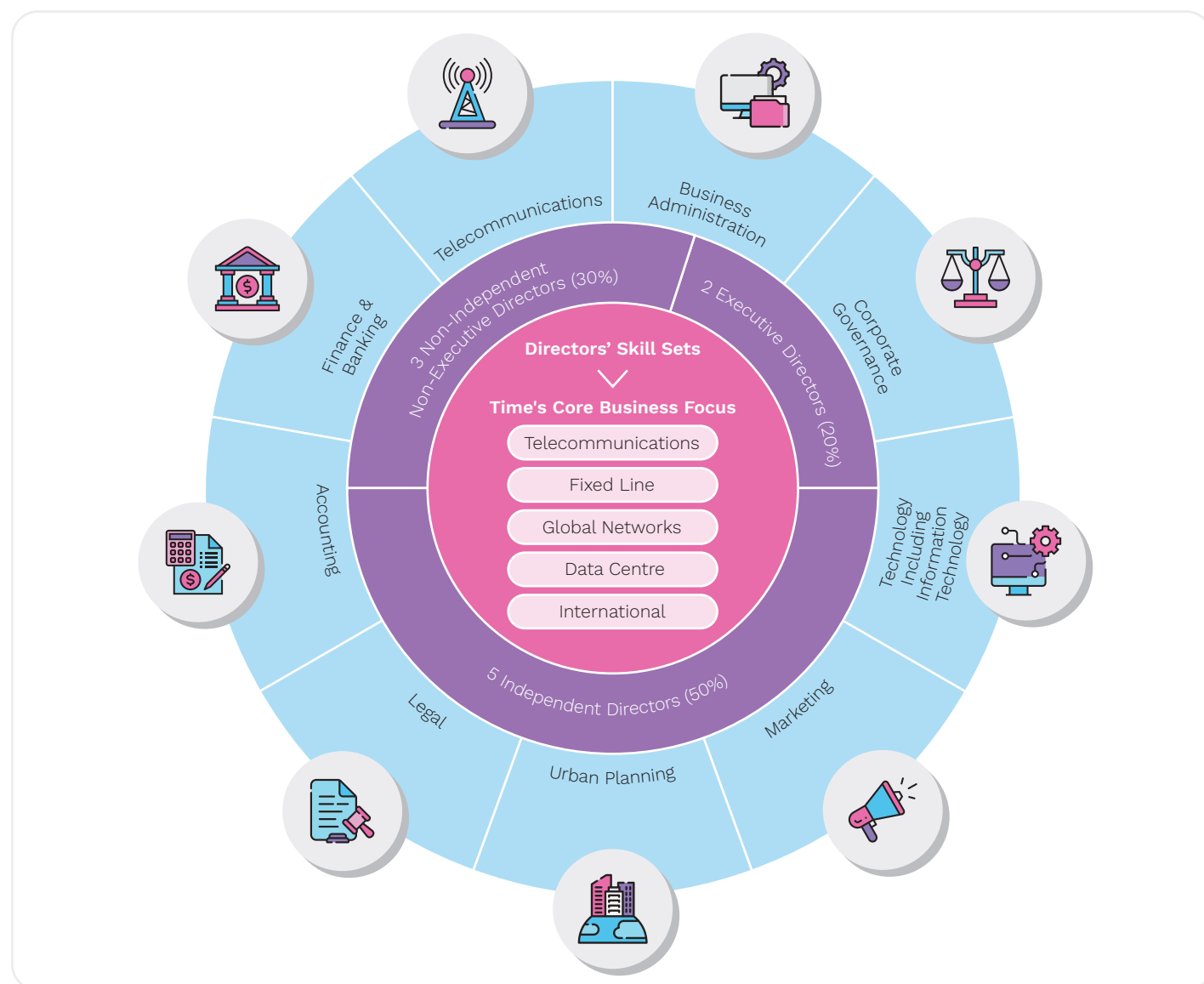
The Board is cognisant of its responsibility to set the “tone from the top”. A Code of Conduct and Ethics and Whistleblowing Policy have been put in place to foster an ethical culture and to allow bona fide suspected or presumed malpractices to be raised in confidence without the risk of reprisal. The 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 through the NRC, from time to time, undertakes a review of its composition to determine areas of strengths and improvement opportunities.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

The Directors 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 10 members can be viewed in a more granular lens as follows:

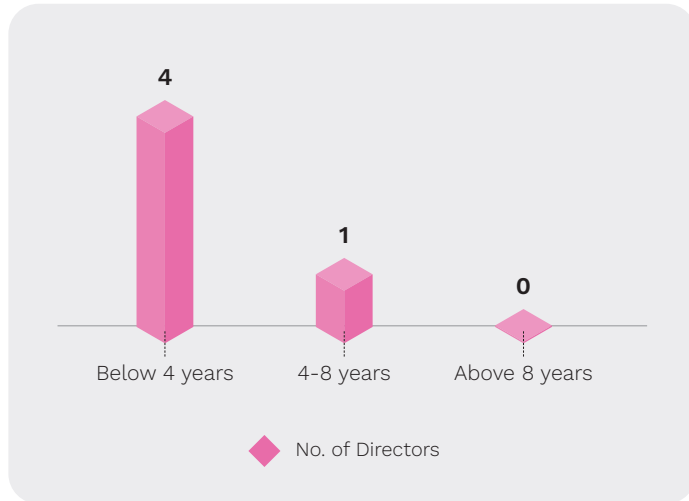


The Board now comprises five Independent Non-Executive Directors, including one Senior Independent Non-Executive Director, three Non-Independent Non-Executive Directors and two Executive Directors, including the CEO. The higher proportion of Non-Executive Directors present on the Board helps to mitigate 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 meets the independence criteria outlined in the Main Market Listing Requirements and there are appropriate cross-memberships to further promote effectiveness.

Practice 5.3 of the MCGG's recommendation states that the tenure limit of an independent director is a cumulative term of nine years. Upon completion of such maximum tenure, an independent director may continue to serve on the board as a non-independent director. If the Board intends to retain an independent director beyond nine years, it should provide justification and seek annual shareholders' approval through a two-tier voting process.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

The current tenure of the Independent Non-Executive Directors of the Company is as follows:



The NRC assesses Independent Directors annually to ascertain if they display a strong element of detached impartiality. In conducting this assessment, the NRC and the Board adopt a qualitative approach in assessing if Independent Directors possess the intellectual honesty and moral courage to advocate their 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 Board Committees and each of its members annually to determine whether the Board Committees and its members have carried out their duties in accordance with its 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 by the Board in the context of the Group's strategic direction. In terms of gender diversity, the Board currently comprises four female Directors equivalent to 40% of all Directors and the Board is committed to maintaining its women representation on the Board in line with the national target of having at least 30% women on the boards of corporate Malaysia.

The Board recognises that diversity should also extend to Senior Management and accordingly, a Gender Diversity Policy has been put in place for the Board and Senior Management of the Company in compliance with the MCCG.

Rule 103 of the Company's Constitution provides that 1/3 of the Directors of the Company for the time being or the number nearest to 1/3 shall retire from office at each Annual General Meeting ("AGM"). Each Director shall retire from office at least once in every three years and be eligible for re-election.

In accordance with Rule 103 of the Company's Constitution, Ms Koh Cha-Ly and Mr Hong Kean Yong shall retire by rotation at the forthcoming 26th AGM. Both Directors have informed the Board in writing of their intention to retire as Directors of the Company and therefore, will not be seeking for re-election at the 26th AGM. Hence, Ms Koh Cha-Ly and Mr Hong Kean Yong will retain office until the conclusion of the 26th AGM in accordance with Rule 103 of the Company's Constitution.

Mr Low Kim Fui, Ms Kuan Li Li and Mr Selvendran Katheerayson who were appointed on 25 July 2022, 19 August 2022 and 28 November 2022 respectively, are also standing for re-election as Directors pursuant to Rule 107 of the Company's Constitution which provides that any Director appointed during the year shall hold office only until the next AGM and be eligible for re-election. These Directors, being eligible, have offered themselves for re-election at the 26th AGM.

The Board is satisfied that following the NRC's review and based on the favourable evaluation of the performance and contributions of the Directors to the Board as well as their fitness and propriety, the Directors standing for re-election will continue to bring their knowledge, experience and skills and contribute effectively to the Board discussion, deliberations and decisions. The Board recommends and supports the re-election of the retiring Directors who have abstained from deliberations and decisions on their own eligibility and suitability to stand for re-election at the relevant Board and Committee meetings.

EVALUATION OF BOARD, BOARD COMMITTEES AND INDIVIDUAL DIRECTORS

The Board undertakes an annual performance evaluation to assess the performance and effectiveness of the Board and Board Committees, as well as the performance of the individual Board members. Such board evaluation exercise assists the Board to address any gaps and improvements required for the Board and Board Committees.

The Board aims to undertake an externally facilitated evaluation of its Board, Board Committees and individual Directors once every three years in compliance with Practice 6.1 of the MCCG which recommends that Large Companies engage an independent expert at least every three years to facilitate an objective and candid board evaluation.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

For FY2021, the Board had engaged Ernst & Young Consulting Sdn Bhd, an independent expert to undertake the board effectiveness evaluation (“BEE”) exercise for the Board, Board Committees and individual Directors (self and peer assessment). For FY2022, the NRC conducted the BEE exercise internally, facilitated by the Company Secretary.

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 that the remuneration 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 the Non-Executive Directors’ remuneration packages reflect the experience and level of responsibilities undertaken by the 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 for decision.

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, related party transactions and conflict of interest situations as well as the risk management framework.

The AC is led by an Independent Non-Executive Director who is a Certified Public Accountant and 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’s terms of reference provide that, among others, a former partner of the external audit firm and/or its affiliate firm is to observe a cooling-off period of at least three years before being appointed as an AC Member. In accordance with this requirement, none of the AC Members had been a former partner who is required to observe a cooling-off period.

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 auditors. These include policies and procedures to review the suitability and independence of the external auditors. The AC meets up with the external auditors to discuss their audit plan, audit findings and observations on the annual financial results of the Company. The AC also has private sessions with the external auditors without the presence of the Senior Management at least twice a year.

During the year under review, the external auditors have confirmed to the AC that their 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 have abstained from all deliberations and voting on the matter at the AC and Board levels, as appropriate.

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.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

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 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 risk owners to identify, analyse and evaluate strategic, business and operational risks. The Risk Management Secretariat monitors the implementation and updates of action plans and reports to the Risk Management Steering Committee.

The Group has an in-house internal audit department reporting to the AC. They are independent of the activities and 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 management, governance and internal controls.



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

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 Securities 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 and financial 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 engaged various investor groups through regular virtual and face-to-face engagements such as virtual group meetings, virtual investor conferences, group meetings and site visits 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 25th AGM held on 15 June 2022, the Company leveraged on technology to enable remote shareholders' participation and online remote voting. The 25th AGM was conducted on a fully virtual basis through live streaming from the broadcast venue at the Company's office premises. To encourage engagement between the Company, the Board and shareholders, shareholders who participated in the 25th AGM via live webcast were invited to submit their questions which were addressed by the Executive Directors, Chief Financial Officer and Chairman of the meeting.

The date and time of the general meeting 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.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

Pursuant to paragraph 8.29A(1) of the Main Market Listing Requirements, all resolutions tabled at any general meetings are to be put to vote by way of a poll. The voting results duly verified by an independent scrutineer are then announced immediately after the meeting to Bursa Securities via Bursa LINK.

FOCUS AREAS ON CORPORATE GOVERNANCE

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



Review of Corporate Governance Policies and Procedures

The Board is committed to review the Terms of Reference of each Board Committee periodically and changes are made to reflect the revised regulatory expectations, expectations of shareholders and operational changes shaping the Group.

During the year, the Board reviewed and approved the amendments to the Terms of Reference of the NRC, AC and TC to ensure that they remain relevant and updated in line with best practices, the Main Market Listing Requirements and all other relevant internal policies and regulatory requirements.



Business Integrity and Anti-Corruption Policy

The Company adopts a high standard of business ethics and has a zero-tolerance approach towards any acts of bribery and corruption within the business environment of the Group. The key principle underlying the ABC Policy is "Integrity Above All Else", a value that is embedded in each and every employee of the Group with the intention to foster a culture where all internal and external stakeholders behave honestly. The Company communicates to its employees the ABC Policy which sets out the Company's policy and general principles, guidelines and processes to minimise and eliminate the Company's exposure to the risk of unlawful conduct relating to bribery and corruption. Employees receive regular and relevant trainings to assist them to adhere to this policy. Apart from trainings, mandatory declaration and assessment is conducted to strengthen the level of knowledge pertaining to the ABC Policy.

The awareness sessions and mandatory declarations have also been extended to Time's third-party providers to ensure they too are equipped with the knowledge of acceptable and unacceptable business conduct. In conjunction with World Anti-Corruption Day on 9 December 2022, an Integrity Awareness week was held with various activities such as Integrity talk, Fun facts and Integrity related contests to educate Time's employees on integrity and corruption related topics. A Company-wide Corruption Risk Assessment was conducted in accordance with the requirements of the ABC Policy. Based on this assessment, risk controls and mitigation plans were developed to ensure corruption risks in Time are managed accordingly.

The Board is committed to review the ABC Policy periodically and changes are made to reflect the revised regulatory expectations, if any. During the year, the Board reviewed and updated the ABC Policy including the Whistleblowing Policy for greater clarity and to facilitate implementation by the Group.

CORPORATE GOVERNANCE OVERVIEW STATEMENT



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. Talent reviews are conducted by the Group with a view of identifying top talents and determining ways to retain them 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 and accordingly, a Succession Planning Policy has been put in place for the Board and Senior Management of the Company. 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.

The Board also acknowledges that diversity in the Board and Senior Management composition is critical in ensuring its effectiveness and good corporate governance.



Risk Management and Internal Control Framework

The Group recognises that inherent risks are present in the Group’s core business, presenting both opportunities and threats. Guided by the ERM framework, the Group implemented several initiatives in FY2022 to mitigate key risks, which includes strategic, operational, regulatory, technology and integrity related risks.



For details on the initiatives undertaken in FY2022, please refer to the **Statement on Risk Management and Internal Control** of this Annual Report.

In relation to internal audit, any observations 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.

The internal audit function, which reports directly to the AC, is primarily responsible to provide an independent assurance that the Group’s risk management, governance and internal control processes are operating effectively.

CORPORATE GOVERNANCE OVERVIEW STATEMENT



Business Continuity Management (“BCM”)

BCM is a proactive approach to managing any potential disruptions that may occur in the normal course of business. It works as a good principle for response systems to mitigate damages from theoretical events, allowing the business to continue operations as smoothly as possible and minimise downtime. By having well-defined plans in place, the Group can ensure that its operations remain uninterrupted during times of crisis.

The Board recognises the far-reaching effects of the COVID-19 pandemic and has put in place a policy on COVID-19 together with guiding principles to ensure that the business is prepared for any future disruption. The revised principles provide a framework for the Group to plan, prepare and respond to any potential disruptions. It also provides guidance on how to manage risk and maintain business continuity. The BCM team’s goal is to help the Group to remain resilient and continue operations during times of disruption.

The BCM team also performed Disaster Recovery (“DR”) exercises to test their plans and processes in order to identify gaps or weaknesses that need to be addressed before an actual disaster occurs. By performing a DR exercise, businesses can ensure that they are prepared for any eventuality and can minimise disruption caused by an accident. To ensure that the BCM practices are effective, Time has evaluated the Business Continuity and Disaster Recovery programs against the ISO 9001 and CSA Star Certification standards and has successfully obtained recertification of both standards in the fourth quarter of 2022.



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.

All Directors have attended and completed the Mandatory Accreditation Programme (MAP) as prescribed by the Main Market Listing Requirements.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

The list of training programmes that were attended by the Board members in FY2022 are outlined below:

Name	Programme title	Date(s)
Independent Non-Executive Directors		
Mark Guy Dioguardi	Advocacy Session for Directors and Senior Management of Main Market Listed Issuers	16 August 2022
	Essential Director Update 2022	14 November 2022
Koh Cha-Ly	Section 17A of the MACC Act 2009 and Adequate Procedures	3 November 2022
Datuk Azailiza Mohd Ahad	The Audit Committee – Unpacking the Roles of the Committee & Honing its Effectiveness in Discharging its Responsibilities Holistically	27 June 2022
	Advocacy Session for Directors and Senior Management of Main Market Listed Issuers	16 August 2022
	Audit Committee: The Megatrends & Priorities for Boards	8 November 2022
Low Kim Fui¹	Masterclass: The Effective Board – Integral Components for Board Effectiveness	11 October 2022
Kuan Li Li²	Conduct of Directors & Common Breaches of Main Market Listing Requirements	11 October 2022
Non-Independent Non-Executive Directors		
Elakumari Kantilal	Advocacy Session for Directors and Senior Management of Main Market Listed Issuers	13 September 2022
Hong Kean Yong	BNM-FIDE Forum MyFintech week Masterclasses	27 January 2022
	Islamic Finance for Board of Directors Programme	9 March 2022
	Sustainability Awareness Virtual Programme	5 July 2022
	Recovery and Resolution Planning Project	7 July 2022
	Advocacy Session for Directors and Senior Management of Main Market Listed Issuers	16 August 2022
	Anti-Money Laundering Session for Directors and Executives 2021/2022	13 September 2022
Selvendran Katheerayson³	Information Barrier & Insider Trading	8 to 9 September 2022
	Khazanah Megatrends Forum	3 to 4 October 2022
	Khazanah Digital Academy (E-Learning 261)	25 to 27 October 2022
Executive Directors		
Afzal Abdul Rahim	Sustainability Training – Securing our Future: Net Zero Pathways for Malaysia by WWF Malaysia, Boston Consulting Group and Oliver Wyman	13 July 2022
	Expert Talk Series for Board & Key Management #2: Sharing by Standard Chartered on Sustainable Finance / Sustainability Training KPIs	19 October 2022
Patrick Corso	Advocacy Session for Directors and Senior Management of Main Market Listed Issuers	20 September 2022

Notes:

¹ Mr Low Kim Fui was appointed as an Independent Non-Executive Director on 25 July 2022.

² Ms Kuan Li Li was appointed as an Independent Non-Executive Director on 19 August 2022.

³ Mr Selvendran Katheerayson was appointed as a NINED on 28 November 2022.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

CORPORATE GOVERNANCE PRIORITIES (2022 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 (One to Three Years)

Boardroom Independence

During the year, there have been several changes to the composition of the Board and despite the appointment of two additional Independent Non-Executive Directors on 25 July 2022 and 19 August 2022, the total number of Independent Non-Executive Directors is now five out of a total Board of 10 Directors. In order to create an even more conducive environment for insightful deliberations, the Board is looking to enlist additional Independent Non-Executive Directors with strong business acumen and a broad range of industry experience, so as to have a majority of Independent Non-Executive Directors.

In this regard, the Board will take into consideration and strike a balance between various factors such as stability, continuity, gender diversity, length of tenure and board independence. In view of the length of tenure of the existing 5 Independent Non-Executive Directors, the Board believes that the changes to the composition of the Board should be undertaken at a sustainable pace to allow for continuity during the transition to a Board that comprises a majority Independent Non-Executive Directors in compliance with Practice 5.2 of the MCCG and time for the experienced board members to guide the newly appointed board members.

During the year, 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.

The Board has also identified Mr Mark Guy Dioguardi, who assumed the Senior Independent Non-Executive Director role on 5 October 2022, as the conduit to address minority shareholders issues and to whom minority shareholders' concerns may be conveyed. The said appointment was based on the recommendation of the NRC having regard to the roles and responsibilities of a Senior Independent Director and the leadership qualities, expertise and experience of Mr Mark Guy Dioguardi.

Governance Culture

The following policies have been established to reinforce the internalisation of ethical values and strengthen the governance culture in the Group:

- **Directors' Fit and Proper Policy**

On 30 May 2022, the Board approved the adoption of the Directors' Fit and Proper Policy for implementation within the Company and its group of companies. This policy is in line with the amended Main Market Listing Requirements to have such a policy that addresses board quality and integrity for the appointment and re-election of directors of the listed issuer and its subsidiaries which came into effect on 1 July 2022.

- **Directors' Conflict of Interest Policy**

On 28 November 2022, the Board approved the adoption of the Directors' Conflict of Interest Policy in an effort to ensure that each of the Directors of the Company and its subsidiaries exercise judgement and perform their duties with integrity, accountability and openness. This policy sets out the disclosure obligations of each Director with respect to COI, and the procedures to be followed when a COI arises or potentially arises to ensure systematic identification, disclosure and management of COI in an effective and timely manner.

The Directors' Fit and Proper Policy and Directors' Conflict of Interest Policy are made available on the Company's website.

Long Term Plan (Three to Five Years)

Corporate Reporting

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

In this regard, the Company will seek to better align its management reporting, 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' INTERESTS

Save as disclosed below, there were no other material contracts entered by the Company and/or its subsidiaries involving Directors' and major shareholders' interests either subsisting as at 31 December 2022 or entered since the end of the previous financial year.

Wayleave and Right of Use Agreement ("Agreement") dated 8 May 2017 between Projek Lebuhraya Usahasama Berhad ("PLUS") and TT dotCom Sdn Bhd ("TTdC"). 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 respectively. UEMG is a wholly-owned subsidiary of Khazanah Nasional Berhad.

2. AUDIT AND NON-AUDIT FEES

The total 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 FY2022 are RM170,000 and RM646,000 respectively.

The total non-audit fees paid or payable to KPMG PLT and firms affiliated to KPMG PLT for services rendered to the Company and the Group for FY2022 are RM855,000 and RM974,000 respectively. During the FY2022, non-audit fees of RM825,000 was incurred for tax advisory, vendor and financial due diligence, and reporting accountant services rendered in relation to the proposed strategic partnership for the AIMS Data Centre business via partial divestment by the Company of shares in AIMS Data Centre Holding Sdn Bhd and AIMS Data Centre (Thailand) Limited to DB Arrow Pte. Limited, a portfolio company managed by DigitalBridge.

AUDIT COMMITTEE REPORT

The Board is pleased to present the Report of the Audit Committee (the “Committee”) for the financial year ended 31 December 2022.

COMPOSITION

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

The members of the Committee for the financial year ended 31 December 2022 are as follows:

Kuan Li Li (Chairman)	Independent Non-Executive Director
Hong Kean Yong	Non-Independent Non-Executive Director
Datuk Azailiza Mohd Ahad	Independent Non-Executive Director

The profiles of the Committee members are contained in the **Board of Directors** section set out on pages 50 to 54.

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 74 to 80.

MEETINGS

The Committee convened six meetings during the financial year ended 31 December 2022. The details of attendance are as follows:

Name	Attendance	Percentage of attendance
Kuan Li Li ⁽¹⁾ (Chairman)	2/2	100%
Hong Kean Yong ⁽²⁾	6/6	100%
Elakumari Kantilal ⁽³⁾	4/4	100%
Koh Cha Ly ⁽⁴⁾	5/5	100%
Datuk Azailiza Mohd Ahad ⁽⁵⁾	1/1	100%

Notes:

- (1) Appointed as a member of the Committee on 19 August 2022 and redesignated as the Chairman of the Committee on 12 September 2022.
- (2) Redesignated from Independent Non-Executive Director to Non-Independent Non-Executive Director on 15 June 2022 and consequently redesignated as a member of the Committee on the same day.
- (3) Ceased as a member of the Committee on 19 August 2022.
- (4) Ceased as a member of the Committee on 5 October 2022.
- (5) Appointed as a member of the Committee on 5 October 2022.

The Chief Executive Officer, Executive Director, Senior Management members, Regional Head of Internal Audit 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, and quarterly financial results of the Group for 2022 and discussed significant issues before recommending them to the Board 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 2022 Audit Plan approved by the Committee on 24 November 2021. The Regional Head of Internal Audit presented the status of 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 Audit Plan 2022.
- (ii) The 2022 Audit Plan was reviewed on a quarterly basis or as required, for example when required to include unplanned audit assignments to be carried out on an ad-hoc basis upon Management's request or arising from corporate significant events. A total of 31 audit assignments were completed in 2022, categorised as follows:
 - a) IT Audits: Information Technology related audits, including cybersecurity assessment and software asset & licensing management;
 - b) Strategic and Operational Audits: Audits of core operations within the Group such as Enterprise & Public Sector Sales Management, Bandwidth Management, and support services such as Human Resource Management and Asset Management;
 - c) Regional Audit: Operational audit of Symphony Communication Public Company Limited, which includes Bandwidth Management;
 - 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 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 Regional Head of Internal Audit.

AUDIT COMMITTEE REPORT

PRINCIPAL ACTIVITIES IN THIS FINANCIAL YEAR (continued)

(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) Providing assurance via the Statement on Risk Management and Internal Control for inclusion in the 2022 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 held two 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) 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 Overview Statement on page 68.

INTERNAL AUDIT FUNCTION

The Board 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.

AUDIT COMMITTEE REPORT

INTERNAL AUDIT FUNCTION (continued)

The internal audit function is sufficiently resourced and performed by a group of 15 internal auditors who are independent of any conflict of interests, which could impair their objectivity and independence. The function is headed by Syed Abdul Qader bin Mohd Ansari, who has more than 18 years of internal auditing experience in the telecommunications, airlines, and banking industry. All the internal auditors have tertiary qualifications and the level of expertise and professionalism as of the end of 2022 is as follows:

Expertise Category	Percentage of total auditors
Bachelor's Degree	80%
Professional (ACCA, CISA, CA, CIA, ISMS, CFE, CRMA, CBA, CEH, CISM, CSM, CPT, CCNA & Masters)	67%
Professional Membership (ACCA, MIA, IIA, ISACA, AICB, BEM & MBOT)	60%

The total costs incurred for the internal audit function for the financial year ended 31 December 2022 amounted to RM3,083,913.56.

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 2022, 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

- (i) The Board will determine the membership of the Audit Committee from time to time.
- (ii) The Audit Committee shall comprise of not less than three Members, who must be Non-Executive Directors, with a majority of them being Independent Directors. The Chairman of the Board shall not be a Member of the Audit Committee.
- (iii) The Audit Committee shall elect a Chairman from amongst its members, who shall be an Independent Non-Executive Director.
- (iv) There should be at least one Member who is a member of the Malaysian Institute of Accountants, or should have at least three years' working experience and passed the examinations specified in Part I of the First Schedule of the Accountants Act 1967 or is a member of one of the associations of accountants specified in Part II of the First Schedule of the Accountants Act 1967, or fulfils such other requirements as prescribed or approved by Bursa Securities.

AUDIT COMMITTEE REPORT

TERMS OF REFERENCE OF THE AUDIT COMMITTEE (continued)**(a) Membership (continued)**

- (v) Vacancies in the Audit Committee must be filled within three months. The Nomination and Remuneration 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.
- (vi) 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 to determine whether the Audit Committee and its Members have carried out their duties in accordance with the Terms of Reference.
- (vii) Alternate directors cannot be a Member of the Audit Committee.
- (viii) All Members, including the Chairman, will hold office only so long as they serve as Directors of the Company.
- (ix) Members may relinquish their membership in the Audit Committee with prior written notice to the Company Secretary and may continue to serve as Director of the Company.
- (x) All Members should be financially literate, competent and are able to understand matters under the purview of the Audit Committee including the financial reporting process.
- (xi) All 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.
- (xii) No former partner of the external audit firm and/or its affiliate firm (including those providing advisory services, tax consulting, etc.) shall be appointed as a Member of the Audit Committee before observing a cooling-off period of at least three years.

AUDIT COMMITTEE REPORT

TERMS OF REFERENCE OF THE AUDIT COMMITTEE (continued)

(b) Functions of the Audit Committee

- (i) To determine that established policies, procedures and guidelines, operating and internal accounting controls are adequate, functioning, effective, and are complied with in promoting efficiency and proper conduct of the Company's business.
- (ii) To act as an independent and objective party in reviewing the financial information of the Company presented by Management.
- (iii) To review the quarterly and year-end financial statements of the Company for recommendation to the Board for approval, focusing particularly on:
 - (a) changes in or implementation of major accounting policies and practices;
 - (b) 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
 - (c) compliance with accounting standards and other legal requirements.
- (iv) To consider and recommend the nomination, appointment and reappointment of the external auditors, 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 auditors' 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 auditors.
- (ix) To monitor the effectiveness of the external auditors' performance and their independence and objectivity.
- (x) To review the provision of the non-audit services by the external auditors. This is to ensure that there are proper checks and balances in place so that provision of such non-audit services does not interfere with the exercise of independent judgement of the external auditors. The total amount of the non-audit fees paid or payable shall not be more than 50% of the total amount of audit fees paid or payable to the external auditors. If the non-audit fees constitute 50% of the total amount of audit fees paid to the external auditors, then such non-audit fees are regarded as significant and details on the nature of such non-audit services rendered must be provided in the annual report of the Company.

AUDIT COMMITTEE REPORT

TERMS OF REFERENCE OF THE AUDIT COMMITTEE (continued)**(b) Functions of the Audit Committee (continued)**

- (xi) To do the following where an internal audit function exists:
 - (a) Review the adequacy and relevance 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;
 - (b) Ensure the internal audit function is effective and able to function independently;
 - (c) Review the internal audit programme/plan, processes, the results of the internal audit programme/plan, processes or investigation undertaken and whether or not appropriate action is taken on the recommendations of the internal audit function;
 - (d) Review any appraisal or assessment of the performance of members of the internal audit function;
 - (e) Approve any appointment or termination of senior staff members of the internal audit function; and
 - (f) Inform itself of resignations of internal audit staff members and provide the resigning staff to submit his/her reasons for resigning.
- (xii) To review and report to the Board any RPT (save for those RPT with specific authority limits as delegated under the DAL) and conflict of interest situation that may arise within the Company or the Group including any transaction, procedure or course of conduct that raises questions of management integrity.
- (xiii) To review the major findings of internal investigations and Management's response.
- (xiv) To review pertinent operational matters in relation to the Group's quarterly financial performance and quarterly announcement to Bursa Securities.
- (xv) 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 Securities.
- (xvi) 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.
- (xvii) To review the following for publication in the annual report of the Company:
 - (a) the Audit Committee Report;
 - (b) the statement on the Board's responsibility for the preparation of the annual audited financial statements; and
 - (c) the statement on the state of risk management and internal control of the Company.
- (xviii) To review the investigative reports as and when tabled by the Head of Internal Audit arising from the cases reported under the Whistleblowing Policy of the Company.
- (xix) To consider other topics as defined or functions as delegated by the Board.

AUDIT COMMITTEE REPORT

TERMS OF REFERENCE OF THE AUDIT COMMITTEE (continued)

(c) Rights of the Audit Committee

- (i) To enhance the effectiveness of the Audit Committee in the discharge of its duties, the Listing Requirements provide the Audit Committee with the following rights:
 - (a) have authority to investigate any matter within the Terms of Reference;
 - (b) have adequate resources required to perform its duties;
 - (c) have full and unrestricted access to information, records and documents of the Company and the Group relevant to its activities;
 - (d) have direct communication channels with the external auditors and person(s) carrying out the internal audit function or activity;
 - (e) have ability to obtain external independent professional advice in furtherance of its duties and secure the attendance of outsiders with relevant experience and expertise if it considers this necessary; and
 - (f) have ability 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.
- (ii) The Audit Committee is not authorised to implement its recommendations, save and except for the internal audit function, on behalf of the Board but shall report its recommendations back to the Board for its consideration and implementation.
- (iii) The Head of Internal Audit shall have unrestricted access to the Members and shall report directly to the Audit Committee. Administratively, the Head of Internal Audit shall report to the Executive Director or his designate.

(d) Meetings of the Audit Committee

- (i) 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.
- (ii) No business shall be transacted at any meeting of the Audit Committee unless a quorum is present. The quorum should comprise a majority of Independent Directors.
- (iii) Agenda of meeting duly endorsed by the Chairman together with the relevant Audit Committee papers are to be circulated at least five days prior to the meeting in order for the Audit Committee to read and appraise the matters to be discussed.
- (iv) The Chairman or the Company Secretary on the requisition of any Member, non-Member Director, internal or external auditors, shall at any time summon a meeting of the Audit Committee to consider the matters brought to its attention by giving due notice.
- (v) In the absence of the Chairman, the remaining Members present shall elect any one of the Member as chairman of the said meeting.
- (vi) Member shall abstain from participating in discussions and decisions on matters directly involving him/her to avoid a conflict of interest situation.
- (vii) The Audit Committee shall aim to reach a consensus on issues discussed, failing which a poll shall be taken through a show of hands.
- (viii) The Chairman should report the proceedings of each meeting to the Board. Minutes of each meeting should be kept and distributed to each Member of the Audit Committee and of the Board. The Secretary to the Audit Committee should be the Company Secretary of the Company.

AUDIT COMMITTEE REPORT

TERMS OF REFERENCE OF THE AUDIT COMMITTEE (continued)**(d) Meetings of the Audit Committee (continued)**

- (ix) The Company Secretary shall be in attendance at each Audit Committee meeting and record the proceedings of the meetings. Minutes of the meetings will be confirmed by the Audit Committee and subsequently be circulated to the Board for notation.
- (x) The CEO or/and CFO (or a person of similar capacity), Head of Internal Audit and a representative of the external auditors shall be entitled to attend any meeting of the Audit Committee and to make known their views on any matter under consideration by the Audit Committee, or which in their opinion, should be brought to the Audit Committee's attention.
- (xi) 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.
- (xii) The Audit Committee should meet with the external auditors without the presence of the executive board members and Management personnel 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, CFO 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.
- (xiii) The Audit Committee may deal with matters by way of circular reports and resolution in lieu of convening a formal meeting. A resolution in writing signed by all the Members shall be as valid and effectual in all respects as if it had been passed at a meeting of the Audit Committee duly convened.

These resolutions may consist of several documents in letter, telefax, electronic mail or any form of electronic approval or electronic signature via software, electronic devices or other means of telecommunication apparatus or devices, in the like form each signed by one or more Members.

AUDIT COMMITTEE REPORT

TERMS OF REFERENCE OF THE AUDIT COMMITTEE (continued)

(e) Audit Committee Report

The Board must cause the publication of an Audit Committee Report in the annual report of the Company and shall include the following therein:

- (i) the membership of the Audit Committee, including the minimum details as specified in the Listing Requirements;
- (ii) the number of Audit Committee meetings held during the financial year and details of attendance of each Member;
- (iii) a 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
- (iv) a summary of the work of the internal audit function.

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

- (i) a statement explaining the Board's responsibility for preparing the annual audited financial statements; and
- (ii) a statement on the state of risk management and internal control of the Company as a group (after the same is being reviewed by the external auditors and the results thereof reported).

(f) Reporting of Breaches

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

(g) Support

The Company Secretary shall provide the necessary support to enable all Members to discharge their functions effectively.

DIRECTORS' STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

The Malaysian Code on Corporate Governance ("MCCG") introduced in 2000 and last reviewed on 28 April 2021 reflects globally accepted principles and best practices for risk management and internal control which complies with the minimum required by statute, regulations, or those prescribed by Bursa Malaysia Securities Berhad. The MCCG introduces best practices to provide companies with broad guidance in making suitable arrangements and improvements for their risk management, internal control, and governance processes in order to assist the companies in making informed decisions about the level of risk that they want to take and implement the necessary controls to pursue the Company's objectives effectively.

The Board is committed to establishing an effective risk management and internal control framework to implement, monitor, review, and improve internal control and risk management of the Company in tandem with changing business circumstances.

The Statement on Risk Management and Internal Control - Guidelines for Directors of Listed Issuers serves as guidance to the Board in making the statement about the state of risk management and internal control of the Group.

BOARD RESPONSIBILITY

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

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 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 held the ultimate responsibility over risk management and internal control processes, the responsibility has been delegated to the Senior Management to implement the internal control systems within an established framework. The Group's Internal Audit 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** are 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 constituted by the Board to uphold corporate governance in specific areas and make informed decisions within the authority delegated to each of the Committees set out in terms of reference. The Board Committees comprise of the Audit, Nomination, Remuneration and Tender Committee. These Committees report to the Board and provide the relevant recommendations for the Board's decision.

DIRECTORS' STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

CONTROL ENVIRONMENT AND STRUCTURE (continued)

(a) Control Environment (continued)

- (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 performance and results, internal audit findings, conflict of interest situations, related party transactions, risk management, and internal controls as well as the external auditors' appointment and their external audit plan and findings. The Audit Committee reviews and approves the Internal Audit Plan on an annual basis and oversees the Internal Audit Division's function, scope of work, and resources. Further details of the activities undertaken by the Audit Committee are set out in the Audit Committee Report.
- (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:



As part of awareness and reminders to the employees, the Code of Conduct information have also been published by the internal communication channel, Time LOOP, and via internal briefings.

It is mandatory for all employees to complete the Anti-Corruption annual assessment as well as submit their declaration of Acceptance & Compliance with Time's Business Integrity and Anti-Corruption Policy.

DIRECTORS' STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

CONTROL ENVIRONMENT AND STRUCTURE (continued)

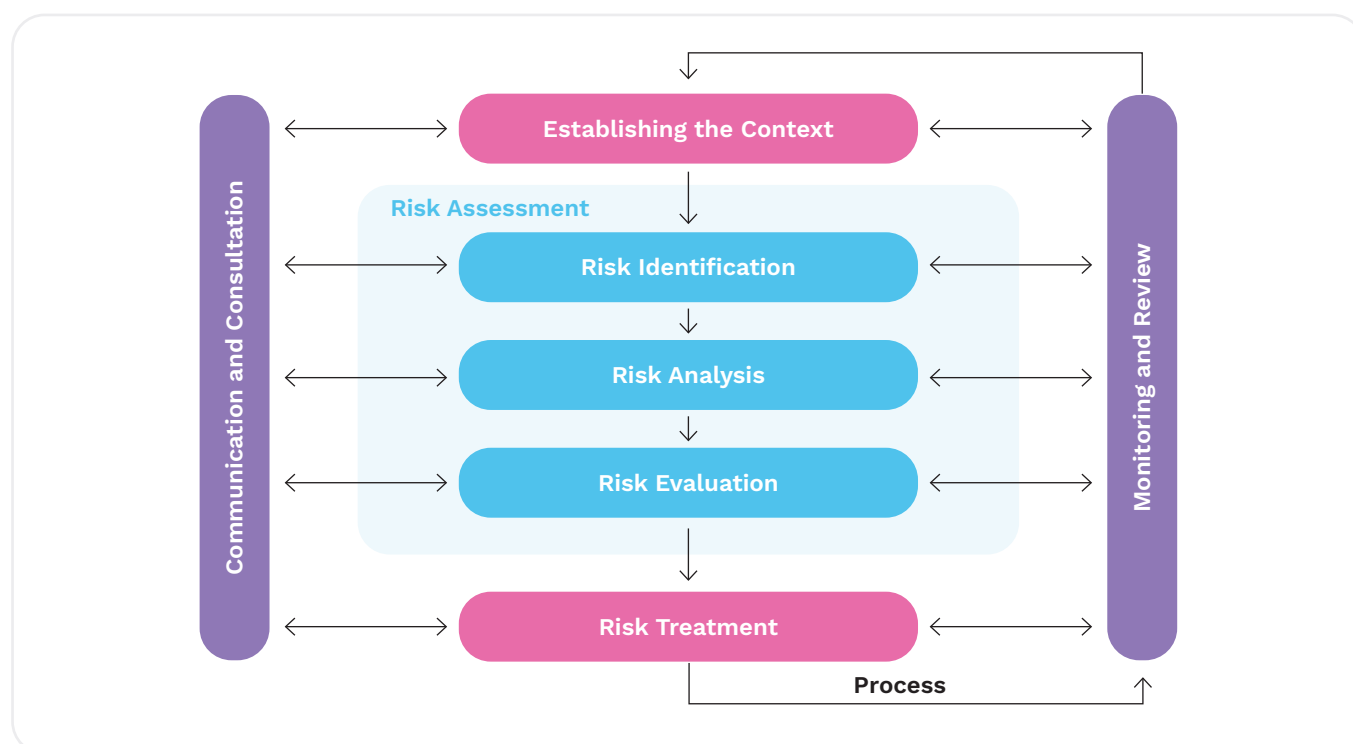
(a) Control Environment (continued)

- (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.

(b) Risk Assessment

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. The Risk Management Framework outlined in the Risk Management Procedure Manual has been adopted to guide the organisation to identify, analyse and evaluate strategic, business, operational and related risks.

Time's ERM process involves a systematic application of the risk management framework based on the ISO 31000: 2018 to facilitate risk identification, analysis and evaluation as well as risk treatment as described below:



DIRECTORS' STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

CONTROL ENVIRONMENT AND STRUCTURE (continued)

(b) Risk Assessment (continued)

- (i) **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. The RMSC reviews the risks and management's action plan on risk areas on a quarterly basis.
- (ii) **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 the implementation and monitoring of risk treatment plans. The risks in Time and its related entities are identified based on quarterly environmental scans and the potential impact of internal (within Time) and external factors (Political, Economic, Social, Technological, and Industry etc.) towards the Group's customers, financials and operations. The risk owners will be accountable for their risks and respective mitigation strategies. The mitigating action plans shall be governed by the RMSC. Key risks and their statuses are identified and reported to the Board on a quarterly basis.

A summary of the key risks faced by the Group is listed in Appendix 1 of this statement.

(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 Control & Assurance, Payable & ISD, and Treasury Management has been ISO 9001:2015 certified. These departments were independently certified by SIRIM QAS International for various relevant periods until 2024.
- (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, shareholders, staff, contractors, vendors, consultants, agencies, and customers or any other parties with a business relationship with Time can anonymously voice concerns or complaints.
- (iii) The group has implemented a **Business Continuity Management ("BCM")** program to put in place prevention, detection, response, and business recovery measures to minimise the impact of adverse business interruptions or unforeseen events such as acts of terrorism, cyber-attacks, data breaches, and epidemics. The BCM Committee is responsible to identify critical business functions, processes, and resources and to put in place a plan to mitigate any adverse or negative effects that could impact the Group's reputation, operations, and ability to remain in compliance with relevant laws and regulations. As part of BCM, exercises, and drills simulating various scenarios are carried out to stress test the effectiveness of the BCP.
- (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 once every quarter. Board papers are circulated to the Board members ahead of meetings and the Board members have full and unrestricted access to information, records and documents of the Group. 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.

DIRECTORS' STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

CONTROL ENVIRONMENT AND STRUCTURE (continued)

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

Regulatory Affairs also participates in inter government industry forums and consultations and other industry development activities conducted by 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 2022 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 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

Operational risk remains to be one of the top risks faced by telco players as Time continues to accelerate our business activities to meet customer needs. While attuning to customers' needs, telecommunications players remained under pressure to improve network performance and coverage. As such, Time continues to strive for improvement to meet committed Service Level Guarantee ("SLGs") and exceed customers' expectations. Even with all proper controls in place, the risks of network failure and disruption due to factors arising from incidents which are not within Time's control such as sabotage, improper external works along Time's network route, natural disaster, among others, 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 processes and procedures were continuously improved to emphasise the need for exceptional customer support and service improvement. Various BCM strategies were also embedded to ensure quick response and action to ensure the continuity of business across the Group.

Apart from the above, Time is also exposed to supply chain risk which may impact our operations. The current risk in the market involving disruption in equipment supply and increase in key component prices have also impacted Time. However, Time has been managing this risk effectively by changing the material purchasing process to increase the stockholding period of our fast-moving components. Time has also been actively sourcing for alternate vendors to ensure sufficient equipment supply in order to continue servicing our customers.

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 being incapable to compete and meet customer demand efficiently and effectively.

As a growing company with vast infrastructure, it is Time's responsibility to ensure these 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 to improve Time's operations. Significant investments were made to mitigate technology risk to ensure that business and operations are being run and supported by the latest technology.

As technology continues to evolve, cyber threats have also escalated over the years. Cyber risks have become one of the top risks for businesses around the world due to increasing reliance on computers, networks, and data. The COVID-19 pandemic has also exacerbated the issue since more employees are working from home and more dealings were done online. Weakness in controls over these areas may result in operational disruption and financial losses. Data and information theft may impact the Company's reputation, losing customer base with legal consequences.

Nevertheless, Time has implemented a series of action plans to ensure that the Company is well-protected from such threats and vulnerabilities. The action plans include reviewing and improving existing processes/policies, strengthening the cybersecurity infrastructure, and improving security awareness of the employees as well as skills of technical support and security personnel via training or knowledge transfer.

IT and network securities and parameters are being reviewed and enhanced continuously and consistently to meet industry standards. Time also adopts information confidentiality policies and procedures to further mitigate the risk and exposure towards cyber security risks. Time is also certified in Information Security Management Systems (ISO/IEC 27001).

DIRECTORS' STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

APPENDIX 1 – KEY RISKS FACED BY THE GROUP (continued)

3. Regulatory Risk

Regulatory risk arises when there's a change to the laws or regulations governing the telecommunication industry. Non-compliance may result in reputational damage, financial penalties or suspension of license. As such, Time constantly strives to be agile in adapting to regulatory changes by actively engaging with related regulatory bodies and keeping abreast with the latest changes or potential emerging regulations in the industry. Time has also taken swift actions by optimising our resources, improving internal processes and fostering collaboration between departments to ensure compliance with the latest standards.

4. Strategic Risk

Strategic risks are risks that could potentially stop an organisation from achieving its business goals. Following a strategic review of its data centre business in late 2021, the Group found that there were significant opportunities in underserved markets across Asia. Aggressively pursuing these opportunities would require significant investments as well as a deep understanding of global trends in the space. Time felt that this ambition would be best realised with a strategic partner that has a global lens. As such, Time had announced its partnership with affiliates of DigitalBridge, one of the world's leading owners and operators of digital infrastructure assets, to accelerate the expansion of its AIMS data centre business across Asia.

The partnership between Time and DigitalBridge is premised on bringing together a unique combination of two entities with distinctly different backgrounds – a focused telecoms and data centre operator with assets across ASEAN, and a digital infrastructure investor that has enabled the growth of some of the most successful data centres and digital infrastructure companies around the world.

Competition risk which also forms part of strategic risk is the potential for a business's competitors to prevent its growth and success. Since many companies compete for the same target customers and distributors, they may take measures to prevent similar enterprises from entering new markets and reaching customers. Time has also been facing this risk from other telecommunication companies in Malaysia which have been aggressively launching products and new price revisions to compete with Time. In order to manage this risk effectively, Time has undertaken several initiatives to accelerate business activities in order to be ahead of the competition including the brand revitalising exercise.

5. Governance & Integrity Risk

Governance & Integrity risk are risks related to the potential breach of policies, procedures, rules and frameworks in Time. They are defined as threats to the organisation due to insufficient compliance with the rules and regulations.

Time has in place several policies and procedures to manage its governance and integrity risk including the ABC Policy in line with the introduction of Section 17A of MACC Act 2009. The implementation of this policy has raised awareness amongst employees and third parties associated with Time on the topic of bribery & corruption. This policy also reinforces Time's zero-tolerance culture towards bribery and corruption.

GROUP FINANCIAL HIGHLIGHTS

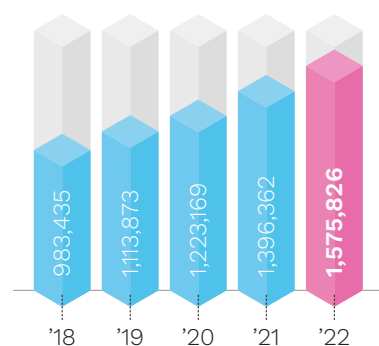
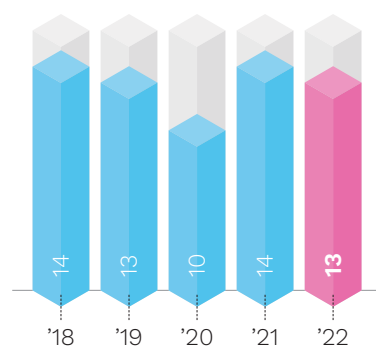
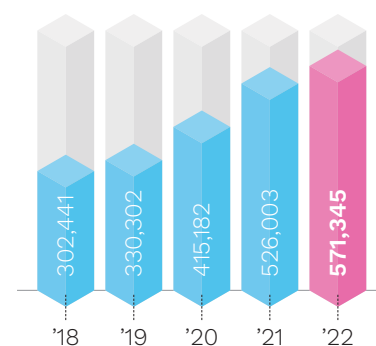
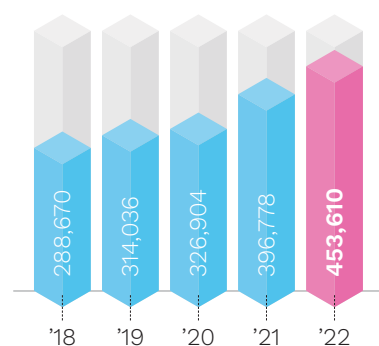
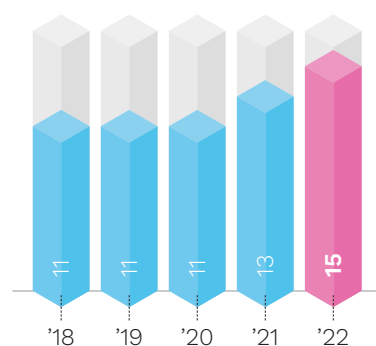
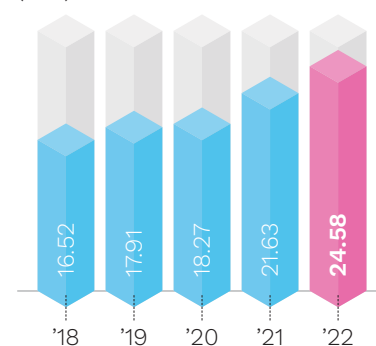
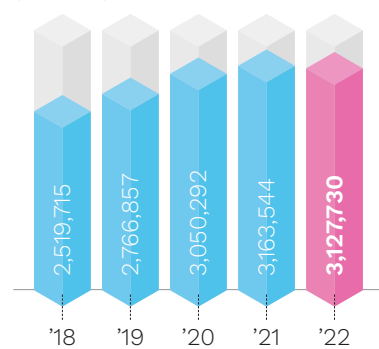
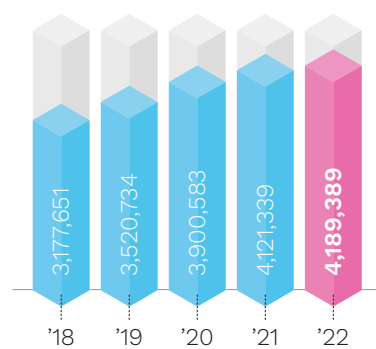
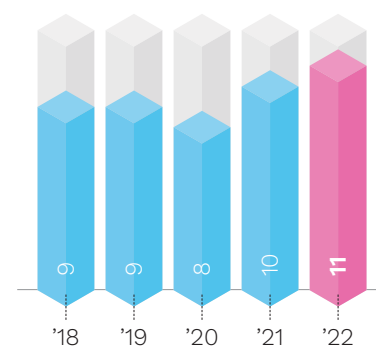
	FY2018	FY2019	FY2020	FY2021	FY2022
Revenue (RM'000)	983,435	1,113,873	1,223,169	1,396,362	1,575,826
Revenue Growth (%)	14	13	10	14	13
EBITDA (RM'000)	427,436	479,797	567,059	689,220	758,076
Operating Profit (RM'000)	302,441	330,302	415,182	526,003	571,345
Profit After Tax (RM'000)	288,670	314,036	326,904	396,778	453,610
Return on Equity (%)	11	11	11	13	15
Basic Earnings per Ordinary Share (sen) ^(N1)	16.52	17.91	18.27	21.63	24.58
Financial Position					
Total Shareholders' Equity (RM'000)	2,519,715	2,766,857	3,050,292	3,163,544	3,127,730
Total Assets (RM'000)	3,177,651	3,520,734	3,900,583	4,121,339	4,189,389
NTA per Share (RM) ^(N1)	1.32	1.45	1.56	1.59	1.57
Return on Assets (%)	9	9	8	10	11

Notes:

1 Figures for FY2018 onwards are shown post-MFRS15. Figures for FY2019 onwards are shown post MFRS16. For comparison purposes, FY2018 to FY2020 Basic Earnings per Ordinary Shares and NTA per Share have been adjusted to reflect the impact of bonus issue exercise on the basis of two bonus shares for every one existing ordinary share held which was completed on 6 August 2021.

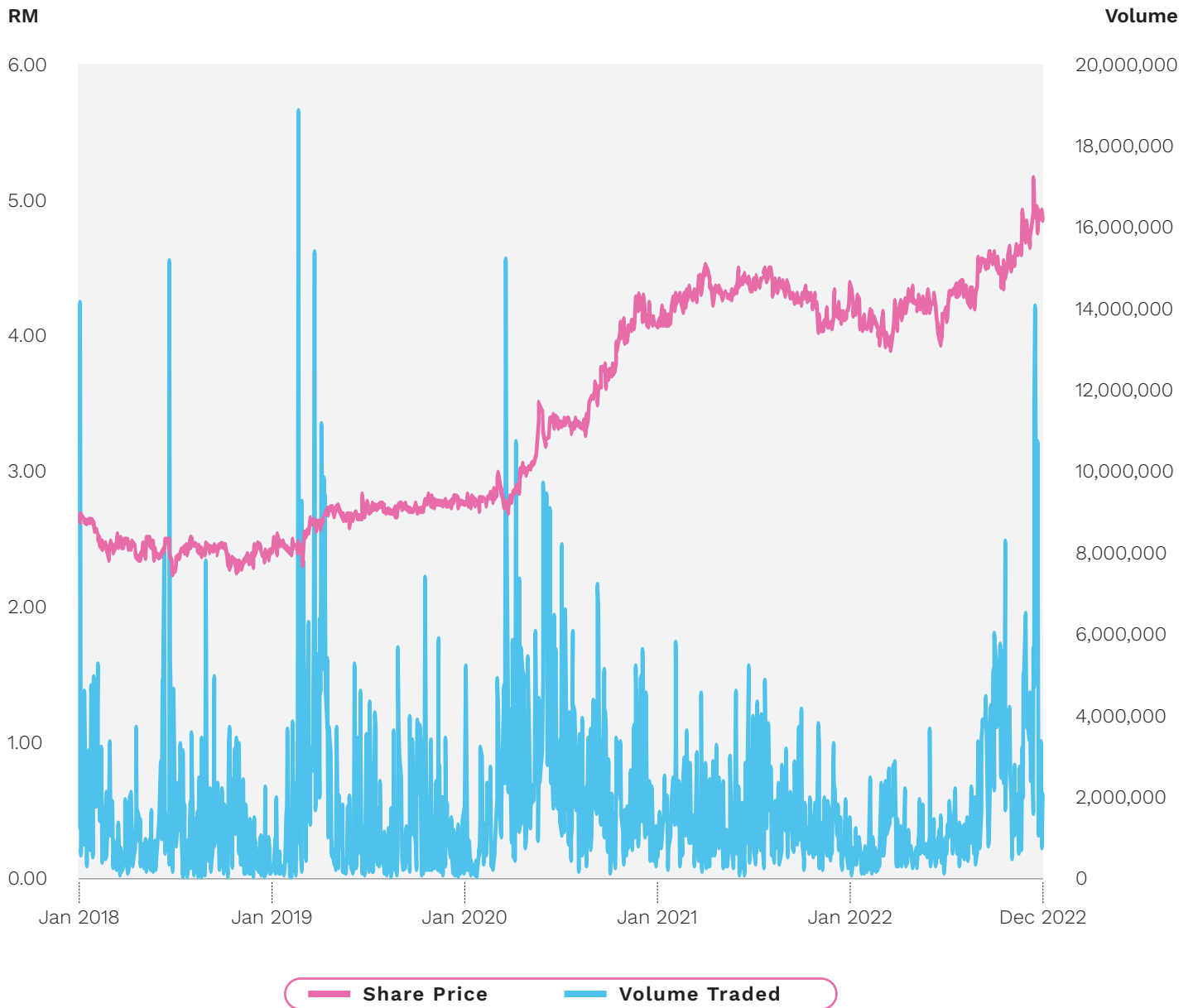
2 Due to the announced and impending divestment of stakes in AIMS Data Centre Holding Sdn Bhd and AIMS Data Centre (Thailand) Limited (collectively as "AIMS"), and according to MFRS 5: "Non-current assets held for sale and discontinued operations", AIMS is to be treated as an asset held for sale, and thus disclosed as discontinued operations separately from continuing operations in the financial statements of the Group. For purposes of comparability, this financial review is presented on a fully consolidated basis.

GROUP FINANCIAL HIGHLIGHTS

REVENUE
(RM'000)**REVENUE GROWTH**
(%)**OPERATING PROFIT**
(RM'000)**PROFIT AFTER TAX**
(RM'000)**RETURN ON EQUITY**
(%)**BASIC EARNINGS
PER ORDINARY SHARE**
(Sen)**TOTAL SHAREHOLDERS'
EQUITY**
(RM'000)**TOTAL ASSETS**
(RM'000)**RETURN ON ASSETS**
(%)

5-YEAR SHARE PRICE MOVEMENT

as at 31 December 2022



Note:

The share price has been adjusted for bonus issue and dividends.

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DIRECTORS' REPORT

for the financial year ended 31 December 2022

The Directors have pleasure in presenting their report together with the audited financial statements of the Group and of the Company for the financial year ended 31 December 2022.

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 7 to the financial statements. Except as disclosed in 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 7 to the financial statements.

Results

	Group RM'000	Company RM'000
Profit for the year attributable to:		
Owners of the Company	449,910	609,173
Non-controlling interests	3,700	-
	453,610	609,173

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 10.86 sen and 2.29 sen per ordinary share respectively for the financial year ended 31 December 2021 on 23 March 2022 totalling to RM240,069,000; and
- an additional special interim tax exempt (single tier) dividend of 16.34 sen per ordinary share for the financial year ended 31 December 2022 on 27 September 2022 totalling to RM300,098,000.

The Directors declared on 28 February 2023, an ordinary interim and a special interim tax exempt (single tier) dividend of 12.33 sen and 2.36 sen per ordinary share respectively for the financial year ended 31 December 2022, which will be paid on 24 March 2023.

Directors of the Company

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

Elakumari Kantilal (Chairman)
 Afzal Abdul Rahim (Chief Executive Officer)
 Patrick Corso (Executive Director)
 Lee Guan Hong (Executive Director) (resigned on 28 November 2022)
 Ronnie Kok Lai Huat (retired on 15 June 2022)
 Mark Guy Dioguardi
 Hong Kean Yong
 Koh Cha-Ly

DIRECTORS' REPORT

for the year ended 31 December 2022

Directors of the Company (continued)

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

Datuk Azailiza Binti Mohd Ahad

Datuk Zainal Amanshah Bin Zainal Arshad (appointed on 3 January 2022 and resigned on 28 November 2022)

Low Kim Fui (appointed on 25 July 2022)

Kuan Li Li (appointed on 19 August 2022)

Selvendran Katheerayson (appointed on 28 November 2022)

List of directors of the subsidiaries

Pursuant to Section 253 of the Companies Act 2016, the list of directors of the subsidiaries (excluding Directors who are also Directors of the Company) during the financial year and up to the date of this report is as follows:

Ang Poh Koon
 Ang Thing Jiun
 Chan Kah Pin
 Chiew Kok Hin
 Choong Yoke Khang @ Choong Yoke Can
 Chow Mong Seang
 Ganesh John A/L Sivasamboo
 Kranphol Asawasuwana
 Lee Guan Hong
 Lee Heng Lai
 Liaw Moy Hong
 Lim Chee Yee
 Loh Jenkim
 See Chun Yuen
 Shahnaz Farouque Bin Jammal Ahmad
 Tan Whatt Chye Philip
 Teerarat Pantarasutra

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 spouse and/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			
	As at 1.1.2022	Shares vested under Share Grant Plan/ Share options	Sold	As at 31.12.2022
<i>Deemed interest in the Company:</i>				
Afzal Abdul Rahim*	535,826,070	-	-	535,826,070
Patrick Corso*	535,826,070	-	-	535,826,070
<i>Interest in the Company:</i>				
Afzal Abdul Rahim - own	14,147,721	-	-	14,147,721
Patrick Corso - own	4,183,600	-	-	4,183,600

DIRECTORS' REPORT

for the year ended 31 December 2022

Directors' interests in shares (continued)

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 spouse and/or children of the Directors who themselves are not Directors of the Company) as recorded in the Register of Directors' Shareholdings are as follows: (continued)

	Number of share options over ordinary shares		
	As at 1.1.2022	Granted	As at 31.12.2022

Interest in the Company:

Patrick Corso - own	3,960,000	-	-	3,960,000
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* 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 interests in the shares of the Company, they are also deemed interested in the shares of all the subsidiaries of the Company during the financial year to the extent that the Company has an interest.

Save as disclosed above, none of the other Directors holding office as at 31 December 2022 had any interest in the shares and options over 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 shown below) 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.

The Directors' benefits paid or payable to Directors in respect of the financial year ended 31 December 2022 are as follows:

	From the Company RM'000
Directors of the Company:	
Fees	948
Remuneration	4,802
Estimated money value of any other benefits	10,627
	16,377

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 apart from the grant of a share option to Patrick Corso, an Executive Director of the Company.

Issue of shares and debentures

During the financial year, the Company increased its issued share capital of the Company from 1,825,618,888 ordinary shares to 1,836,586,103 ordinary shares by way of the issuance of 10,967,215 new ordinary shares pursuant to the Company's share grant plan.

The new ordinary shares issued rank pari passu with the existing ordinary shares of the Company.

DIRECTORS' REPORT

for the year ended 31 December 2022

Issue of shares and debentures (continued)

The share grant plan had expired on 1 November 2022 and any award shares granted which have yet to be vested shall be deemed cancelled and be null and void.

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 an Executive Director of the Company and the share grant plan to employees.

Share options to an Executive Director

At an Extraordinary General Meeting held 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.

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

- 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.
- d) The option per share was adjusted to RM7.835 per share and RM7.761 per share with no change made to the number of option shares granted pursuant to special dividends paid by the Company on 31 March 2020 and 30 March 2021 respectively.
- e) 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.
- f) 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.
- g) On 5 April 2021, the Executive Director exercised option shares granted to him of 450,000 new ordinary shares at the adjusted exercise price of RM7.761 per share. The Company received proceeds totalling RM3,492,450 as a result of the said exercise of share options.

DIRECTORS' REPORT

for the year ended 31 December 2022

Share options to an Executive Director (continued)

- h) On 22 July 2021, the ordinary resolution as set out in the Notice of Postponed Extraordinary General Meeting ("EGM") of the Company dated 23 June 2021 was duly passed by the shareholders at the EGM for a Bonus Issue of up to 1,212,483,666 new ordinary shares of the Company on the basis of two bonus shares for every one existing ordinary share held on 5 August 2021 ("Bonus Issue"). A total of 1,209,423,666 bonus shares have been issued and were listed and quoted on the Main Market of Bursa Securities on 6 August 2021. The Executive Director's remaining share options of 2,850,000 have been adjusted to 8,550,000 option shares at an adjusted price of RM2.587 per share (from RM7.761 per share previously).
- i) On 1 September 2021, the Executive Director exercised option shares granted to him of 4,590,000 new ordinary shares at the adjusted exercise price of RM2.587 per share. The Company received proceeds totalling RM11,874,330 as a result of the said exercise of share options.
- j) On 22 December 2021, the option price was further adjusted to RM2.540 per share with no change made to the number of option shares granted pursuant to a special dividend paid by the Company.
- k) On 23 March 2022 and 27 September 2022, the option price was further adjusted to RM2.526 and RM2.438 per share respectively with no changes made to the number of option shares granted pursuant to the special dividends paid by the Company.

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 Constitution 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.

DIRECTORS' REPORT

for the year ended 31 December 2022

Share grant plan to employees (continued)

- e) The SGP shall be in force for a period of eight years or such longer period as may be extended but not exceeding 10 years from the adoption date of the SGP.
- f) On 26 June 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.
- g) Adjustments to the SGP arising from the Bonus Issue were also made to ensure fair and reasonable treatment to the eligible employees of our Group.
- h) On 16 August 2021, the Company issued 6,893,389 new ordinary shares in the Company to eligible employees under the SGP. The closing share price on the vesting date 20 August 2021 was RM4.73 per share. The vesting of the shares under the SGP were subject to the Group achieving certain financial targets and upon the eligible employees meeting the minimum grading criteria in accordance with the performance management system adopted by the Group.
- i) On 21 July 2022 and 27 July 2022, the Company issued 9,060,075 new ordinary shares and 1,907,140 new ordinary shares to eligible employees under the SGP respectively. The closing share price on the respective vesting dates of 29 July 2022 and 8 August 2022 was RM4.59 per share and RM4.54 per share respectively. The vesting of the shares under the SGP were subject to the Group achieving certain financial targets and upon the eligible employees meeting the minimum grading criteria in accordance with the performance management system adopted by the Group.

The SGP expired on 1 November 2022 pursuant to the By-Laws of the SGP. On the expiry of the SGP, any ordinary shares of the Company granted which have yet to be vested shall be deemed cancelled and be null and void.

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 2022 was RM42,972 (2021: RM40,926).

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

DIRECTORS' REPORT

for the year ended 31 December 2022

Other statutory information (continued)

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

- 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 the financial year ended 31 December 2022 have not been substantially affected by any item, transaction or event of a material and unusual nature nor has any such item, transaction or event occurred in the interval between the end of that financial year and the date of this report.

Significant events

The details of such events are disclosed in Note 34 to the financial statements.

Subsequent events

The details of such events are disclosed in Note 35 to the financial statements.

Auditors

The auditors' remuneration of the Group and of the Company during the year are RM1,736,000 and RM1,025,000 respectively.

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

.....
Afzal Abdul Rahim

Director

.....
Patrick Corso

Director

Date: 28 February 2023

STATEMENTS OF FINANCIAL POSITION

as at 31 December 2022

	Note	Group 2022 RM'000	2021 RM'000	Company 2022 RM'000	2021 RM'000
Assets					
Property, plant and equipment	3	1,572,331	1,820,753	8,113	8,113
Investment property	4	1,445	1,478	-	-
Right-of-use assets	5	95,157	140,469	-	-
Intangible assets	6	140,127	251,989	-	-
Investments in subsidiaries	7	-	-	419,675	509,539
Investments in associates	8	486,781	456,976	-	-
Other investments	9	55,027	41,731	-	-
Deferred tax assets	10	27,574	55,790	2,775	4,106
Trade and other receivables	11	1,814	6,605	54,600	64,510
Total non-current assets		2,380,256	2,775,791	485,163	586,268
Tax recoverable		3,789	1,883	-	-
Other investments	9	-	2,000	-	2,000
Trade and other receivables	11	563,837	541,279	995,250	913,132
Restricted cash	12	4,161	4,296	36	35
Cash and cash equivalents	12	484,635	796,090	76,034	190,456
		1,056,422	1,345,548	1,071,320	1,105,623
Assets classified as held for sale	13	752,711	-	239,902	-
Total current assets		1,809,133	1,345,548	1,311,222	1,105,623
Total assets		4,189,389	4,121,339	1,796,385	1,691,891
Equity					
Share capital	14	1,418,562	1,379,148	1,418,562	1,379,148
Reserves	15	1,683,225	1,762,153	367,590	301,422
Equity attributable to owners of the Company		3,101,787	3,141,301	1,786,152	1,680,570
Non-controlling interests		25,943	22,243	-	-
Total equity		3,127,730	3,163,544	1,786,152	1,680,570
Liabilities					
Loans and borrowings	16	12,665	107,997	-	-
Lease liabilities		66,826	103,427	-	-
Trade and other payables	17	327,452	327,823	-	-
Deferred tax liabilities	10	92,338	17,607	-	-
Total non-current liabilities		499,281	556,854	-	-

STATEMENTS OF FINANCIAL POSITION

as at 31 December 2022

	Note	Group		Company	
		2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Loans and borrowings	16	16,935	22,489	-	-
Lease liabilities		9,875	20,221	-	-
Trade and other payables	17	359,476	349,809	9,873	10,986
Provision for tax		2,868	8,422	360	335
		389,154	400,941	10,233	11,321
Liabilities classified as held for sale	13	173,224	-	-	-
Total current liabilities		562,378	400,941	10,233	11,321
Total liabilities		1,061,659	957,795	10,233	11,321
Total equity and liabilities		4,189,389	4,121,339	1,796,385	1,691,891

The notes on pages 108 to 186 are an integral part of these financial statements.

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

for the year ended 31 December 2022

	Note	Group 2022 RM'000	2021 RM'000 <i>Restated</i>	Company 2022 RM'000	2021 RM'000
Continuing operations					
Revenue	18	1,454,834	1,285,482	474,907	341,500
Cost of sales	19	(590,100)	(518,228)	-	-
Gross profit		864,734	767,254	474,907	341,500
Other income		31,675	19,881	153,666	3,076
Operating expenses		(379,264)	(307,708)	(22,005)	(20,822)
Net loss on impairment of financial instruments		(13,447)	(8,520)	-	-
Other expenses		(1,126)	(232)	-	(10,105)
Results from operating activities		502,572	470,675	606,568	313,649
Income from investments	20	9,791	10,168	5,521	5,943
Finance costs	21	(18,052)	(20,584)	(260)	(255)
Share of profit from associates, net of tax		22,973	23,897	-	-
Profit before tax		517,284	484,156	611,829	319,337
Tax expense	22	(131,141)	(125,075)	(2,656)	(3,212)
Profit from continuing operations		386,143	359,081	609,173	316,125
Discontinued operation					
Profit from discontinued operation, net of tax	23	67,467	37,697	-	-
Profit for the year	24	453,610	396,778	609,173	316,125
Profit attributable to:					
Owners of the Company		449,910	393,160	609,173	316,125
Non-controlling interests		3,700	3,618	-	-
Profit for the year		453,610	396,778	609,173	316,125

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

for the year ended 31 December 2022

	Note	Group 2022 RM'000	2021 RM'000 <i>Restated</i>	Company 2022 RM'000	2021 RM'000
Other comprehensive income/(expense), net of tax					
Items that may be reclassified subsequently to profit or loss					
Foreign currency translation differences for foreign operations		680	(7,018)	-	-
Cash flow hedge – associate		191	490	-	-
		871	(6,528)	-	-
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")	15.1	13,296	12,669	-	-
		13,296	12,669	-	-
Other comprehensive income for the year, net of tax		14,167	6,141	-	-
Total comprehensive income for the year		467,777	402,919	609,173	316,125
Total comprehensive income attributable to:					
Owners of the Company		464,077	399,301	609,173	316,125
Non-controlling interests		3,700	3,618	-	-
Total comprehensive income for the year		467,777	402,919	609,173	316,125
Basic earnings per ordinary share (sen):					
from continuing operations		20.89	19.56		
from discontinued operation		3.69	2.07		
	25	24.58	21.63		
Diluted earnings per ordinary share (sen):					
from continuing operations		20.88	19.54		
from discontinued operation		3.68	2.07		
	25	24.56	21.61		

The notes on pages 108 to 186 are an integral part of these financial statements.

STATEMENTS OF CHANGES IN EQUITY

for the year ended 31 December 2022

Group	Attributable to owners of the Company								
	Non-distributable					Distributable			
	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
At 1 January 2021	1,340,475	13,131	35,948	24,809	(765)	1,631,327	3,044,925	5,367	3,050,292
Profit for the year	-	-	-	-	-	393,160	393,160	3,618	396,778
Fair value gain on equity investments designated at FVOCI	-	12,669	-	-	-	-	12,669	-	12,669
Exchange differences recognised directly in equity	-	-	(7,018)	-	-	-	(7,018)	-	(7,018)
Cash flow hedge - associate	-	-	-	-	490	-	490	-	490
Total other comprehensive income for the year	-	12,669	(7,018)	-	490	-	6,141	-	6,141
Total comprehensive income for the year	-	12,669	(7,018)	-	490	393,160	399,301	3,618	402,919
Contributions by and distributions to owners of the Company									
- Dividend to owners of the Company (Note 26)	-	-	-	-	-	(350,077)	(350,077)	-	(350,077)
- Employee share grant plan/option scheme	-	-	-	31,785	-	-	31,785	-	31,785
- Issuance of shares pursuant to the share grant plan/option scheme	38,673	-	-	(23,306)	-	-	15,367	-	15,367
Total transactions with owners of the Company	38,673	-	-	8,479	-	(350,077)	(302,925)	-	(302,925)
Acquisition of subsidiaries (Note 36)	-	-	-	-	-	-	-	13,258	13,258
At 31 December 2021	1,379,148	25,800	28,930	33,288	(275)	1,674,410	3,141,301	22,243	3,163,544

STATEMENTS OF CHANGES IN EQUITY

for the year ended 31 December 2022

Group	Attributable to owners of the Company								Non-controlling interests RM'000	Total equity RM'000
	Non-distributable				Distributable					
	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			
At 1 January 2022	1,379,148	25,800	28,930	33,288	(275)	1,674,410	3,141,301	22,243	3,163,544	
Profit for the year	-	-	-	-	-	449,910	449,910	3,700	453,610	
Fair value gain on equity investments designated at FVOCI	-	13,296	-	-	-	-	13,296	-	13,296	
Exchange differences recognised directly in equity	-	-	680	-	-	-	680	-	680	
Cash flow hedge - associate	-	-	-	-	191	-	191	-	191	
Total other comprehensive income for the year	-	13,296	680	-	191	-	14,167	-	14,167	
Total comprehensive income for the year	-	13,296	680	-	191	449,910	464,077	3,700	467,777	
Contributions by and distributions to owners of the Company										
- Dividend to owners of the Company (Note 26)	-	-	-	-	-	(540,167)	(540,167)	-	(540,167)	
- Employee share grant plan/option scheme	-	-	-	36,576	-	-	36,576	-	36,576	
- Issuance of shares pursuant to the share grant plan/option scheme	39,414	-	-	(39,414)	-	-	-	-	-	
Expiry of employee share grant plan (Note 15.3)	-	-	-	(27,336)	-	27,336	-	-	-	
Total transactions with owners of the Company	39,414	-	-	(30,174)	-	(512,831)	(503,591)	-	(503,591)	
At 31 December 2022	1,418,562	39,096	29,610	3,114	(84)	1,611,489	3,101,787	25,943	3,127,730	

The notes on pages 108 to 186 are an integral part of these financial statements.

STATEMENTS OF CHANGES IN EQUITY

for the year ended 31 December 2022

Company	Non-distributable		Distributable	
	Share capital RM'000	Share grant/ option reserves RM'000	Retained earnings RM'000	Total equity RM'000
At 1 January 2021	1,340,475	24,809	302,086	1,667,370
Profit for the year	-	-	316,125	316,125
<i>Contributions by and distributions to owners of the Company</i>				
- Dividend to owners of the Company (Note 26)	-	-	(350,077)	(350,077)
- Employee share grant plan/option scheme	-	31,785	-	31,785
- Issuance of shares pursuant to the share grant plan/option scheme	38,673	(23,306)	-	15,367
Total transactions with owners of the Company	38,673	8,479	(350,077)	(302,925)
At 31 December 2021/1 January 2022	1,379,148	33,288	268,134	1,680,570
Profit for the year	-	-	609,173	609,173
<i>Contributions by and distributions to owners of the Company</i>				
- Dividend to owners of the Company (Note 26)	-	-	(540,167)	(540,167)
- Employee share grant plan/option scheme	-	36,576	-	36,576
- Issuance of shares pursuant to the share grant plan/option scheme	39,414	(39,414)	-	-
- Expiry of employee share grant which have yet to be vested (Note 15.3)	-	(27,336)	27,336	-
Total transactions with owners of the Company	39,414	(30,174)	(512,831)	(503,591)
At 31 December 2022	1,418,562	3,114	364,476	1,786,152

The notes on pages 108 to 186 are an integral part of these financial statements.

STATEMENTS OF CASH FLOWS

for the year ended 31 December 2022

		Group		Company	
	Note	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Cash flows from operating activities					
Cash receipts from customers		1,599,317	1,413,934	-	-
Transfer to restricted cash		(176)	(258)	(1)	(1)
Cash payments to suppliers		(485,103)	(408,336)	-	-
Cash payments to employees and for administrative expenses		(316,465)	(309,526)	(11,609)	(9,064)
Cash receipts from/(payments) to subsidiaries		-	-	52,639	(9,004)
Cash generated from/(used in) operations		797,573	695,814	41,029	(18,069)
Tax paid		(41,813)	(23,861)	(1,300)	(1,378)
Tax refunded		24	-	-	-
Net cash generated from/(used in) operating activities		755,784	671,953	39,729	(19,447)
Cash flows from investing activities					
Acquisition of property, plant and equipment	(i)	(451,979)	(300,456)	-	-
Acquisition of subsidiary, net of cash and cash equivalents acquired	36	-	(44,682)	-	(58,680)
Increase in investment in associates	8	(12,890)	-	-	-
Investment income received		19,306	11,618	373,096	458,863
Proceeds from maturity of other investments		2,000	-	2,000	-
Proceeds from disposal of property, plant and equipment		636	136	-	-
Net cash (used in)/generated from investing activities		(442,927)	(333,384)	375,096	400,183

STATEMENTS OF CASH FLOWS

for the year ended 31 December 2022

		Group		Company	
	Note	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Cash flows from financing activities					
Advances to subsidiary companies		-	-	11,116	38,016
Proceeds from term loans and other borrowings		15,100	104,043	-	4,043
Repayment of term loans and borrowings		(26,414)	(27,248)	-	(8,081)
Finance charges paid		(6,881)	(5,426)	(400)	(384)
Payment of lease liabilities		(33,586)	(39,978)	-	-
Proceeds from issuance of additional shares		-	15,367	-	15,367
Proceeds from subscription of shares in a subsidiary by non-controlling interest		-	3,000	-	-
Shareholder loan from an associate		3,107	4,955	-	-
Repayment from an associate		769	-	-	-
Dividend paid	26	(540,167)	(350,077)	(540,167)	(350,077)
Cash flows used in financing activities		(588,072)	(295,364)	(529,451)	(301,116)
Net change in cash and cash equivalents		(275,215)	43,205	(114,626)	79,620
Effect of exchange rate fluctuations on cash held		4,115	4,089	204	(89)
Cash and cash equivalents at 1 January		796,090	748,796	190,456	110,925
Transfer to asset held for sale		(40,355)	-	-	-
Cash and cash equivalents at 31 December	12	484,635	796,090	76,034	190,456

Cash outflows for leases as a lessee

	Note	Group		Company	
		2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Included in net cash from operating activities:					
Payment relating to short-term leases	24	(6,499)	(12,312)	-	-
Included in net cash from financing activities:					
Payment of lease liabilities		(28,028)	(33,810)	-	-
Interest paid in relation to lease liabilities		(5,558)	(6,168)	-	-
Total cash outflows for leases		(40,085)	(52,290)	-	-

(i) Acquisition of property, plant and equipment

During the financial year, the Group acquired property, plant and equipment with an aggregate cost of RM407,556,000 (2021: RM245,826,000) and paid RM451,979,000 (2021: RM300,456,000) to suppliers for property, plant and equipment that was either acquired in the prior financial years or in the current financial year.

The notes on pages 108 to 186 are an integral part of these financial statements.

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 the financial year ended 31 December 2022 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 7. Except as disclosed in the financial statements, 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 28 February 2023.

1. Basis of preparation

(a) Statement of compliance

The financial statements of the Group and 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 January 2023

- MFRS 17, *Insurance Contracts*
- Amendments to MFRS 17, *Insurance Contracts* - *Initial application of MFRS 17 and MFRS 9 - Comparative Information*
- Amendments to MFRS 101, *Presentation of Financial Statements* - *Disclosures of Accounting Policies*
- Amendments to MFRS 108, *Accounting Policies, Changes in Accounting Estimates and Errors* - *Definition of Accounting Estimates*
- Amendments to MFRS 112, *Income Taxes* - *Deferred Tax related to Assets and Liabilities arising from a Single Transaction*

MFRSs, interpretations and amendments effective for annual periods beginning on or after 1 January 2024

- Amendment to MFRS 16, *Leases* - *Lease Liability in a Sale and Leaseback*
- Amendments to MFRS 101, *Presentation of Financial Statements* - *Non-current Liabilities with Covenants and Classification of Liabilities as Current or Non-current*

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 2023 and 1 January 2024 for those amendments that are effective for annual periods beginning on or after 1 January 2023 and 1 January 2024.

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

NOTES TO THE FINANCIAL STATEMENTS

1. Basis of preparation (continued)**(a) Statement of compliance (continued)**

The initial application of the accounting standards, interpretations or amendments are not expected to have any material financial impacts 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 amounts recognised in the financial statements other than those disclosed in the following notes:

- Note 4 – Fair value for investment property
- Note 5 – Extension options and incremental borrowing rate in relation to leases
- Note 6 – Determination of recoverable amount for goodwill assessment
- Note 8 – Impairment assessment on investments in associates
- Note 10 – 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.

NOTES TO THE FINANCIAL STATEMENTS

2. Significant accounting policies (continued)**(a) Basis of consolidation (continued)****(i) Subsidiaries (continued)**

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. 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.

(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.

NOTES TO THE FINANCIAL STATEMENTS

2. Significant accounting policies (continued)**(a) Basis of consolidation (continued)****(v) Associates (continued)**

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. 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. The cost of investment includes transaction costs.

(vi) 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.

(vii) 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.

NOTES TO THE FINANCIAL STATEMENTS

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

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 as part of the gain 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.

NOTES TO THE FINANCIAL STATEMENTS

2. Significant accounting policies (continued)**(c) Financial instruments (continued)****(i) Recognition and initial measurement (continued)**

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.

(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(l)(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.

NOTES TO THE FINANCIAL STATEMENTS

2. Significant accounting policies (continued)**(c) Financial instruments (continued)****(ii) Financial instrument categories and subsequent measurement (continued)*****Financial assets (continued)*****(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(l)(i)).

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.

NOTES TO THE FINANCIAL STATEMENTS

2. Significant accounting policies (continued)**(c) Financial instruments (continued)****(ii) Financial instrument categories and subsequent measurement (continued)*****Financial liabilities (continued)*****(a) Fair value through profit or loss (continued)**

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.

(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.

NOTES TO THE FINANCIAL STATEMENTS

2. Significant accounting policies (continued)**(c) Financial instruments (continued)****(iv) Financial guarantee contracts (continued)**

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.

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.

NOTES TO THE FINANCIAL STATEMENTS

2. Significant accounting policies (continued)**(c) Financial instruments (continued)****(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.

(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.

NOTES TO THE FINANCIAL STATEMENTS

2. Significant accounting policies (continued)**(d) Property, plant and equipment (continued)****(i) Recognition and measurement (continued)**

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.

(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	3-5 years
• motor vehicles	5 years
• data centre 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 useful life (10-20 years) as stated in their respective underlying contracts with suppliers.

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

NOTES TO THE FINANCIAL STATEMENTS

2. Significant accounting policies (continued)**(e) Investment property****Investment property carried at cost**

Investment properties are properties which are owned or right-of-use asset held under a lease contract to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes. Investment properties initially and subsequently measured at cost are accounted for similarly to property, plant and equipment.

(f) 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.

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.

NOTES TO THE FINANCIAL STATEMENTS

2. Significant accounting policies (continued)**(f) Leases (continued)****(ii) Recognition and initial measurement (continued)****(a) As a lessee (continued)**

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.

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.

NOTES TO THE FINANCIAL STATEMENTS

2. Significant accounting policies (continued)**(f) Leases (continued)****(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(l)(i)).

(g) 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) Other intangible assets

Intangible assets, other than goodwill, that are acquired by the Group, which have finite useful lives, are measured at cost less any accumulated amortisation and any accumulated impairment losses.

(iii) Amortisation

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

NOTES TO THE FINANCIAL STATEMENTS

2. Significant accounting policies (continued)**(g) Intangible assets (continued)****(iii) Amortisation (continued)**

Other intangible assets are amortised from the date that they are available for use. Amortisation is based on the cost of an asset less its residual value. Amortisation is recognised in profit or loss on a straight-line basis over the estimated useful lives of intangible assets.

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

- computer software 10 years
- development expenditure 10 years

Amortisation methods, useful lives and residual values are reviewed at the end of each reporting period and adjusted, if appropriate.

(h) Asset held for sale

Non-current assets, or disposal group comprising assets and liabilities that are expected to be recovered primarily through sale rather than through continuing use, are classified as held for sale.

Immediately before classification as held for sale, the assets, or components of a disposal group, are remeasured in accordance with the Group's accounting policies. Thereafter generally the assets, or disposal group, are measured at the lower of their carrying amount and fair value less costs of disposal.

Any impairment loss on a disposal group is first allocated to goodwill, and then to remaining assets and liabilities on *pro rata* basis, except that no loss is allocated to contract assets, contract costs, financial assets, deferred tax assets, employee benefit assets and investment property, which continue to be measured in accordance with the Group's accounting policies. Impairment losses on initial classification as held for sale and subsequent gains or losses on remeasurement are recognised in profit or loss. Gains are not recognised in excess of any cumulative impairment loss.

Intangible assets and property, plant and equipment once classified as held for sale are not amortised or depreciated. In addition, equity accounting of equity-accounted associates ceases once classified as held for sale or distribution.

(i) Contract asset/Contract liability

A contract asset is recognised when the Group's or the Company's right to consideration 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(l)(i)).

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.

(j) 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.

NOTES TO THE FINANCIAL STATEMENTS

2. Significant accounting policies (continued)**(j) Contract cost (continued)****(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 loss recognised previously.

(k) 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.

(l) 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.

NOTES TO THE FINANCIAL STATEMENTS

2. Significant accounting policies (continued)**(l) Impairment (continued)****(i) Financial assets (continued)**

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 contract assets, deferred tax assets and non-current assets (or disposal groups) classified as held for sale) 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.

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 a cash-generating unit or a 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 unit (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 had been recognised. Reversals of impairment losses are credited to profit or loss in the financial year in which the reversals are recognised.

NOTES TO THE FINANCIAL STATEMENTS

2. Significant accounting policies (continued)**(m) 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) Distributions 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 the 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 difference, if any, between the carrying amount of the assets distributed and the carrying amount of the liability in profit or loss.

(n) 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.

NOTES TO THE FINANCIAL STATEMENTS

2. Significant accounting policies (continued)**(n) Employee benefits (continued)****(iii) Share-based payment transactions (continued)**

The fair value of the employee share grant and share option granted to the Executive Director (“ED”) 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 ED 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.

(o) 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”.

(p) 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.

(q) 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.

NOTES TO THE FINANCIAL STATEMENTS

2. Significant accounting policies (continued)**(q) Revenue and other income (continued)****(i) Revenue (continued)**

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.

For variable price contracts, revenue is recognised at point in time based on the expected usage and price stipulated in the contract.

The nature of the goods or services of the Group are data, data centre and voice.

Revenue from data and data centre is recognised when the customer simultaneously receives and consumes the benefits provided as the Group or the Company performs. The revenue is recognised point over time.

Revenue from voice is recognised when the control of the product or service is transferred or rendered to the customer. The revenue is recognised at point in time.

The significant payment terms range from 30 days to 90 days based on the credit period of invoice date.

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.

(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.

NOTES TO THE FINANCIAL STATEMENTS

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

(s) 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 the laws that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets and liabilities are offset if there is a 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.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the 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.

NOTES TO THE FINANCIAL STATEMENTS

2. Significant accounting policies (continued)**(t) Discontinued operation**

A discontinued operation is a component of the Group's business that represents a separate major line of business or geographical area of operations that has been disposed of or is held for sale, or is a subsidiary acquired exclusively with a view to resale. Classification as a discontinued operation occurs upon disposal or when the operation meets the criteria to be classified as held for sale, if earlier. When an operation is classified as a discontinued operation, the comparative statement of profit or loss and other comprehensive income is re-presented as if the operation had been discontinued from the start of the comparative period.

(u) 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.

(v) 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.

(w) Fair value measurement

Fair value of an asset or a 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

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-communication network RM'000	Total RM'000
Cost										
At 1 January 2021	102,469	7,475	101,214	6,833	12,322	122,836	6,479	300,035	2,690,789	3,350,452
Additions	-	-	1,910	303	2	16,107	-	76,378	151,126	245,826
Reclassification	-	-	81,148	-	-	-	-	(81,148)	-	-
Acquisitions through business combinations (Note 36)	-	-	880	167	-	20,497	499	-	-	22,043
Disposals	-	-	-	-	-	(461)	(250)	-	-	(711)
Write offs	-	-	-	-	-	-	-	-	(48,756)	(48,756)
Effect of movements in exchange rates	-	-	-	-	-	1	-	(3,077)	29,733	26,657
At 31 December 2021/1 January 2022	102,469	7,475	185,152	7,303	12,324	158,980	6,728	292,188	2,822,892	3,595,511
Additions	36,000	-	31,741	245	-	26,494	2,272	101,842	208,962	407,556
Reclassification	-	-	1,983	-	-	45	-	(2,028)	-	-
Transfer to assets held for sale (Note 13)	(101,599)	-	(161,633)	(1,410)	-	(3,285)	-	(392,338)	-	(660,265)
Disposals	-	-	-	-	-	(67)	(1,500)	-	(3,341)	(4,908)
Write offs	-	-	-	-	(1,570)	-	-	-	(53,879)	(55,449)
Effect of movements in exchange rates	-	-	-	-	-	25	-	336	35,964	36,325
Adjustment	-	-	678	431	-	11,000	1,251	-	-	13,360
At 31 December 2022	36,870	7,475	57,921	6,569	10,754	193,192	8,751	-	3,010,598	3,332,130

NOTES TO THE FINANCIAL STATEMENTS

3. Property, plant and equipment (continued)

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-communication network RM'000	Total RM'000
Depreciation and impairment loss										
At 1 January 2021										
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
Depreciation for the year	-	2	5,364	320	5	9,662	623	17,882	109,570	143,428
Global bandwidth assets charged out	-	-	-	-	-	-	-	-	10,326	10,326
Disposals	-	-	-	-	-	(460)	(200)	-	-	(660)
Write offs	-	-	-	-	-	-	-	-	(48,524)	(48,524)
Effect of movements in exchange rates	-	-	-	-	-	4	-	(130)	9,511	9,385
Adjustment	-	-	-	-	-	-	-	21	-	21
At 31 December 2021/1 January 2022										
Accumulated depreciation	-	7,469	38,186	6,454	12,309	107,567	5,920	122,993	1,471,759	1,772,657
Accumulated impairment losses	2,101	-	-	-	-	-	-	-	-	2,101
	2,101	7,469	38,186	6,454	12,309	107,567	5,920	122,993	1,471,759	1,774,758

NOTES TO THE FINANCIAL STATEMENTS

3. Property, plant and equipment (continued)

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-communication network RM'000	Total RM'000
Depreciation and impairment loss										
Depreciation for the year	-	2	6,198	323	5	16,837	561	23,752	118,490	166,168
Global bandwidth assets charged out	-	-	-	-	-	-	-	-	9,038	9,038
Transfer to assets held for sale (Note 13)	-	-	(8,288)	(1,367)	-	(3,194)	-	(146,818)	-	(159,667)
Disposals	-	-	-	-	-	(7)	(1,455)	-	(872)	(2,334)
Write offs	-	-	-	-	(1,570)	-	-	-	(52,753)	(54,323)
Effect of movements in exchange rates	-	-	-	-	-	2	-	73	12,724	12,799
Adjustment	-	-	678	431	-	11,000	1,251	-	-	13,360
At 31 December 2022										
Accumulated depreciation	-	7,471	36,774	5,841	10,744	132,205	6,277	-	1,558,386	1,757,698
Accumulated impairment losses	2,101	-	-	-	-	-	-	-	-	2,101
	2,101	7,471	36,774	5,841	10,744	132,205	6,277	-	1,558,386	1,759,799
Carrying amounts										
At 1 January 2021	100,368	8	68,392	699	18	24,475	982	194,815	1,299,913	1,689,670
At 31 December 2021/1 January 2022	100,368	6	146,966	849	15	51,413	808	169,195	1,351,133	1,820,753
At 31 December 2022	34,769	4	21,147	728	10	60,987	2,474	-	1,452,212	1,572,331

NOTES TO THE FINANCIAL STATEMENTS

3. Property, plant and equipment (continued)**3.1 Telecommunication network**

	Group	
	2022 RM'000	2021 RM'000
Network cost:		
Commissioned network	2,864,077	2,695,916
Network-in-progress	146,521	126,976
	3,010,598	2,822,892
Less: Accumulated depreciation	(1,558,386)	(1,471,759)
Net book value	1,452,212	1,351,133

Included in cost of commissioned network is global bandwidth assets of RM169,694,000 (2021: RM160,933,000). The carrying amount for the said global bandwidth assets at the reporting date was RM59,117,000 (2021: RM61,149,000).

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 RM55,449,000 (2021: RM48,756,000) of which RM54,323,000 (2021: RM48,524,000) was written off against accumulated depreciation. The remaining amount of RM1,126,000 (2021: RM232,000) 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 RM5,000 (2021: RM6,000).

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 RM2,175,000 (2021: RM221,000).

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 RM10,754,000 (2021: RM49,154,000) and borrowing costs of RM3,310,000 (2021: RM1,948,000).

The entire carrying amount of data centre equipment of RM155,520,000 was transferred to asset held for sale during the financial year (Note 13).

3.6 Computer systems

Included in computer systems in the current financial year was a portion under construction with a cost amounting to RM934,000 (2021: RM21,453,000).

NOTES TO THE FINANCIAL STATEMENTS

3. Property, plant and equipment (continued)**3.7 Security**

Included in property, plant and equipment a total carrying amount of RM142,624,000 (2021: RM145,420,000) were charged to the banks as security for banking facilities granted to the Group (Note 16.1(ii) and Note 16.1 (iii)).

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 2021/31 December 2021/1 January 2022/31 December 2022	8,113	357	60	7,656	16,186
Depreciation					
At 1 January 2021/31 December 2021/1 January 2022/31 December 2022	-	357	60	7,656	8,073
Carrying amounts					
At 1 January 2021/31 December 2021/1 January 2022/31 December 2022	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 RM959,989,000 (2021: RM931,052,000) and RM8,073,000 (2021: RM8,073,000) respectively.

4. Investment property

	Group RM'000
Cost	
At 1 January 2021	-
Acquisitions through business combinations (Note 36)	1,512
At 31 December 2021/1 January 2022/31 December 2022	1,512
Depreciation	
At 1 January 2021	-
Depreciation for the year	34
At 31 December 2021/1 January 2022	34
Depreciation for the year	33
At 31 December 2022	67
Carrying amounts	
At 1 January 2021	-
At 31 December 2021/1 January 2022	1,478
At 31 December 2022	1,445

NOTES TO THE FINANCIAL STATEMENTS

4. Investment property (continued)

The investment property has been pledged for collateral and charged to the banks as security for banking facilities granted to the Group (Note 16.1 (iv)).

The following are recognised in profit or loss:

	Group	
	2022 RM'000	2021 RM'000
Lease income	46	90
Direct operating expenses arising from investment property	22	-

The operating lease payments to be received are as follows:

Less than one year	72	90
One to two years	48	60
Total undiscounted lease payments	120	150

Fair value information**Level 3 fair value**

The fair value of the building was determined at RM1,490,500 (2021: RM1,478,000) as at 31 December 2022 based on valuation report issued on 13 January 2023. The Group obtains independent valuations for its investment property at least every three years. The valuation method used is the comparison method of valuation which determines the value of property by comparing sale evidence involving other similar properties in the vicinity. All resulting fair value estimates for properties are included in Level 3. The level 3 fair value of the properties are derived using the current prices of similar properties. The key inputs under this approach are the price per square metre from current year sales of comparable lots of land in the area (location and size).

5. Right-of-use assets

Group	Wayleave RM'000	Others* RM'000	Total RM'000
At 1 January 2021	91,500	63,068	154,568
Additions	3,394	5,320	8,714
Acquisition through business combinations (Note 36)	-	2,353	2,353
Depreciation	(4,955)	(14,800)	(19,755)
Effect of movements in exchange rates	-	(5,411)	(5,411)
At 31 December 2021/1 January 2022	89,939	50,530	140,469
Additions	1,185	2,909	4,094
Transfer to assets held for sale (Note 13)	-	(27,630)	(27,630)
Depreciation	(6,140)	(14,390)	(20,530)
Effect of movements in exchange rates	-	(1,246)	(1,246)
At 31 December 2022	84,984	10,173	95,157

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

NOTES TO THE FINANCIAL STATEMENTS

5. Right-of-use assets (continued)**5.1 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

5.2 Significant judgements and assumptions in relation to leases

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. Group entities are reasonably certain to exercise the extension options.

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.

6. Intangible assets

Group	Computer software RM'000	Development expenditure RM'000	Goodwill RM'000	Total RM'000
Cost				
At 1 January 2021	-	-	213,959	213,959
Acquisitions through business combinations (Note 36)	6	8	38,019	38,033
At 31 December 2021/1 January 2022	6	8	251,978	251,992
Transfer to assets held for sale (Note 13)	-	-	(111,858)	(111,858)
At 31 December 2022	6	8	140,120	140,134
Amortisation				
At 1 January 2021	-	-	-	-
Amortisation for the year	1	2	-	3
At 31 December 2021/1 January 2022	1	2	-	3
Amortisation for the year	2	2	-	4
At 31 December 2022	3	4	-	7
Carrying amounts				
At 1 January 2021	-	-	213,959	213,959
At 31 December 2021/1 January 2022	5	6	251,978	251,989
At 31 December 2022	3	4	140,120	140,127

NOTES TO THE FINANCIAL STATEMENTS

6. Intangible assets (continued)

In previous financial year, the Group acquired 600,000 ordinary shares representing 60% of the equity interest in AVM Cloud Sdn. Bhd. ("AVM"). Following the completion of the purchase price allocation exercise for the recognition of the fair value of the net assets and assumed the liabilities, a goodwill was allocated to cloud business at the completion of the acquisition of AVM by the Group (Note 36).

6.1 Impairment testing for cash-generating unit containing goodwill

For the purpose of impairment testing, goodwill is allocated to the Group's operating units which represent the lowest level within the Group at which the goodwill is monitored for internal management reporting purposes.

The goodwill is represented by the smallest group of assets combined from the fibre optics network, international wholesale and global bandwidth and data centre assets together that generates cash flows from continuing use, called Group's Cash-Generating Unit ("CGU") and Cloud Business ("Cloud Business").

	Group	
	2022 RM'000	2021 RM'000
Group's Cash-Generating Unit ("CGU")	102,101	213,959
Cloud business	38,019	38,019
	140,120	251,978

Group's cash-generating unit

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 3.00% (2021: 3.00%) and Weighted Average Cost of Capital ("WACC") of 8.63% (2021: 6.35%). 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).

Cloud Business

The recoverable amount of the Cloud Business was determined based on its value in use. The recoverable amount of the Cloud Business 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 unit. 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 unit. The cash flows beyond the five-year period were projected to perpetuity using an estimated growth rate.

NOTES TO THE FINANCIAL STATEMENTS

6. Intangible assets (continued)**6.1 Impairment testing for cash-generating unit containing goodwill (continued)****Cloud Business (continued)**

Key assumptions used in determining value in use for the business during the current financial year include an estimated long term growth rate of 1.00% (2021: 1.00%) and WACC of 7.77% (2021: 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).

6.2 Amortisation

The amortisation of computer software and development expenditure is allocated and recognised in cost of sales.

7. Investments in subsidiaries

	Note	Company	
		2022 RM'000	2021 RM'000
Unquoted shares, at cost			
At 1 January		509,539	451,633
Addition		232,918	68,011
Disposal		(82,880)	-
Write-off		-	(10,105)
		659,577	509,539
Transfer to asset held for sale	13	(239,902)	-
At 31 December		419,675	509,539

Details of subsidiaries are as follows:

Name of subsidiary	Principal place of business/ Country of incorporation	Principal activities	Effective ownership interest	
			2022 %	2021 %
TT dotCom Sdn. Bhd.	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

NOTES TO THE FINANCIAL STATEMENTS

7. Investments in subsidiaries (continued)

Details of subsidiaries are as follows: (continued)

Name of subsidiary	Principal place of business/ Country of incorporation	Principal activities	Effective ownership interest	
			2022 %	2021 %
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
TIME dotCom International Sdn. Bhd.	Malaysia	Investment holding	100	100
<i>Subsidiary of TIME dotCom International Sdn. Bhd.</i>				
TIME dotCom (Cambodia) Co., Ltd.*	Cambodia	Provision of telecommunication services	100	100
AIMS Data Centre Holding Sdn. Bhd.	Malaysia	Investment holding, 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	-
<i>Subsidiary of AIMS Data Centre Holding Sdn. Bhd.</i>				
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

NOTES TO THE FINANCIAL STATEMENTS

7. Investments in subsidiaries (continued)

Details of subsidiaries are as follows: (continued)

Name of subsidiary	Principal place of business/ Country of incorporation	Principal activities	Effective ownership interest	
			2022 %	2021 %
Subsidiary of AIMS Data Centre Holding Sdn. Bhd. (continued)				
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 centre 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 centre operations and related services	51**	51**
AVM Cloud Sdn. Bhd.* ##	Malaysia	Development and sale of computer software and provision of information technology services	60	60
Subsidiaries of AVM Cloud Sdn. Bhd.				
Integrated Global Solutions Sdn. Bhd.* ##	Malaysia	Marketing of computer hardware and software; and provision of consultancy and support services related to computer programmes	60	60
Zeus Ventures Sdn. Bhd.* ##	Malaysia	Yet to commence business	60	60
AVM Cloud (Thailand) Limited * ##	Thailand	Provision of cloud services, developing and selling computer software and hardware and the provision of information technology services.	60	-

* 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 Company had an effective ownership interest of 60% in AVM Cloud Sdn. Bhd. ("AVM"). The remaining 40% effective ownership interest was held by the founding shareholders of AVM. The Company had an effective ownership interest in both Integrated Global Solutions Sdn. Bhd. and Zeus Ventures Sdn. Bhd. via 100% ownership held by AVM. The Company had an effective ownership interest in AVM Cloud (Thailand) Limited via 100% ownership held by AVM and its subsidiaries.

NOTES TO THE FINANCIAL STATEMENTS

7. Investments in subsidiaries (continued)

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, TIME dotCom (Cambodia) Co., Ltd., AVM Cloud Sdn. Bhd., Integrated Global Solutions Sdn. Bhd., Zeus Ventures Sdn. Bhd. and AVM Cloud (Thailand) Limited are 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.

In previous financial year, the Company provided a waiver amounting to RM10,105,000 to a subsidiary. In conjunction to this, this waiver was recognised as investment in subsidiary. Upon impairment testing, the recoverable amount of this subsidiary is lower than the carrying amount. Hence, the said amount is written off in full.

On 7 January 2021, the Group acquired 60% shareholding in AVM from the founding shareholders of AVM.

On 20 July 2022, AVM together with its wholly-owned subsidiaries, i.e; Integrated Global Solutions Sdn. Bhd. and Zeus Ventures Sdn. Bhd. jointly incorporated a new subsidiary, namely AVM Cloud (Thailand) Limited.

On 26 August 2022, the Company incorporated a new wholly-owned subsidiary, AIMS Data Centre Holding Sdn. Bhd. ("AIMS"). Pursuant to an internal reorganisation exercise, AIMS had acquired the entire equity interests in AIMS Data Centre Sdn. Bhd., AIMS Cyberjaya Sdn. Bhd. and AIMS Data Centre Pte. Ltd. (collectively, referred to as "AIMS Companies") from the Company for a total consideration of RM232,918,000. The internal reorganisation exercise completed on 13 September 2022 and consequently, the AIMS Companies became wholly-owned subsidiaries of AIMS. Arising from the internal reorganisation, the Company deemed disposed of the AIMS Companies with a gain on deemed disposal of RM150,038,000.

On 22 November 2022, the Company announced the proposed strategic partnership for the AIMS Data Centre business via the partial divestment by the Company of shares in AIMS and AIMS Data Centre (Thailand) Limited to DB Arrow Pte Limited ("DBAPL"), part of DigitalBridge Group, Inc., by entering into two conditional share sale and purchase agreements on 21 November 2022. The details of the proposed transactions are disclosed in Note 34 (ii) to the financial statements.

Arising from the above, the proposed disposal group is presented separately as disclosed in Note 13 to the financial statements.

7.1 Non-controlling interests in subsidiaries

The Group's subsidiaries that have non-controlling interests ("NCI") are as follows:

2022	AIMS Data Centre (Thailand) Limited RM'000	AVM Cloud Sdn. Bhd. and subsidiaries RM'000	Total RM'000
NCI percentage of ownership interest and voting interest	49%	40%	
Carrying amount of NCI	(4,181)	30,124	25,943
(Loss)/Profit allocated to NCI	(4,909)	8,609	3,700

Summarised financial information before intra-group elimination**As at 31 December**

Non-current assets	40,485	34,775
Current assets	5,502	95,472
Non-current liabilities	(43,158)	(10,121)
Current liabilities	(11,319)	(44,806)
Net (liabilities)/assets	(8,490)	75,320

NOTES TO THE FINANCIAL STATEMENTS

7. Investments in subsidiaries (continued)

7.1 Non-controlling interests in subsidiaries (continued)

2022 (continued)	AIMS Data Centre (Thailand) Limited RM'000	AVM Cloud Sdn. Bhd. and subsidiaries RM'000	Total RM'000
Year ended 31 December			
Revenue	2,356	129,968	
(Loss)/Profit for the year	(10,018)	21,523	
Total comprehensive (expense)/income	(10,018)	21,523	
Cash flows (used in)/from operating activities	(4,607)	11,970	
Cash flows used in investing activities	(63)	(15,091)	
Cash flows from financing activities	4,466	4,574	
Net change in cash and cash equivalents	(204)	1,453	
Dividends paid to NCI	-	-	
2021			
NCI percentage of ownership interest and voting interest	49%	40%	
Carrying amount of NCI	729	21,514	22,243
(Loss)/Profit allocated to NCI	(4,638)	8,256	3,618
Summarised financial information before intra-group elimination			
As at 31 December			
Non-current assets	46,194	34,750	
Current assets	53,707	71,567	
Non-current liabilities	(45,475)	(7,650)	
Current liabilities	(4,563)	(44,882)	
Net assets	49,863	53,785	
Year ended 31 December			
Revenue	1,366	113,102	
(Loss)/Profit for the year	(9,465)	20,640	
Total comprehensive (expense)/income	(9,465)	20,640	
Cash flows (used in)/from operating activities	(2,388)	10,017	
Cash flows (used in)/from investing activities	(5,127)	4,764	
Cash flows from financing activities	7,328	638	
Net change in cash and cash equivalents	(187)	15,419	
Dividends paid to NCI	-	-	

NOTES TO THE FINANCIAL STATEMENTS

8. Investments in associates

	Note	Group	
		2022 RM'000	2021 RM'000
At cost			
Unquoted shares outside Malaysia	8.1	111,809	98,919
Quoted shares outside Malaysia	8.1	290,730	290,730
		402,539	389,649
Share of post-acquisition at cost reserves		84,242	67,327
Total investment in associates		486,781	456,976
Market value of quoted shares outside Malaysia		159,161	190,582

8.1 Details of associates are as follows:

Name of entity	Principal place of business/ Country of incorporation	Nature of the relationship	Effective ownership interest and voting interest		Financial year end
			2022 %	2021 %	
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

⁺ The Group's share of profit and loss is based on the latest unaudited financial statements for the year ended 31 December 2022.

[#] On 24 November 2021, CMC had declared dividend in specie amounting to VND7,875,091,000 (RM1,449,000 equivalent). In correspondence, the Company increased its investments in associates by RM1,449,000.

On 12 October 2022, CMC had declared dividend in specie amounting to VND36,083,193,000 (RM6,927,973 equivalent). Subsequently, the Company increased its investments in associates by RM12,890,000.

NOTES TO THE FINANCIAL STATEMENTS

8. Investments in associates (continued)

8.1 Details of associates are as follows: (continued)

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 to the carrying amount of the Group's interest in the associates.

Group Summarised financial information As at 31 December	2022		
	SYMC RM'000	CMC RM'000	Total RM'000
Non-current assets	461,828	288,826	750,654
Current assets	79,739	223,813	303,552
Non-current liabilities	(79,330)	(87,803)	(167,133)
Current liabilities	(123,934)	(198,319)	(322,253)
Net assets	338,303	226,517	564,820
Year ended 31 December			
Revenue	213,117	443,063	656,180
Profit for the year	19,488	30,584	50,072
Other comprehensive income for the year	191	-	191
Reconciliation of net assets to carrying amount as at 31 December			
Group's share of net assets	158,461	102,544	261,005
Goodwill	159,335	56,749	216,084
Effect of foreign exchange	4,285	5,407	9,692
Carrying amount in the statement of financial position	322,081	164,700	486,781
Group's share of results for the year ended 31 December			
Group's share of profit	9,128	13,845	22,973
Group's share of other comprehensive income	2,105	677	2,782
Group's share of total comprehensive income	11,233	14,522	25,755
Other information			
Dividend received by the Group	1,912	6,928	8,840

NOTES TO THE FINANCIAL STATEMENTS

8. Investments in associates (continued)

8.1 Details of associates are as follows: (continued)

Group Summarised financial information As at 31 December	2021		
	SYMC RM'000	CMC RM'000	Total RM'000
Non-current assets	437,545	212,094	649,639
Current assets	87,500	218,659	306,159
Non-current liabilities	(97,252)	(80,657)	(177,909)
Current liabilities	(107,370)	(182,963)	(290,333)
Net assets	320,423	167,133	487,556
Year ended 31 December			
Revenue	196,173	341,978	538,151
Profit for the year	21,823	30,209	52,032
Other comprehensive income for the year	490	-	490
Reconciliation of net assets to carrying amount as at 31 December			
Group's share of net assets	150,086	75,661	225,747
Goodwill	159,335	56,749	216,084
Effect of foreign exchange	3,340	11,805	15,145
Carrying amount in the statement of financial position	312,761	144,215	456,976
Group's share of results for the year ended 31 December			
Group's share of profit	10,222	13,675	23,897
Group's share of other comprehensive (expense)/income	(10,524)	3,715	(6,809)
Group's share of total comprehensive (expense)/income	(302)	17,390	17,088
Other information			
Dividend received by the Group	1,472	1,449	2,921

NOTES TO THE FINANCIAL STATEMENTS

8. Investments in associates (continued)**8.2 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, estimated long term growth rate of 3.00% (2021: 3.00%) and weighted average cost of capital ("WACC") of 7.70% (2021: 6.04%). The basis of determination of the budgeted revenue growth, GP margins and OPEX 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 SYMC's business and are based on both external and internal sources (historical data).

8.3 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, estimated long term growth rate of 3.00% (2021: 3.00%) and weighted average cost of capital ("WACC") of 8.82% (2021: 7.06%). The basis of determination of the budgeted revenue growth, GP margins and OPEX 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 CMC's business and are based on both external and internal sources (historical data).

NOTES TO THE FINANCIAL STATEMENTS

9. Other investments

Group	2022 RM'000	2021 RM'000
Non-current		
Fair value through other comprehensive income ("FVOCI")		
At 1 January	41,731	31,271
Reversal	-	(209)
Fair value gain	13,296	12,669
Reclassification	-	(2,000)
At 31 December	55,027	41,731
Current		
FVOCI		
At 1 January	2,000	-
Reclassification	-	2,000
Proceeds from maturity of investment	(2,000)	-
At 31 December	-	2,000
Total unquoted equity securities at FVOCI	55,027	43,731
Company		
Non-current		
FVOCI		
At 1 January	-	2,000
Reclassification	-	(2,000)
At 31 December	-	-
Current		
FVOCI		
At 1 January	2,000	-
Reclassification	-	2,000
Proceeds from maturity of investment	(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 32.6.

Dividend income recognised in profit of loss of the Group during the year is RM192,000 (2021: RM450,000).

NOTES TO THE FINANCIAL STATEMENTS

10. Deferred tax assets/(liabilities)

The recognised tax benefit of unabsorbed capital allowances, unutilised tax losses and other deductible temporary differences 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 judgements 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.

Deferred tax assets and liabilities are attributable to the following:

Group	Assets		Liabilities		Net	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Property, plant and equipment	-	2,566	(181,637)	(211,742)	(181,637)	(209,176)
Right-of-use assets	-	-	(22,594)	(28,262)	(22,594)	(28,262)
Other deductible temporary differences	74,976	89,683	(114)	-	74,862	89,683
Unutilised investment tax allowance	-	2,736	-	-	-	2,736
Lease liabilities	18,130	25,098	-	-	18,130	25,098
Unabsorbed capital allowances	18,159	50,074	-	-	18,159	50,074
Unutilised tax losses	28,316	108,425	-	(395)	28,316	108,030
Tax assets/(liabilities)	139,581	278,582	(204,345)	(240,399)	(64,764)	38,183
Set-off of tax	(112,007)	(222,792)	112,007	222,792	-	-
Net tax assets/(liabilities)	27,574	55,790	(92,338)	(17,607)	(64,764)	38,183

Company	Net Assets/(Liabilities)	
	2022 RM'000	2021 RM'000
Other deductible temporary differences	-	518
Unutilised tax losses	2,775	3,588
	2,775	4,106

NOTES TO THE FINANCIAL STATEMENTS

10. Deferred tax assets/(liabilities) (continued)**Unrecognised deferred tax assets**

Deferred tax assets have not been recognised in respect of the following items (stated at gross):

	Group	
	2022	2021
	RM'000	RM'000
Other deductible temporary differences	9,212	7,212
Unabsorbed capital allowances	57,259	45,205
Unutilised investment allowances	65,596	65,596
Unutilised tax losses	116,799	119,334
	248,866	237,347

The unutilised investment allowances 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.

	Group	
	2022	2021
	RM'000	RM'000
2023	4,580	4,367
2024	8,825	5,034
2025	6,323	9,424
2026	15,830	8,153
2027	7,328	2,947
2028	-	-
2029	65,606	77,408
2030	4,838	4,838
2031	3,172	4,230
2032	-	657
No expiry	297	2,276
	116,799	119,334

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.

NOTES TO THE FINANCIAL STATEMENTS

10. Deferred tax assets/(liabilities) (continued)

Movement in temporary differences during the year

Group	At 1.1.2021 RM'000	Recognised in profit or loss (Note 22) RM'000	Acquisitions through business combinations (Note 36) RM'000	At 31.12.2021/ 1.1.2022 RM'000	Recognised in profit or loss (Note 22) RM'000	Included in disposal group held for sale (Note 13) RM'000	At 31.12.2022 RM'000
Property, plant and equipment	(162,749)	(46,265)	(162)	(209,176)	(7,651)	35,190	(181,637)
Right-of-use assets	(30,045)	1,783	-	(28,262)	3,107	2,561	(22,594)
Other deductible temporary differences	98,797	(9,114)	-	89,683	(11,916)	(2,905)	74,862
Unutilised investment tax allowance	-	2,736	-	2,736	24,592	(27,328)	-
Lease liabilities	28,093	(2,995)	-	25,098	(4,306)	(2,662)	18,130
Unabsorbed capital allowances	96,354	(46,280)	-	50,074	(11,944)	(19,971)	18,159
Unutilised tax losses	119,689	(11,659)	-	108,030	(79,714)	-	28,316
	150,139	(111,794)	(162)	38,183	(87,832)	(15,115)	(64,764)

* Investment tax allowance recognised in discontinued operations is transferred to asset held for sale.

Company	At 1.1.2021 RM'000	Recognised in profit or loss (Note 22) RM'000	At 31.12.2021/ 1.1.2022 RM'000	Recognised in profit or loss (Note 22) RM'000	At 31.12.2022 RM'000
Other deductible temporary differences	1,190	(672)	518	(518)	-
Unutilised tax losses	4,726	(1,138)	3,588	(813)	2,775
	5,916	(1,810)	4,106	(1,331)	2,775

NOTES TO THE FINANCIAL STATEMENTS

11. Trade and other receivables

	Note	Group		Company	
		2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Non-current					
Trade					
Prepayments		1,814	6,605	-	-
Non-trade					
Amount due from subsidiaries	11.1	-	-	54,600	64,510
		1,814	6,605	54,600	64,510
Current					
Trade					
Trade receivables	11.2	205,119	213,697	-	-
Contract costs	11.3	104,516	74,180	-	-
Amount due from related parties	11.2	47,881	36,440	-	-
		357,516	324,317	-	-
Less: Allowance for impairment losses	11.4	(26,818)	(20,142)	-	-
		330,698	304,175	-	-
Accrued revenue	11.5	30,109	16,493	-	-
Deposits		78	6,057	-	-
Prepayments		12,825	9,851	-	-
		373,710	336,576	-	-
Non-trade					
Amount due from subsidiaries	11.1	-	-	990,569	904,793
Amount due from associates	11.6	1,533	2,513	-	-
Less: Allowance for impairment losses		(1,353)	(2,122)	-	-
		180	391	-	-
Amount due from related parties	11.7	-	31	-	-
Other receivables	11.8	161,388	171,124	40	157
Deposits		986	7,939	91	91
Prepayments	11.9	27,573	25,218	4,550	8,091
		190,127	204,703	995,250	913,132
		563,837	541,279	995,250	913,132

Other than prepayments, the above trade and other receivables are categorised as amortised cost.

NOTES TO THE FINANCIAL STATEMENTS

11. Trade and other receivables (continued)**11.1 Amount due from subsidiaries**

Non-current amount due from subsidiaries are advances which are unsecured and subject to interest rate of 3.55% (2021: 3.55%) per annum. The amount is repayable after 12 months.

Included in the current amount due from subsidiaries are advances amounting to RM68,256,000 (2021: RM68,256,000) which are unsecured, subject to interest rate of 1.55% (2021: 1.55%) per annum and are repayable on demand. The remaining amount due from subsidiaries are unsecured, interest free and repayable on demand. In previous financial year, the Company had given a waiver of RM10,105,000 to a subsidiary with regards to the advances given for the subsidiary to on-lent to KIRZ Co. Ltd, an investment the Group had exited during the previous financial year. The said amount had been capitalised in investments in subsidiary and subsequently written off (Note 7). The balances arise mainly from inter-company advances and expenses paid on behalf.

11.2 Trade receivables and amount due from related parties

The credit period granted for sales/services rendered ranges from 30 to 90 days (2021: 30 to 90 days).

11.3 Contract costs

Cost to obtain a contract primarily comprises incremental commission fees paid to intermediaries as a result of obtaining contracts and equipment cost incurred for installation at customer premises during activation and they are recoverable.

The contract costs are amortised when the related revenues are recognised. During the financial year, the amount of amortisation was RM75,929,000 (2021: RM65,459,000).

11.4 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.

11.5 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.

This amount is expected to be settled within 12 months after the reporting period.

11.6 Non-trade amount due from associates

Included in the amount due from associates are shareholder advances amounting to RM1,353,000 (2021: RM2,122,000). The remaining amount due from associates is unsecured, interest free and repayable on demand.

11.7 Non-trade amount due from related parties

In previous financial year, the amount due from related parties was unsecured, interest free and repayable on demand.

11.8 Other receivables

Included in the Group is other receivables are construction deposits paid amounting to RM132,857,000 (2021: RM146,045,000) for the construction of telecommunications network assets.

11.9 Prepayment

Included in the Group and the Company prepayment are escrow account of RM4,500,000 (2021: RM8,000,000) for deferred consideration held in trust by a trustee for the acquisition of AVM.

NOTES TO THE FINANCIAL STATEMENTS

12. Cash and cash equivalents

	Note	Group		Company	
		2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Cash and bank balances		177,543	189,423	6,124	11,143
Deposits placed with licensed banks		307,092	606,667	69,910	179,313
		484,635	796,090	76,034	190,456
Restricted cash	12.1	4,161	4,296	36	35
		488,796	800,386	76,070	190,491

Cash and cash equivalents are categorised as amortised cost.

12.1 Restricted cash

Restricted cash are amounts withheld by licensed financial institutions as security for bank facilities granted to subsidiaries.

The cash and cash equivalents of the Group do not include bank balances amounting to RM5,660,000 (2021: RM10,415,000) 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.

13. Disposal group held for sale

On 22 November 2022, the Company announced the proposed strategic partnership for the AIMS data centre business with DBAPL as disclosed in Note 7.

The details of the proposed transactions are disclosed in Note 34 (ii) to the financial statements.

Pursuant to the above, the financial statement of the ongoing disposal group is presented as a disposal group held for sale and the transactions are expected to complete in 2023. At 31 December 2022, the assets and liabilities of the disposal group are as follows:

	Note	Group 2022 RM'000	Company 2022 RM'000
Assets classified as held for sale			
Property, plant and equipment	3	500,598	-
Right-of-use assets	5	27,630	-
Intangible assets	6	111,858	-
Investments in subsidiaries	7	-	239,902
Trade and other receivables		56,447	-
Deferred tax asset	10	15,115	-
Tax recoverable		397	-
Restricted cash		311	-
Cash and cash equivalents		40,355	-
		752,711	239,902

NOTES TO THE FINANCIAL STATEMENTS

13. Disposal group held for sale (continued)

	Note	Group 2022 RM'000	Company 2022 RM'000
Liabilities classified as held for sale			
Loans and borrowings	13.1, 16	90,615	-
Lease liabilities		24,900	-
Trade and other payables		55,877	-
Provision for tax		1,832	-
		173,224	-

The carrying value of property, plant and equipment of the disposal group is the same as its carrying value before it was being reclassified to current asset.

13.1 Term loans

Included in the loans and borrowings is a term loan amounting to RM90,615,000 (2021: RM96,513,000) was secured/covered against:

- a) a corporate guarantee by the holding company; and
- b) a letter of undertaking from a fellow subsidiary company which is the legal owner of the freehold land not to pledge, charge or encumber the freehold land to any Party throughout the subsistence of the facility.

14. Share capital

	Group and Company			
	Amount 2022 RM'000	Number of shares 2022 '000	Amount 2021 RM'000	Number of shares 2021 '000
Issued and fully paid shares with no par value classified as equity instruments:				
Ordinary shares				
At 1 January	1,379,148	1,825,619	1,340,475	604,262
Issuance of new ordinary shares pursuant to the share grant plan and share option plan	39,414	10,967	38,673	11,933
Issuance of new ordinary shares pursuant to the bonus issue	-	-	-	1,209,424
At 31 December	1,418,562	1,836,586	1,379,148	1,825,619

NOTES TO THE FINANCIAL STATEMENTS

14. Share capital (continued)

During the financial year, the issued share capital of the Company was increased from 1,825,618,888 (2021: 604,261,833) ordinary shares to 1,836,586,103 (2021: 1,825,618,888) ordinary shares by way of:

- (i) the issuance of nil (2021: 5,040,000) new ordinary shares pursuant to the Company's share options;
- (ii) the issuance of 10,967,215 (2021: 6,893,389) new ordinary shares pursuant to the Company's share grant plan; and
- (iii) the issuance of nil (2021: 1,209,423,666) bonus shares on the basis of two bonus share for every one existing shares held.

The new ordinary shares issued shall rank pari passu with the existing ordinary shares of the Company.

15. Reserves

	Note	Group		Company	
		2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
FVOCI reserve	15.1	39,096	25,800	-	-
Foreign currency translation reserve	15.2	29,610	28,930	-	-
Share grant reserve	15.3	-	31,075	-	31,075
Share option reserve	15.4	3,114	2,213	3,114	2,213
Hedging reserve		(84)	(275)	-	-
Retained earnings		1,611,489	1,674,410	364,476	268,134
		1,683,225	1,762,153	367,590	301,422

15.1 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 RM13,296,000 (2021: RM12,669,000).

15.2 Foreign currency translation reserve

The translation reserve comprises cumulative foreign currency differences arising from the translation of the financial statements of foreign operations.

15.3 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.

NOTES TO THE FINANCIAL STATEMENTS

15. Reserves (continued)**15.3 Share grant reserve (continued)**

Details of the share grant plan are as follows:

	Fair value at grant date	Adjusted fair value at grant date	At 1 January 2022	Granted but not vested during the year	Number of ordinary shares			At 31 December 2022
					Vested and issued	Adjusted	Expired	
2019 Awards	RM7.55	RM2.52	2,039,469	-	(1,998,615)	(40,854)	-	-
2020 Awards	RM8.46	RM2.82	4,890,766	-	(2,485,131)	(181,209)	(2,224,426)	-
2021 Awards	RM4.17	RM4.17	8,307,801	-	(2,503,625)	(506,428)	(5,297,748)	-
2021 Awards – Special Award	RM4.19	RM4.19	1,552,445	-	(1,683,404)	130,959	-	-
2022 Awards – Special Award	RM4.23	RM4.23	-	4,530,960	(2,296,440)	-	(2,234,520)	-
Total			16,790,481	4,530,960	(10,967,215)	(597,532)	(9,756,694)	-

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.

The Group recognised share grant expenses in profit or loss totalling to RM35,676,000 (2021: RM26,981,000) in the current year. The Company recognised share grant expenses of RM6,280,000 (2021: RM4,449,000) in the current year.

On 31 October 2022, the Company announced that the Share Grant Plan (“SGP”) which was implemented on 2 November 2012 for a period of 10 years, has expired on 1 November 2022 pursuant to the By-Laws of the SGP. Accordingly, any Award Shares granted which have yet to be vested shall be deemed cancelled and be null and void.

15.4 Share option reserve

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 immediately preceding the date on which the option was granted. 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
31 March 2021	7.761
22 December 2021	2.540
23 March 2022	2.526
27 September 2022	2.438

NOTES TO THE FINANCIAL STATEMENTS

15. Reserves (continued)**15.4 Share option reserve (continued)**

On 6 August 2021, The Executive Director's remaining option shares of 2,850,000 have been adjusted to 8,550,000 option shares at an adjusted price of RM2.587 per share (from RM7.761 per share previously).

The 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	RM0.88
Weighted average share price	RM2.65
Option life	5 years

The Executive Director of the Company exercised 450,000 and 4,590,000 share options granted to him on 5 April 2021 and 1 September 2021 respectively. The Group received proceeds totalling RM3,492,450 and RM11,874,330 respectively 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 RM901,000 (2021: RM4,804,000).

16. Loans and borrowings

	Note	Group		Company	
		2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Non-current					
Term loans (secured)	16.1	8,040	107,997	-	-
Revolving credit	16.2	4,625	-	-	-
		12,665	107,997	-	-
Current					
Term loans (secured)	16.1	9,635	22,489	-	-
Revolving credit	16.2	7,300	-	-	-
		16,935	22,489	-	-
		29,600	130,486	-	-

Loans and borrowings are categorised as amortised cost.

NOTES TO THE FINANCIAL STATEMENTS

16. Loans and borrowings (continued)

Reconciliation of movement of liabilities to cash flows arising from financing activities

Group	Note	At 1 January 2021 RM'000	Net changes from financing cash flows RM'000	Acquisitions through business combinations (Note 36) RM'000	Foreign exchange movement RM'000	Amortisation of transaction cost RM'000	Transaction cost capitalised RM'000	At 31 December 2021/ 1 January 2022 RM'000
Term loans	16.1	42,631	80,834	6,187	509	(275)	600	130,486
Revolving credit	16.2	4,166	(4,038)	-	(128)	-	-	-
		46,797	76,796	6,187	381	(275)	600	130,486

Group	Note	At 31 December 2021/ 1 January 2022 RM'000	Net changes from financing cash flows RM'000	Transfer to liabilities held for sale (Note 13) RM'000	Foreign exchange movement RM'000	Transaction cost capitalised RM'000	At 31 December 2022 RM'000
Term loans	16.1	130,486	(23,239)	(90,615)	836	207	17,675
Revolving credit	16.2	-	11,925	-	-	-	11,925
		130,486	(11,314)	(90,615)	836	207	29,600

Company	Note	At 1 January 2021 RM'000	Net changes from financing cash flows RM'000	Foreign exchange movement RM'000	At 31 December 2021/ 1 January 2022/ 31 December 2022 RM'000
Revolving credit	16.2	4,166	(4,038)	(128)	-

16.1 Term loans

The term loan of the Group comprise the following:

- (i) USD denominated term loan amounting to RM6,377,000 (2021: RM18,172,000) 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 RM8,810,000 (2021: RM11,327,000) is secured/covered against a legal charge over an office building (Note 3.7).
- (iii) Term loan amounting to RM566,000 (2021: RM609,000) is pledged for collateral and charged to the banks as security for banking facilities granted to the Group over a building (Note 3.7).

NOTES TO THE FINANCIAL STATEMENTS

16. Loans and borrowings (continued)**16.1 Term loans (continued)**

- (iv) Term loan amounting to RM246,000 (2021: RM264,000) is pledged for collateral and charged to the banks as security for banking facilities granted to the Group over an investment property (Note 4).

16.2 Revolving credit

This is a secured RM denominated revolving credit facility.

17. Trade and other payables

		Group		Company	
	Note	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Non-current					
Trade					
Unearned revenue	17.1	327,452	313,713	-	-
Non-trade					
Amount due to an associate	17.2	-	14,110	-	-
		327,452	327,823	-	-
Current					
Trade					
Trade payables	17.3	77,061	76,675	-	-
Amount due to related parties	17.3	729	1,988	-	-
Accrued expenses	17.4	30,563	36,932	-	-
Deposit payables		19,727	21,277	-	-
Unearned revenue	17.1	77,565	65,145	-	-
Payable for Universal Service Provision		65,577	58,767	-	-
Provisions		1,495	149	-	-
		272,717	260,933	-	-
Non-trade					
Other payables		2,221	1,056	15	229
Amount due to subsidiaries	17.5	-	-	-	24
Amount due to related parties	17.5	-	45	-	-
Amount due to an associate	17.2	-	1,008	-	-
Accrued expenses	17.6	78,776	72,887	6,043	3,669
Deferred consideration	17.7	3,815	7,064	3,815	7,064
Provisions		1,947	6,816	-	-
		86,759	88,876	9,873	10,986
		359,476	349,809	9,873	10,986

The above trade and other payables are categorised as amortised cost except for unearned revenue and provisions.

NOTES TO THE FINANCIAL STATEMENTS

17. Trade and other payables (continued)**17.1 Unearned revenue**

Unearned revenue mainly represents consideration received in advance for services or products that have yet to be rendered or provided. Unearned revenue at the beginning of the period recognised as revenue is amounting to RM65,145,000 (2021: RM64,891,000).

17.2 Amount due to an associate

In previous financial year, the amount due to an associate was advances which were unsecured and subject to interest rate at 4.22% per annum. The first instalment is repayable at the end of August 2022 of THB2,500,000 per month over 60 instalments. The balance as at 31 December 2022 has been transferred to liabilities held for sale.

17.3 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 (2021: 30 to 90 days).

17.4 Trade accrued expenses

Included in accrued expenses are accruals made for telecommunication maintenance charges.

17.5 Amounts due to subsidiaries and related parties

In previous financial year, the amounts due to subsidiaries and related parties were advances which were unsecured, interest free and repayable on demand.

17.6 Non-trade accrued expenses

Included in accrued expenses are accruals made for staff related expenses.

17.7 Deferred consideration

Deferred consideration represents the discounted amount payable in relation to the acquisition of AVM.

NOTES TO THE FINANCIAL STATEMENTS

18. Revenue

Group	Continuing operations		Discontinued operation (Note 23)		Total	
	2022 RM'000	2021 RM'000 <i>Restated</i>	2022 RM'000	2021 RM'000 <i>Restated</i>	2022 RM'000	2021 RM'000 <i>Restated</i>
Revenue from contracts with customers						
Data	1,189,823	1,042,869	-	-	1,189,823	1,042,869
Data Centre	209,040	174,101	120,637	110,442	329,677	284,543
Voice	53,547	66,523	-	-	53,547	66,523
Others	2,424	1,989	355	438	2,779	2,427
	1,454,834	1,285,482	120,992	110,880	1,575,826	1,396,362

Company	2022 RM'000	2021 RM'000
Revenue from contracts with customers		
Management fee from subsidiary companies	13,263	15,084
Other revenue		
Dividend income from a subsidiary	461,644	326,416
	474,907	341,500

Group	Continuing operations		Discontinued operation		Total	
	2022 RM'000	2021 RM'000 <i>Restated</i>	2022 RM'000	2021 RM'000 <i>Restated</i>	2022 RM'000	2021 RM'000 <i>Restated</i>
Timing of revenue recognition						
At a point in time	100,296	114,882	31,832	15,716	132,128	130,597
Over time	1,354,538	1,170,600	88,849	94,820	1,443,387	1,265,421
Revenue not within the scope of MFRS 15	-	-	311	344	311	344
	1,454,834	1,285,482	120,992	110,880	1,575,826	1,396,362

Company	2022 RM'000	2021 RM'000
Timing of revenue recognition		
Over time	13,263	15,084
Revenue not within the scope of MFRS 15	461,644	326,416
	474,907	341,500

NOTES TO THE FINANCIAL STATEMENTS

18. Revenue (continued)

The information that reflects the typical transactions of the Group is disclosed in Note 2(q).

The aggregate amount of the transaction price allocated to the performance obligations that are partially unsatisfied at the end of the reporting period is RM 1,715,913,000 (2021: RM1,917,387,000). The Group expects to recognise this amount over the remaining contract duration up to 18 years (2021: 20 years).

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.

19. Cost of sales

	Group	
	2022	2021
	RM'000	RM'000
		<i>Restated</i>
Interconnect charges	1,344	11,977
Depreciation of property, plant and equipment	127,471	116,413
Depreciation of right-of-use assets	10,066	9,921
Dealer commissions	28,183	21,685
Telecommunications maintenance charges	37,675	39,001
Network and leased line charges	62,284	56,996
Fee for wayleave and right of use pertaining to telecommunications facilities	-	502
Site and customer premises rental	11,261	10,396
Universal service obligation	60,072	42,549
Internet service provider costs	4,334	4,209
Data centre costs	139,236	115,373
Direct installation costs	92,587	78,908
Others	15,587	10,298
	590,100	518,228

NOTES TO THE FINANCIAL STATEMENTS

20. Income from investments

	Group		Company	
	2022	2021	2022	2021
	RM'000	RM'000	RM'000	RM'000
		<i>Restated</i>		
Interest income from financial assets that are not at fair value through profit or loss:				
- Interest income from short term deposit	9,599	9,718	1,606	1,789
- Interest income from advances to a fellow subsidiary	-	-	3,915	4,154
- Dividend income	192	450	-	-
	9,791	10,168	5,521	5,943

21. Finance costs

	Group		Company	
	2022	2021	2022	2021
	RM'000	RM'000	RM'000	RM'000
		<i>Restated</i>		
Interest expense of financial liabilities that are not at fair value through profit or loss:				
- Interest on borrowings	1,730	2,774	-	4
- Amortisation of borrowing costs	103	212	-	-
Lease liabilities	4,410	4,654	-	-
Other interest expense	11,809	12,944	260	251
	18,052	20,584	260	255

NOTES TO THE FINANCIAL STATEMENTS

22. Tax expense**Recognised in profit or loss**

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Tax expense on continuing operations	131,141	125,075	2,656	3,212
Tax (credit)/expense on discontinued operation (Note 23)	(7,643)	10,871	-	-
Total tax expense	123,498	135,946	2,656	3,212

Current tax expense:

- Current year	31,656	23,588	1,325	1,427
- Under/(Over) provision in prior year	4,010	564	-	(25)
	35,666	24,152	1,325	1,402

Deferred tax expense:

- Origination of temporary differences	91,674	110,993	1,340	690
- (Over)/Under provision in prior year	(3,842)	959	(9)	1,120
- Recognition of previously unrecognised temporary differences	-	(158)	-	-
	87,832	111,794	1,331	1,810
	123,498	135,946	2,656	3,212

Reconciliation of tax expense

Profit for the year	453,610	396,778	609,173	316,125
Total tax expense	123,498	135,946	2,656	3,212
Profit before tax	577,108	532,724	611,829	319,337
Tax at statutory tax rate of 24%	138,506	127,854	146,839	76,641
Effect of tax in foreign jurisdictions	342	258	-	-
Non-deductible expenses	14,623	13,239	2,630	3,815
Non-taxable income	(9,460)	(9,616)	(146,804)	(78,339)
Recognition of previously unrecognised temporary differences	(530)	(3,876)	-	-
Deferred tax assets (recognised)/not recognised	(20,286)	7,472	-	-
Exchange differences	135	(908)	-	-
Under/(Over) provision in prior year				
- current tax	4,010	564	-	(25)
- deferred tax	(3,842)	959	(9)	1,120
	123,498	135,946	2,656	3,212

NOTES TO THE FINANCIAL STATEMENTS

23. Discontinued operation

On 22 November 2022, the Company announced the proposed strategic partnership for the AIMS data centre business with DBAPL.

The details of the proposed transactions are disclosed in Note 34 (ii) to the financial statements.

The proposed transactions have yet to be completed as at the end of the reporting period.

The proposed transactions were not a discontinued operation or classified as held for sale as at 31 December 2021 and the comparative consolidated statement of profit or loss and other comprehensive income has been represented to show the discontinued operation separately from continuing operations.

Profit attributable to the discontinued operation was as follows:

Results of discontinued operation

The profit from discontinued operations of RM67,467,000 (2021: RM37,697,000) is attributable entirely to the owners of the Company. The results of the discontinued operations is prepared based on the assumption that arrangement between continuing and discontinued operations remains subsequent to the divestment with certain elimination entries recorded in discontinued operations. Therefore, the results of discontinued operations constitute entries directly related to the asset held for sale. Following completion of the Proposed Transactions, the results of discontinued operations will be accounted for in the consolidated financial statements using the equity method and share the profit/loss after tax based on the ownership interest subsequent to completion of the Proposed Transactions.

	2022 RM'000	2021 RM'000
Operating revenue	120,992	110,880
Operating expenses	(61,168)	(62,312)
Profit before tax	59,824	48,568
Tax credit/(expense)	7,643	(10,871)
Profit for the year	67,467	37,697

	2022 RM'000	2021 RM'000
Cash flows from discontinued operation		
Net cash from operating activities	184,327	7,714
Net cash used in investing activities	(152,184)	(82,809)
Net cash (used in)/from financing activities	(16,991)	89,508
Effect of exchange rate	140	(139)
Effect on cash flows	15,292	14,274

NOTES TO THE FINANCIAL STATEMENTS

24. Profit for the year

	Group		Company	
	2022 RM'000	2021 RM'000 <i>Restated</i>	2022 RM'000	2021 RM'000
Profit for the year is arrived at after charging/ (crediting):				
Auditors' remunerations				
Audit fees:				
- KPMG PLT	555	620	170	180
- Overseas affiliates of KPMG PLT	91	75	-	-
- Other auditors	116	194	-	-
Non-audit fees				
- KPMG PLT	974	369	855	330
- Overseas affiliates of KPMG PLT	-	3	-	-
Material expenses/(income)				
Depreciation of property, plant and equipment	166,168	143,428	-	-
Depreciation of investment property	33	34	-	-
Depreciation of right-of-use assets	20,530	19,755	-	-
Personnel expenses				
- Salaries, allowances and others	234,406	213,996	5,275	5,018
- Contributions to Employees Provident Fund	29,635	25,884	593	517
- Share grant expenses	35,676	26,981	6,280	4,449
- Share option expenses	901	4,804	901	4,804
Reversal of over-provision for financial guarantee	-	(960)	-	-
Amortisation of intangible assets	4	3	-	-
Write-off of property, plant and equipment	1,126	232	-	-
Net gain on foreign exchange	(28,846)	(19,089)	(3,675)	(3,074)
Dividend income from subsidiaries	-	-	(461,644)	(326,416)
Gain on disposal of property, plant and equipment	(1,530)	(85)	-	-
Gain on deemed disposal of investments in subsidiaries	-	-	150,038	-
Write-off of investments in subsidiaries	-	-	-	10,105
Expenses arising from leases				
Short-term rental of:				
- Offices	811	801	-	-
- Equipment	166	159	-	-
- Site and customer premises	5,522	11,352	-	-
Net loss on impairment of financial instruments				
Net impairment/(write-back):				
- Trade receivables	13,367	7,163	-	-
- Construction deposits	1,577	3,247	-	-
Bad debt written off	79	-	-	-
Bad debt recovered	(1,523)	(2,062)	-	-
	13,500	8,348	-	-

NOTES TO THE FINANCIAL STATEMENTS

25. Earnings per ordinary share

The calculation of basic earnings per ordinary share was based on the profit attributable to ordinary shareholders and a weighted average number of ordinary shares outstanding, calculated as follows:

Group	Continuing operations RM'000	Discontinued operation RM'000	Total RM'000
2022			
Profit for the year attributable to owners of the Company	382,443	67,467	449,910

2021			
Profit for the year attributable to owners of the Company	355,463	37,697	393,160

	Group	
	2022 '000	2021 '000
Weighted average number of ordinary shares at 31 December	1,830,335	1,817,726

	Group	
	2022 sen	2021 sen
From continuing operations	20.89	19.56
From discontinued operation	3.69	2.07
Basic earnings per ordinary share	24.58	21.63

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	Continuing operations RM'000	Discontinued operation RM'000	Total RM'000
2022			
Net profit attributable to owners of the Company (diluted)	382,443	67,467	449,910

2021			
Net profit attributable to owners of the Company (diluted)	355,463	37,697	393,160

	Group	
	2022 '000	2021 '000
Weighted average number of ordinary shares at 31 December (basic)	1,830,335	1,817,726
Effect of ED Share Option, if exercised	1,828	1,789
Weighted average number of ordinary shares at 31 December (diluted)	1,832,163	1,819,515

NOTES TO THE FINANCIAL STATEMENTS

25. Earnings per ordinary share (continued)

	Group	
	2022 sen	2021 sen
From continuing operations	20.88	19.54
From discontinued operation	3.68	2.07
Diluted earnings per ordinary share	24.56	21.61

26. Dividends

During the financial year, the Company paid an ordinary interim and a special interim tax exempt (single tier) dividend of 10.86 sen and 2.29 sen per ordinary share respectively for the financial year ended 31 December 2021 on 23 March 2022 totalling to RM240,069,000.

The Company paid an additional special interim tax exempt (single tier) dividend of 16.34 sen per ordinary share for the financial year ended 31 December 2022 on 27 September 2022 totalling to RM300,098,000.

In the previous financial year, the Company paid an ordinary interim and a special interim tax exempt (single tier) dividend of 12.50 sen and 20.60 sen per ordinary share respectively for the financial year ended 31 December 2020 on 30 March 2021 totalling to RM200,011,000.

In the previous financial year, the Company paid an additional special interim tax exempt (single tier) dividend of 8.22 sen per ordinary share for the financial year ended 31 December 2021 on 22 December 2021 totalling to RM150,066,000.

Subsequent to the end of the reporting period, the following dividend was declared by the Directors. This dividend will be recognised in subsequent financial period.

For the financial year ended 31 December 2022	Sen per share
Ordinary Interim (Single Tier)	12.33
Special Interim (Single Tier)	2.36

27. Directors' remuneration

	Group and Company	
	2022 RM'000	2021 RM'000
Executive directors:		
- Emoluments	4,802	4,591
- Other emoluments and expenses (including share grant and ED share options)	9,742	10,123
Non-executive directors:		
- Fees	948	871
- Other emoluments and expenses	855	721
	16,347	16,306

NOTES TO THE FINANCIAL STATEMENTS

27. Directors' remuneration (continued)

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 RM30,000 (2021: RM14,000).

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
2022						
Non-executive directors						
Elakumari Kantilal	140	140	-	-	-	2
Ronnie Kok Lai Huat	66	50	-	-	-	12
Mark Guy Dioguardi	144	140	-	-	-	2
Hong Kean Yong	142	130	-	-	-	2
Koh Cha-Ly	120	135	-	-	-	2
Datuk Azailiza Mohd Ahad	120	85	-	-	-	-
Datuk Zainal Amanshah bin Zainal Arshad	109	75	-	-	-	-
Low Kim Fui	52	50	-	-	-	-
Kuan Li Li	55	50	-	-	-	-
Selvendran Katheerayson	-	-	-	-	-	-
Executive directors						
Afzal Abdul Rahim	-	-	1,064	459	290	5
Patrick Corso	-	-	1,003	402	963	4
Lee Guan Hong	-	-	993	437	8,933	1
	948	855	3,060	1,298	10,186	30
2021						
Non-executive directors						
Abdul Kadir Md.Kassim	145	20	-	-	100	2
Ronnie Kok Lai Huat	146	110	-	-	6	1
Elakumari Kantilal	125	115	-	-	-	2
Hong Kean Yong	154	125	-	-	-	1
Mark Guy Dioguardi	139	120	-	-	-	-
Koh Cha-Ly	120	100	-	-	-	-
Datuk Azailiza Mohd Ahad	42	25	-	-	-	-
Executive directors						
Afzal Abdul Rahim	-	-	1,101	321	275	7
Patrick Corso	-	-	964	281	4,863	-
Lee Guan Hong	-	-	1,048	437	5,424	1
	871	615	3,113	1,039	10,668	14

The Directors did not receive any additional remuneration for services rendered in the subsidiaries.

NOTES TO THE FINANCIAL STATEMENTS

28. Key management personnel remuneration

The key management personnel remuneration is as follows:

	Group and Company	
	2022 RM'000	2021 RM'000
Directors:		
Fees	948	871
Other short term benefits (including estimated monetary value of benefits-in-kind, share options and benefits on share grant plan)	15,429	15,449
	16,377	16,320

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Other key management personnel:				
Employee benefits (including benefits on share grant plan)	27,275	20,837	-	1,317
Other key management compensation	867	874	-	3
	28,142	21,711	-	1,320

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.

29. 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 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.

NOTES TO THE FINANCIAL STATEMENTS

29. Operating segments (continued)

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

	Group	
	2022 RM'000	2021 RM'000 <i>Restated</i>
Revenue from external customers		
Data	1,189,823	1,042,869
Data Centre	209,040	174,101
Voice	53,547	66,523
Others	2,424	1,989
	1,454,834	1,285,482
Operating expenses		
Depreciation, impairment and amortisation of property, plant and equipment and right-of-use assets	(149,540)	(132,745)
Other operating expense	(834,397)	(701,943)
Other operating income	31,675	19,881
Profit from operations	502,572	470,675
Income from investments	9,791	10,168
Finance costs	(18,052)	(20,584)
Share of profits from equity-accounted investments, net of tax	22,973	23,897
Segment profit	517,284	484,156
Tax expense	(131,141)	(125,075)
Profit from continuing operations	386,143	359,081
Profit from discontinued operation, net of tax	67,467	37,697
Profit for the year	453,610	396,778
Additions to property, plant and equipment		
Property, plant and equipment (Note 3)	240,708	245,826
Assets to held for sale (Note 13)	166,848	-
	407,556	245,826

NOTES TO THE FINANCIAL STATEMENTS

29. Operating segments (continued)**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	
	2022 RM'000	2021 RM'000 <i>Restated</i>	2022 RM'000	2021 RM'000
Malaysia	1,395,596	1,215,135	1,359,190	1,719,086
Outside Malaysia	59,238	70,347	451,684	502,208
	1,454,834	1,285,482	1,810,874	2,221,294
Discontinued operation	120,992	110,880	640,086	-
	1,575,826	1,396,362	2,450,960	2,221,294

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.

30. Capital commitments

	Group	
	2022 RM'000	2021 RM'000
Capital expenditure commitments		
Property, plant and equipment		
Authorised but not contracted for	501,589	152,804
Contracted but not provided for	249,143	307,920

31. 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 either 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.

NOTES TO THE FINANCIAL STATEMENTS

31. Related parties (continued)**Significant related party transactions**

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

	Group		Company	
	2022	2021	2022	2021
	RM'000	RM'000	RM'000	RM'000
Subsidiary companies				
Dividend income	-	-	461,644	326,416
Management fees income	-	-	13,263	15,084
Interest income from subsidiaries	-	-	3,915	4,154
Related parties				
Revenue from data, voice and other services	79,428	61,988	-	-
Sales of IT related services	68,959	48,529	-	-
Interconnect revenue	1,355	1,487	-	-
Fee for wayleave and right of use of telecommunications facilities	(10,149)	(10,343)	-	-
Interconnect charges	(955)	(1,230)	-	-
Leased line and infrastructure costs	(50,392)	(42,486)	-	-
Network maintenance	(2,474)	(2,180)	-	-
Training expenses	(461)	(491)	-	-
Rental of office	(117)	(114)	-	-
Professional fees	(439)	(96)	(439)	(96)
Marketing services	(313)	-	-	-
Provision of data analytics services	(226)	-	-	-
Interest on advances	(706)	(598)	-	-
Companies in which Directors have significant financial interests				
Revenue from rental, support services and others	40	63	-	-

The Directors of the Group and the Company are of the opinion that the above transactions have been entered into 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 11 and 17 respectively.

Directors' remuneration and key management personnel remuneration are disclosed in Notes 27 and 28 respectively.

NOTES TO THE FINANCIAL STATEMENTS

32. Financial instruments**32.1 Net gains and losses arising from financial instruments**

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Net gains/(losses) on:				
Equity instruments designated at FVOCI				
- recognised in other comprehensive income	13,296	12,669	-	-
	13,296	12,669	-	-
Financial assets at amortised cost	25,189	21,428	9,196	9,017
Financial liabilities at amortised cost	(11,510)	(11,813)	(260)	(255)
	26,975	22,284	8,936	8,762

32.2 Financial risk management

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

- Credit risk
- Liquidity risk
- Market risk

32.3 Credit risk

Credit risk is the risk of a financial loss if a customer or counterparty to a financial instrument fails to meet 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. There are no significant changes as compared to prior periods.

Trade receivables***Risk management objectives, policies and processes for managing the risk***

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

At each reporting date, the Group or the Company assesses whether any of the trade receivables are credit impaired.

The gross carrying amounts of credit impaired trade receivables 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 that are written off could still be subject to enforcement activities.

There are no significant changes as compared to previous year.

NOTES TO THE FINANCIAL STATEMENTS

32. Financial instruments (continued)**32.3 Credit risk (continued)****Trade receivables (continued)*****Exposure to credit risk, credit quality and collateral***

As at the end of the reporting period, the maximum exposure to credit risk arising from trade receivables are 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	
	2022 RM'000	2021 RM'000
Malaysia	348,027	318,438
Outside Malaysia	12,858	8,287
	360,885	326,725

At reporting date, there were no significant concentrations of credit risk.

NOTES TO THE FINANCIAL STATEMENTS

32. Financial instruments (continued)**32.3 Credit risk (continued)****Trade receivables (continued)*****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:

Group	Gross RM'000	Loss allowance RM'000	Net RM'000
2022			
Not past due	176,555	(644)	175,911
Past due 1 - 30 days	52,336	(379)	51,957
Past due 31 - 120 days	63,242	(2,001)	61,241
Past due more than 120 days	95,570	(23,794)	71,776
	387,703	(26,818)	360,885
2021			
Not past due	94,821	(156)	94,665
Past due 1 - 30 days	57,099	(229)	56,870
Past due 31 - 120 days	69,188	(1,085)	68,103
Past due more than 120 days	125,759	(18,672)	107,087
	346,867	(20,142)	326,725

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 trade amounts due from related parties) during the financial year were as follows:

	Group	
	2022 RM'000	2021 RM'000
At 1 January	20,142	20,611
Impairment loss written off	(6,434)	(7,673)
Net allowance	13,367	7,163
Exchange translation differences	-	41
Transfer to held for sale	(257)	-
At 31 December	26,818	20,142

NOTES TO THE FINANCIAL STATEMENTS

32. Financial instruments (continued)**32.3 Credit risk (continued)****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

The Group and the Company did not recognise any loss allowances as the amounts are immaterial.

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. The Company monitors on an ongoing basis the results of the subsidiaries, and repayments made by subsidiaries.

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 RM17,923,000 (2021: RM24,156,000) and RM98,047,000 (2021: RM115,920,000) respectively, arises principally from bank guarantees given to suppliers and financial guarantees given to banks for credit facilities granted to subsidiaries.

Impairment losses

As at the end of the reporting period, there was no subsidiary defaulted on repayment. The Group and the Company did not recognise any loss allowances as the amounts are immaterial.

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.

NOTES TO THE FINANCIAL STATEMENTS

32. Financial instruments (continued)**32.3 Credit risk (continued)****Inter-company balances (continued)****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 RM1,353,000 (2021: RM2,122,000). The Group and the Company determined the impairment loss based on internal information available.

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

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/ Discount 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
2022							
Term loans and revolving credit	29,600	3.50% - 7.20%	30,695	22,110	3,304	4,595	686
Lease liabilities	76,701	3.50% - 3.55%	106,887	13,849	24,654	20,897	47,487
Trade and other payables*	212,892	-	212,892	212,892	-	-	-
Financial guarantee	-	-	17,923	17,923	-	-	-
2021							
Term loans	130,486	3.20% - 6.20%	150,059	27,159	20,416	46,645	55,839
Lease liabilities	123,648	3.50% - 3.55%	160,468	25,742	52,759	25,924	56,043
Trade and other payables*	233,042	-	233,042	233,042	-	-	-
Financial guarantee	-	-	24,156	24,156	-	-	-

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

NOTES TO THE FINANCIAL STATEMENTS

32. Financial instruments (continued)

32.4 Liquidity risk (continued)

Maturity analysis (continued)

Company	Carrying amount RM'000	Contractual interest rate	Contractual cash flows RM'000	Under 1 year RM'000
2022				
Trade and other payables	9,873	-	9,873	9,873
Financial guarantee	-	-	98,047	98,047
2021				
Trade and other payables	10,986	-	10,986	10,986
Financial guarantee	-	-	115,920	115,920

32.5 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.

32.5.1 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 carrying amounts as at the end of the reporting period was:

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Denominated in USD				
Trade and other receivables	208,501	196,120	62,918	62,403
Cash and cash equivalents	111,204	110,354	4,070	4,267
Term loans	(6,377)	(18,173)	-	-
Trade and other payables	(115,528)	(131,319)	-	-
Net exposure in the statement of financial position	197,800	156,982	66,988	66,670

NOTES TO THE FINANCIAL STATEMENTS

32. Financial instruments (continued)**32.5 Market risk (continued)****32.5.1 Currency risk (continued)*****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 amount 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. This analysis assumes that all other variables, in particular interest rates, remained constant and ignores any impact of forecasted sales and purchases.

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Profit or (Loss)				
1% strengthening of RM against USD	(1,978)	(1,570)	(670)	(667)

A 1% weakening of the Ringgit Malaysia against the above currency at the end of the reporting period would have had equal but opposite effect on the above currency to the amount shown above, on the basis that all other variables remained constant.

32.5.2 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	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Fixed rate instruments				
Deposits with financial institutions	307,092	606,667	69,910	179,313
Other investment	-	2,000	-	2,000
Term loans	(17,675)	(130,486)	-	-
Floating rate instruments				
Revolving credit	(11,925)	-	-	-
Amount due to an associate	-	(15,118)	-	-

NOTES TO THE FINANCIAL STATEMENTS

32. Financial instruments (continued)**32.5 Market risk (continued)****32.5.2 Interest rate risk (continued)*****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
2022				
Floating rate instruments	(119)	119	-	-
2021				
Floating rate instruments	(151)	151	-	-

32.6 Fair value information

The carrying amounts of cash and cash equivalents, short term 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. 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.

NOTES TO THE FINANCIAL STATEMENTS

32. Financial instruments (continued)

32.6 Fair value information (continued)

	Fair value of financial instruments carried at fair value				Fair value of financial instruments not carried at fair value				Total fair value	Carrying amount
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	RM'000	RM'000
2022										
Financial assets										
Unquoted investments	-	-	55,027	55,027	-	-	-	-	55,027	55,027
Financial liabilities										
Term loans	-	-	-	-	-	-	17,121	17,121	17,121	17,675
Revolving credit	-	-	-	-	-	-	11,925	11,925	11,925	11,925
2021										
Financial assets										
Unquoted investments	-	-	43,731	43,731	-	-	-	-	43,731	43,731
Financial liabilities										
Term loans	-	-	-	-	-	-	127,746	127,746	127,746	130,486
Company										
2022										
Financial assets										
Unquoted investments	-	-	-	-	-	-	-	-	-	-
2021										
Financial assets										
Unquoted investments	-	-	2,000	2,000	-	-	-	-	2,000	2,000

NOTES TO THE FINANCIAL STATEMENTS

32. Financial instruments (continued)**32.6 Fair value information (continued)*****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 used in the valuation models.

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 and revolving credit	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:

	2022	2021
Term loans	3.50% - 7.20%	3.20% - 6.20%
Revolving credit	4.07% - 4.49%	-

33. Capital management

The Group's objectives when managing capital is to maintain an optimal capital structure and 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 range from 0.8 times to 3 times of debt-to-equity ratio. There were no changes in the Group's approach to capital management during the financial year.

NOTES TO THE FINANCIAL STATEMENTS

34. Significant events during the year

- i) On 11 January 2022, AIMS Data Centre Sdn. Bhd., a wholly-owned subsidiary of the Company entered into a conditional sale and purchase agreement ("SPA") with Lembaga Kumpulan Wang Simpanan Pekerja ("KWSP") or also known as Employees Provident Fund Board for the proposed acquisition of a 13-storey purpose-built office building together with 95 car park bays known as "Bangunan KWSP Changkat Raja Chulan" ("Bangunan KWSP") for a total cash consideration of RM62,000,000. The purchase consideration was based an average of the market values of the property as appraised by two independent registered valuers using Income Approach by Investment Method and the Comparison Approach. The transfer of proprietorship of Bangunan KWSP has been registered on 26 July 2022. Accordingly, the acquisition has been completed in accordance with the terms and conditions of the sale and purchase agreement.
- ii) On 22 November 2022, the Company announced the proposed strategic partnership for the AIMS data centre business via the partial divestment by the Company of shares in AIMS Data Centre Holding Sdn Bhd ("AIMS") and AIMS Data Centre (Thailand) Limited ("AIMS TH") to DBAPL, part of DigitalBridge Group, Inc., by entering into the following agreements on 21 November 2022:
 - (a) a conditional share sale and purchase agreement with DBAPL ("SPA 1") for the proposed divestment of 49% of the issued ordinary shares ("OS") and 100% of the irredeemable convertible preference shares ("ICPS") of AIMS for a provisional equity purchase price of RM2,005.51 million ("Proposed Transaction 1"); and
 - (b) a conditional share sale and purchase agreement with DBAPL (as the purchaser) and Symphony Communication Public Company Limited ("SYMC") (being an associate of the Company, and the other seller) ("SPA 2"), for the proposed divestment of the Company's 21% of the issued shares of AIMS TH for a provisional equity purchase price of THB27.30 million (equivalent to RM3.47 million) ("Proposed Transaction 2"),

collectively, the "Proposed Transactions".

The Company and DBAPL have also agreed to enter into a shareholders' agreement ("SHA") with a view to jointly drive the future business direction of AIMS and AIMS TH as well as establish a long-term relationship between the Company and DBAPL as shareholders of AIMS and AIMS TH. The SHA takes effect on the completion of the Proposed Transaction 1 with respect to AIMS, and on the completion of Proposed Transaction 2 with respect to AIMS TH. The expected completion date is in the second quarter of 2023.

35. Subsequent events

- (i) On 16 January 2023, an Executive Director, partially exercised 1,980,000 option shares granted to him at the adjusted exercise price of RM2.438 per share. The Group received proceeds totaling RM4,827,240 as a result of the said exercise.
- (ii) On 15 February 2023, the Company announced that the shareholders had at the Extraordinary General Meeting of the Company ("EGM") held on 15 February 2023, among others, approved the Company to undertake the Proposed Transactions involving the disposal of the following to DBAPL:
 - (a) 490,000 ordinary shares in AIMS representing 49% of the issued and paid-up ordinary share capital of AIMS and 699,850 ICPS in AIMS representing 100% of the ICPS in issue in AIMS for a cash consideration to be determined based on a 100% enterprise value ("EV") of AIMS of RM3,146.10million and subject to adjustments as set out in the SPA 1; and
 - (b) 210,000 ordinary shares in AIMS TH representing 21% of the issued and paid-up share capital of AIMS TH for a cash consideration to be determined based on a 100% EV of AIMS TH of THB436.00million (equivalents to RM55.47million) and subject to adjustments as set out in the SPA 2.

The completion of the Proposed Transactions is subject to the fulfilment of Conditions Precedent pursuant to SPA 1 and SPA 2, respectively.

NOTES TO THE FINANCIAL STATEMENTS

36. Acquisition of subsidiaries

On 7 January 2021, the Group acquired 600,000 ordinary shares representing 60% of the equity interest in AVM Cloud Sdn. Bhd. ("AVM"). AVM and its subsidiaries are involved in development and sale of computer software and provide information technology services. In the 12 months to 31 December 2021, the subsidiary contributed revenue of RM113,102,000 and profit of RM20,640,000.

The following summarises the major classes of consideration transferred, and the recognised amounts of assets acquired and liabilities assumed at the acquisition date:

	Note	Group 2021 RM'000
Fair value of consideration transferred		
Cash and cash equivalents		46,342
Deferred consideration		7,064
Equity instruments issued (654,348 ordinary shares)		4,500
		57,906
Identifiable assets acquired and liabilities assumed		
Property, plant and equipment	3	22,043
Investment property	4	1,512
Right-of-use assets	5	2,353
Intangible assets (Computer software and development expenditure)	6	14
Trade and other receivables		40,981
Cash and cash equivalents		14,636
Restricted cash		3,706
Loans and borrowings	16	(6,187)
Current tax liabilities		(1,886)
Deferred tax liabilities	10	(162)
Trade and other payables		(43,865)
Total identifiable net assets		33,145
Net cash outflow arising from acquisition of subsidiary		
Purchase consideration settled in cash and cash equivalents		(57,906)
Cash and cash equivalents acquired		18,342
		(39,564)
Goodwill		
Goodwill was recognised as a result of the acquisition as follows:		
Total consideration transferred		57,906
Fair value of identifiable net assets		(33,145)
Non-controlling interests, based on their proportionate interest in the recognised amounts of the asset and liabilities of the acquiree		13,258
Goodwill	6	38,019

NOTES TO THE FINANCIAL STATEMENTS

36. Acquisition of subsidiaries (continued)

The finalised goodwill was recognised into the Statements of Financial Position pursuant to the completion of purchase price allocation exercise performed to the fair value of identifiable net assets of AVM in accordance with MFRS 3, *Business Combinations*.

The goodwill is attributable mainly to the value accretive of cloud business and complementary to the existing service and products offered by the Group. None of the goodwill recognised is expected to be deductible for income tax purposes.

Acquisition-related costs

The Group incurred acquisition-related costs of RM313,000 related to external legal fees and due diligence costs in previous financial year. The legal fees and due diligence costs have been included in other expenses in the Group's consolidated statement of profit or loss and other comprehensive income.

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 99 to 186 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 2022 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: 28 February 2023

STATUTORY DECLARATION

pursuant to Section 251(1)(b) of the Companies Act 2016

I, **Shahnaz Farouque bin Jammal Ahmad**, 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 99 to 186 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 Shahnaz Farouque bin Jammal Ahmad, at Kuala Lumpur in Wilayah Persekutuan on 28 February 2023.

.....
Shahnaz Farouque bin Jammal Ahmad

Before me:

Rajeev Saigal A/L Ramlabaya Saigal

W681

Commissioner of 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 2022 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 99 to 186.

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 2022, 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.

INDEPENDENT AUDITORS' REPORT

to the members of TIME dotCom Berhad (Registration No. 199601040939 (413292-P)) (Incorporated in Malaysia)

Key Audit Matters (continued)

Impairment of goodwill

Refer to Note 2 (g) - Significant accounting policy: Intangible assets and Note 6 - Intangible assets.

The key audit matter	How the matter was addressed in our audit
<p>The Group performed annual goodwill impairment assessment based on estimated future cash flows to determine if any impairment is required for the goodwill amounting to RM140.1 million as at 31 December 2022.</p> <p>The Group has prepared and considered prospective financial information based on assumptions and events that may occur in the next 12 months from year end and beyond.</p> <p>Due to the inherent uncertainties involved in forecasting and discounting future cash flows, together with the key assumptions used to derive the recoverable amount, this is a key judgemental area that our audit was concentrated on.</p>	<p>We performed the following audit procedures, among others:</p> <ul style="list-style-type: none"> We compared the cashflow forecasts prepared at the end of last year for the purpose of impairment assessments with the actual performance of the businesses for the current year to assess how accurate the cash flow forecasts were and made enquiries of the Group as to the reasons for any significant variations identified. We assessed the key assumptions in estimating future cash flows, growth rates and discount rates by comparing them to externally derived data as well as our own assessments which had taken into account historical trends, available industry information and our understanding of the business. 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.

INDEPENDENT AUDITORS' REPORT

to the members of TIME dotCom Berhad (Registration No. 199601040939 (413292-P)) (Incorporated in Malaysia)

Key Audit Matters (continued)***Impairment of investments in associates***

Refer to Note 2 (a) - Significant accounting policy: Associates and Note 8 – Investments in associates.

The key audit matter	How the matter was addressed in our audit
<p>The Group's investments in associates was RM486.8million as at 31 December 2022.</p> <p>As of 31 December 2022, there were indicators of impairment in the carrying amount of the investments in associates. Accordingly, the Group assessed the recoverability of the carrying amount of the investments in associates for impairment.</p> <p>Prospective financial information were prepared and considered based on assumptions and events that may occur in the next 12 months from year end and beyond.</p> <p>Due to the inherent uncertainties involved in forecasting and discounting cash flow, together with the key assumptions used to derive the recoverable amount, this is a key judgemental area that our audit was concentrated on.</p>	<p>We performed the following audit procedures, among others:</p> <ul style="list-style-type: none"> We compared the cashflow forecasts prepared at the end of last year for the purpose of impairment assessments with the actual performance of the businesses for the current year to assess how accurate the cash flow forecasts were and made enquiries of the Group as to the reasons for any significant variations identified. We assessed the key assumptions in estimating future cash flows, growth rates and discount rates by comparing them to externally derived data as well as our own assessments which had taken into account historical trends, available industry information and our understanding of the business. 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.

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.

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, (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.

INDEPENDENT AUDITORS' REPORT

to the members of TIME dotCom Berhad (Registration No. 199601040939 (413292-P)) (Incorporated in Malaysia)

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.

INDEPENDENT AUDITORS' REPORT

to the members of TIME dotCom Berhad (Registration No. 199601040939 (413292-P)) (Incorporated in Malaysia)

Auditors' Responsibilities for the Audit of the Financial Statements (continued)

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.

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 7 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

Petaling Jaya, Selangor

Date: 28 February 2023

Chew Beng Hong
Approval Number: 02920/02/2024 J
Chartered Accountant

ANALYSIS OF SHAREHOLDINGS

as at 20 March 2023

Type of Securities : Ordinary Shares
Issued Shares : 1,838,566,103
No. of Shareholders : 13,044
Voting Rights : One Vote per Ordinary Share

DISTRIBUTION OF SHAREHOLDINGS

Size of Holdings	No. of Shareholders	% of Shareholders	No. of Shares Held	% of Shares Held
Less than 100	658	5.04	22,056	#
100 to 1,000	4,943	37.89	2,884,368	0.16
1,001 to 10,000	5,665	43.43	18,984,442	1.03
10,001 to 100,000	1,253	9.61	37,906,902	2.06
100,001 to less than 5% of issued shares	523	4.01	1,051,498,312	57.19
5% and above of issued shares	2	0.02	727,270,023	39.56
Total	13,044	100.00	1,838,566,103	100.00

Note:

Less than 0.01%.

30 LARGEST SHAREHOLDERS BASED ON THE RECORD OF DEPOSITORS AS AT 20 MARCH 2023

No.	Name of Shareholders	No. of Shares	%
1.	Pulau Kapas Ventures Sdn Bhd	531,373,077	28.90
2.	Khazanah Nasional Berhad	195,896,946	10.66
3.	Kumpulan Wang Persaraan (Diperbadankan)	81,701,244	4.44
4.	Citigroup Nominees (Tempatan) Sdn Bhd - Exempt An for AIA Bhd	47,987,400	2.61
5.	Citigroup Nominees (Tempatan) Sdn Bhd - Employees Provident Fund Board	39,078,953	2.13
6.	Lembaga Tabung Haji	34,831,700	1.89
7.	Amanahraya Trustees Berhad - Public Ittikal Sequel Fund	28,461,000	1.55
8.	Amanahraya Trustees Berhad - Public Smallcap Fund	23,125,680	1.26
9.	Cartaban Nominees (Tempatan) Sdn Bhd - PAMB for Prulink Equity Fund	20,874,400	1.14
10.	Amanahraya Trustees Berhad - Public Islamic Select Treasures Fund	18,497,420	1.01
11.	Citigroup Nominees (Asing) Sdn Bhd - UBS AG	18,149,211	0.99
12.	Cimsec Nominees (Tempatan) Sdn Bhd - CIMB for Afzal Bin Abdul Rahim (PB)	14,147,721	0.77

ANALYSIS OF SHAREHOLDINGS

as at 20 March 2023

No.	Name of Shareholders	No. of Shares	%
13.	HSBC Nominees (Asing) Sdn Bhd - JPMCB NA for Vanguard Emerging Markets Stock Index Fund	13,586,700	0.74
14.	Cartaban Nominees (Asing) Sdn Bhd - Exempt An for State Street Bank & Trust Company (West CLT OD67)	13,176,284	0.72
15.	Permodalan Nasional Berhad	13,000,000	0.71
16.	Cartaban Nominees (Tempatan) Sdn Bhd - PBTB for Takafulink Dana Ekuiti	12,939,400	0.70
17.	HSBC Nominees (Asing) Sdn Bhd - JPMCB NA for Vanguard Total International Stock Index Fund	12,635,684	0.69
18.	Citigroup Nominees (Tempatan) Sdn Bhd - Employees Provident Fund Board (AHAM AM)	11,917,700	0.65
19.	Citigroup Nominees (Asing) Sdn Bhd - Exempt An for Citibank New York (Norges Bank 22)	11,820,000	0.64
20.	Citigroup Nominees (Tempatan) Sdn Bhd - Employees Provident Fund Board (AsianIslamic)	11,593,800	0.63
21.	HSBC Nominees (Asing) Sdn Bhd - Morgan Stanley & Co. International PLC (Firm A/C)	11,162,424	0.61
22.	Cartaban Nominees (Asing) Sdn Bhd - SSBT Fund WTAU for Wisdomtree Emerging Markets Smallcap Dividend Fund	9,130,600	0.50
23.	Citigroup Nominees (Asing) Sdn Bhd - Exempt An for Citibank New York (Norges Bank 19)	9,090,000	0.49
24.	Maybank Nominees (Tempatan) Sdn Bhd - Pledged securities account – Kuwait Finance House (Malaysia) Berhad for Indera Permai Sdn Bhd (445616)	9,058,824	0.49
25.	Citigroup Nominees (Asing) Sdn Bhd - Exempt An for Citibank New York (Norges Bank 14)	8,957,081	0.49
26.	HSBC Nominees (Asing) Sdn Bhd - J.P. Morgan Securities PLC	8,632,535	0.47
27.	Citigroup Nominees (Tempatan) Sdn Bhd - Employees Provident Fund Board (Nomura)	8,434,100	0.46
28.	Citigroup Nominees (Asing) Sdn Bhd - CBLDN for Pohjola Bank PLC (Client AC-EUR)	7,915,267	0.43
29.	Citigroup Nominees (Asing) Sdn Bhd - GSCO LLC for Kabouter Fund I (QP), LLC	7,538,427	0.41
30.	Amanahraya Trustees Berhad - PB Growth Fund	7,190,000	0.39

ANALYSIS OF SHAREHOLDINGS

as at 20 March 2023

SUBSTANTIAL SHAREHOLDERS BASED ON THE REGISTER OF SUBSTANTIAL SHAREHOLDERS' SHAREHOLDINGS AS AT 20 MARCH 2023

Name of Shareholders	Direct		Indirect	
	No. of Shares	%	No. of Shares	%
Pulau Kapas Ventures Sdn Bhd ("PKV")	531,523,077	28.91	-	-
Khazanah Nasional Berhad	195,896,946	10.66	531,523,077 ⁽¹⁾	28.91
Kumpulan Wang Persaraan (Diperbadankan)	81,701,244	4.44	21,013,701	1.14
Global Transit International Sdn Bhd ("GTI")	-	-	531,523,077 ⁽¹⁾	28.91
Megawisra Sdn Bhd ("Megawisra")	4,302,993	0.23	531,523,077 ⁽²⁾	28.91
Megawisra Investments Limited ("Megawisra Investments")	-	-	535,826,070 ⁽³⁾	29.14
Afzal Abdul Rahim	14,147,721	0.77	535,826,070 ⁽⁴⁾	29.14
Patrick Corso	6,163,600	0.34	535,826,070 ⁽⁴⁾	29.14

Notes:⁽¹⁾ Deemed interested by virtue of its interests held through PKV pursuant to Section 8 of the Companies Act 2016 (the "Act").⁽²⁾ Deemed interested by virtue of its interests held through PKV via its shareholdings in GTI pursuant to Section 8 of the Act.⁽³⁾ Deemed interested by virtue of its interests held through PKV, GTI and Megawisra via its shareholdings in Megawisra pursuant to Section 8 of the Act.⁽⁴⁾ 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.**DIRECTORS' INTERESTS IN SHARES BASED ON THE REGISTER OF DIRECTORS' SHAREHOLDINGS AS AT 20 MARCH 2023**

Name of Directors	Direct		Indirect	
	No. of Shares	%	No. of Shares	%
Afzal Abdul Rahim	14,147,721	0.77	535,826,070 ⁽¹⁾	29.14
Patrick Corso	6,163,600	0.34	535,826,070 ⁽¹⁾	29.14

Note:⁽¹⁾ 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.

LIST OF PROPERTIES

held as at 31 December 2022

TIME DOTCOM BERHAD

Location	Description	Tenure	Area	Existing Use	Approximate Age (Years)	Cost (NBV) (RM)	Date of Acquisition	Remarks (Amortisation)
Lot no. 53 Glenmarie Industrial Park Shah Alam, Selangor	Land Building	Freehold	4,260 sq.m 3,747 sq.m	Office Building	11	8,112,849	11/5/2011	

AIMS CYBERJAYA SDN BHD

Location	Description	Tenure	Area	Existing Use	Approximate Age (Years)	Cost (NBV) (RM)	Date of Acquisition	Remarks (Amortisation)
H.S.(D) 32428, PT No. 45816, Mukim Dengkil, Daerah Sepang, Negeri Selangor Darul Ehsan	Land	Freehold	12,684 sq.m	Data centre	8	15,599,112	21/5/2015	

AIMS DATA CENTRE SDN BHD

Location	Description	Tenure	Area	Existing Use	Approximate Age (Years)	Cost (NBV) (RM)	Date of Acquisition	Remarks (Amortisation)
Lot No. 1204, Seksyen 57, PT No 10019, Town of Kuala Lumpur, District of Kuala Lumpur	Land Building	Freehold	2,446 sq.m 11,203.9 sq.m	Data centre	4	50,000,000 Cost 46,077,090 Depreciation 2,827,972 Balance (NBV) 43,249,118	26/12/2019	
H.S.(D) 32428, PT No. 45816, Mukim Dengkil, Daerah Sepang, Negeri Selangor Darul Ehsan	Building		14,956 sq.m	Data centre	2	Cost 84,293,742 Depreciation 2,646,464 Balance (NBV) 81,647,278	30/6/2021	2% Depreciation
Geran 36467, Lot No.19, Section 57, Bandar Kuala Lumpur, District of Kuala Lumpur, Federal Territory of Kuala Lumpur	Land Building	Freehold	1,972.778 sq.m 10,532.24 sq.m	Data centre	1	36,000,000 Cost 28,568,785 Depreciation 285,688 Balance (NBV) 28,283,097	26/7/2022	2% Depreciation

LIST OF PROPERTIES

held as at 31 December 2022

TT DOTCOM SDN BHD

Location	Description	Tenure	Area	Existing Use	Approximate Age (Years)	Cost (NBV) (RM)	Date of Acquisition	Remarks (Amortisation)
PT 1277, Lorong Nur Siti Hasmah, Cherating, 26080 Kuantan, Pahang	Land	Freehold	8,004.0 sq.m	Operation Cable Landing Station - APG	11	4,200,000	3/12/2012	
Lot no. 43 & 54, Glenmarie Industrial Park Shah Alam, Selangor	Land	Freehold	2.225 acre	Office Building	26	Cost 3,678,963	27/10/1995	
	Building		8,456.64 sq.m			Cost 14,717,422 Depreciation 14,717,422 Balance (NBV) 0	27/10/1995	
Lot 26 Jln 225 Petaling Jaya 46100 PJ Selangor	Building	Leasehold	1,486.45 sq.m	Operation site	49	Cost 5,585,840 Depreciation 2,234,336 Balance (NBV) 3,351,504	26/2/2003	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	27	1,037,171	29/2/1996	
Lot PT.D. 3930, Mukim Tebrau, Daerah Johor Bahru, Johor	Land	Freehold	10,940.91 sq.m	Operation site	25	Cost 4,946,214 Land impairment 2,101,214 Balance (NBV) 2,845,000	31/1/1999	
102M, Lengkok Kampung Jawa 2, Miel Industrial Estate Bayan Lepas, Pulau Pinang	Land	Leasehold	881.19 sq.m	Operation site	41	Cost 1,007,000 Amortisation 1,006,999 Balance (NBV) 1	6/11/1997	60 years from 1981 to 2041
	Building		668.9 sq.m	Office Building		Cost 200,000 Depreciation 104,000 Balance (NBV) 96,000	27/6/1997	2% Depreciation
Lot 142-A, Semambu Industrial Estate Kuantan, Pahang	Land	Leasehold	2.5 acre (10,940.5 sq.m)	Operation site	42	Cost 1,535,000 Amortisation 1,534,999 Balance (NBV) 1	16/10/1995	66 years from 1980 to 2046
	Building		1,938 sq.m	Office Building		Cost 1,065,000 Amortisation 596,400 Balance (NBV) 468,600	16/10/1995	2% Depreciation
Kg. Sungai Bedaun, Daerah Labuan, Wilayah Persekutuan Labuan	Land	Leasehold	8.0 acre (32,374.9 sq.m)	Operation site	38	Cost 4,145,000 Amortisation 4,144,999 Balance (NBV) 1	15/4/1996	99 years from 1984 to 2082
	Building		270 sq.m					
PT. no 2705, Mukim Ulu Kinta, Daerah Ulu Kinta, Perak	Land	Leasehold	2,162.23 sq.m	Operation site	46	Cost 350,000 Amortisation 349,999 Balance (NBV) 1	22/4/1996	60 years from 1976 to 2036

LIST OF PROPERTIES

held as at 31 December 2022

TT DOTCOM SDN BHD (continued)

Location	Description	Tenure	Area	Existing Use	Approximate Age (Years)	Cost (NBV) (RM)	Date of Acquisition	Remarks (Amortisation)
Lot 37, Kg. Sungai Bedaun, Settlement scheme, Labuan, WP Labuan	Land	Leasehold	3.0 acre (12,140.6 sq.m)	Operation site	39	Cost 80,000 Amortisation 79,999 Balance (NBV) 1	4/6/1996	99 years from 1984 to 2082
Lot No. 469, Mukim Batu Burok, Kuala Terengganu, Terengganu	Land	Leasehold	732.4 sq.m	Operation site	47	Cost 316,703 Amortisation 316,703 Balance (NBV) 0	31/12/1997	99 years from 1975 to 2074
Lot PTD 1474, HS (D) 3432, Mukim Jemaluang, Daerah Mersing, Johor	Land	Leasehold	1,237 sq.m	Operation site	21	Cost 41,320 Amortisation 37,360 Balance (NBV) 3,960	31/12/2004	60 years from 2001 to 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	7	1,503,852	6/1/2015	
GRN 215231, Lot 61850 No 12, Jalan Majistret U1/26, HICOM Glenmarie Industrial Park 40150 Shah Alam	Land	Freehold	4,251 sq.m	Office building	5	Cost 11,252,539 Cost 7,338,612 Amortisation 621,536 Balance (NBV) 6,717,076	28/12/2018 31/3/2019	
GM 567 Lot 484 & GM 1636 Lot 2453 Mukim Batu, Daerah Kuala Langat	Land	Freehold	19,845 sq.m	Vacant	3	Cost 2,130,416	16/11/2020	

NOTICE OF 26TH ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the 26th Annual General Meeting (“**26th AGM**”) of TIME dotCom Berhad (the “**Company**”) will be held on a fully virtual basis, through live streaming from the broadcast venue at **Time Lobby, Ground Floor, No. 14, Jalan Majistret U1/26, HICOM Glenmarie Industrial Park, 40150 Shah Alam, Selangor Darul Ehsan, Malaysia** and entirely using the remote participation and electronic voting (“**RPEV**”) facilities, via the meeting platform at **<https://meeting.boardroomlimited.my>** on **Thursday, 15 June 2023 at 2.00 p.m.** (Malaysia time) or any adjournment thereof for the purpose of transacting the following businesses:

1. To receive the Audited Financial Statements for the financial year ended 31 December 2022 together with the Reports of the Directors and Auditors thereon.

As Ordinary Business:

2. To re-elect the following Directors who retire in accordance with Rule 107 of the Company’s Constitution and being eligible, offer themselves for re-election:
 - (i) Low Kim Fui;
 - (ii) Kuan Li Li; and
 - (iii) Selvendran Katheerayson.

**Resolution 1
Resolution 2
Resolution 3**
3. To approve the payment of Directors’ fees amounting up to RM1,224,000 to the Non-Executive Directors from the day after the 26th AGM until the conclusion of the next Annual General Meeting of the Company (“**AGM**”).

Resolution 4
4. To approve the payment of Directors’ benefits to the Non-Executive Directors which include meeting attendance allowance, medical and hospitalisation coverage and other claimable benefits incurred from the day after the 26th AGM until the conclusion of the next AGM.

Resolution 5
5. To appoint Messrs PricewaterhouseCoopers PLT as Auditors of the Company in place of the retiring auditors, Messrs KPMG PLT, for the financial year ending 31 December 2023 until the conclusion of the next AGM and to authorise the Directors to fix their remuneration.

Resolution 6
6. To transact any other business of which due notice shall have been given in accordance with the Companies Act 2016 and the Company’s Constitution.

BY ORDER OF THE BOARD

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

28 April 2023
Selangor Darul Ehsan

NOTICE OF 26TH ANNUAL GENERAL MEETING

Notes:

1. The 26th AGM will be conducted on a fully virtual basis, through live streaming and entirely via the RPEV facilities, which are available at <https://meeting.boardroomlimited.my> provided by the Company's poll administrator, Boardroom Share Registrars Sdn Bhd ("**Poll Administrator**"). Please follow the registration procedure set out in the Administrative Details for the 26th AGM ("**Administrative Details**") in order to register, participate in and vote remotely at the 26th AGM.
2. The main and only venue of the 26th 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 26th AGM (the "**Chairman**") to be present at the main venue of the 26th AGM. **Shareholders/proxies/corporate representatives/attorneys shall not be physically present nor be admitted at the broadcast venue** on the day of the 26th AGM. Members who wish to participate in the 26th AGM will therefore have to do so remotely via the RPEV facilities provided.
3. A member who is not able to participate in this fully virtual 26th AGM is encouraged to appoint the Chairman as his/her 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 participate in and vote remotely at the 26th AGM, the Company shall be requesting Bursa Malaysia Depository Sdn Bhd to issue a General Meeting Record of Depositors as at 8 June 2023. Only members whose name appear in the Record of Depositors as at 8 June 2023 shall be entitled to participate in and vote remotely at the 26th AGM or appoint proxy(ies) (not more than 2 proxies) to participate in and vote remotely on his/her/their behalf by returning the proxy form in accordance with the Administrative Details. A proxy may but need not be a member of the Company.
5. Where a member appoints 2 proxies, the appointments shall be invalid unless the proportion of shareholding to be represented by each proxy is specified. If a member has appointed proxy(ies) (not more than 2 proxies) to participate in the 26th AGM and subsequently he/she participates in the meeting himself/herself, the appointment of such proxy shall be null and void, and his/her proxy(ies) shall not be entitled to participate in the 26th AGM.
6. The instrument appointing proxy(ies) 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 duly authorised.
7. Where a member is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991 ("**SICDA**"), it may appoint up to 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.
8. Where a member is an exempt authorised nominee as defined under the SICDA, who 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 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.
9. The instrument appointing proxy(ies) 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 at 11th Floor, Menara Symphony, No. 5, Jalan Professor Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan, Malaysia, not less than 24 hours before the time for holding the 26th AGM and in default, the instrument of proxy shall not be treated as valid.

NOTICE OF 26TH ANNUAL GENERAL MEETING

AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022 TOGETHER WITH THE REPORTS OF THE DIRECTORS AND AUDITORS THEREON

10. The audited financial statements under Agenda 1 are laid before the members for discussion only in accordance with Section 340(1)(a) of the Companies Act 2016. They do not require a formal approval of the members and hence, the matter is not put forward for voting.

EXPLANATORY NOTES ON ORDINARY BUSINESSES

11. Ordinary Resolutions 1 to 3 – Retirement and Re-election of Directors

In accordance with Rule 103 of the Constitution of the Company, 2 Directors namely Hong Kean Yong and Koh Cha-Ly are due for retirement by rotation at the 26th AGM and being eligible, may offer themselves for re-election. Hong Kean Yong and Koh Cha-Ly have informed the Company in writing of their intention to retire as Directors of the Company and therefore, will not be offering themselves for re-election at the 26th AGM. Accordingly, both will retire as Directors of the Company at the conclusion of the 26th AGM.

Low Kim Fui, Kuan Li Li and Selvendran Katheerayson who are appointed to the Board on 25 July 2022, 19 August 2022 and 28 November 2022 respectively are standing for re-election as Directors of the Company and being eligible, have offered themselves for re-election at the 26th AGM in accordance with Rule 107 of the Company's Constitution. All of them have completed the Mandatory Accreditation Programme pursuant to the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

The Board is satisfied that following the Nomination and Remuneration Committee's ("NRC") review and based on the results of the evaluation assessment, the Directors standing for re-election will continue to bring their knowledge, experience and skills and contribute effectively to the Board discussions, deliberations and decisions. The Board recommends and supports the re-election of the retiring Directors who have abstained from deliberations and decisions on their own eligibility to stand for re-election at the relevant NRC and the Board meetings.

The profiles of the Directors seeking re-election are set out in the Board of Directors section of the Company's Annual Report 2022 and/or the Company's website at <https://www.time.com.my/about-us/our-company/leadership-team>.

12. Ordinary Resolution 4 – Directors' Fees for Non-Executive Directors

The Directors' fees amounting up to RM1,224,000 under Ordinary Resolution 4 is for the payment of fees to the existing Non-Executive Directors for the period from the day after the 26th AGM until the conclusion of the next AGM and to cater for appointment of 2 additional Non-Executive Directors.

13. Ordinary Resolution 5 – Benefits payable to Non-Executive Directors

The Directors' benefits comprise the allowances and other emoluments payable to the Non-Executive Directors, details of which are as follows:

- (a) Meeting attendance allowance for each Non-Executive Director is RM5,000 per meeting; and
- (b) Other benefits - Medical and hospitalisation coverage and other claimable benefits.

If the Ordinary Resolution 5 is passed at the 26th AGM, the payment of benefits incurred by the Non-Executive Directors from the day after the 26th AGM until the conclusion of the next AGM will be made by the Company, as and when incurred.

NOTICE OF 26TH ANNUAL GENERAL MEETING

14. Ordinary Resolution 6 – Appointment of Auditors

The nomination of Messrs PricewaterhouseCoopers PLT as new Auditors of the Company was based on a rigorous internal procurement process. Upon the recommendation of the Audit Committee, the Board has at its meeting held on 24 February 2023 recommended the appointment of Messrs PricewaterhouseCoopers PLT as Auditors of the Company in place of the retiring Auditors, Messrs KPMG PLT, for the financial year ending 31 December 2023 until the conclusion of the next AGM. Messrs PricewaterhouseCoopers PLT has accordingly given their consent to act as Auditors of the Company and their appointment is subject to the approval of the shareholders at the 26th AGM.

PERSONAL DATA PRIVACY

By lodging a completed Proxy Form to the Company for appointing proxy(ies) and/or corporate representative(s) to participate in and vote remotely at the 26th AGM and any adjournment thereof, a member is hereby:

- (i) consenting to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and corporate representatives appointed for the 26th AGM (including any adjournment thereof) and the preparation and compilation of the attendance list, minutes and other documents relating to the 26th AGM (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the **"Purposes"**);
- (ii) warranting that where the member discloses the personal data of the member's proxy(ies) and/or corporate representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or corporate representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or corporate representative(s) for the Purposes (**"Warranty"**); and
- (iii) agreeing that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of the Warranty.

For the purposes of this paragraph, "personal data" shall have the same meaning given in section 4 of the Personal Data Protection Act 2010.

PROXY FORM

26th Annual General Meeting



TIME DOTCOM BERHAD

Registration No. 199601040939 (413292-P)

No. of Shares Held	CDS Account No.

I/We, _____ NRIC/Passport/Registration No. _____
(Full Name as per NRIC/Passport/Certificate of Incorporation in Capital Letters)

of _____

(Full Address)

Telephone/Mobile No. _____ Email Address _____

being a member of **TIME dotCom Berhad** (the “Company”) and entitled to vote hereby appoint:

Full Name (in CAPITAL Letters):	NRIC/Passport No.:	Proportion of Shareholding to be represented by the 1 st Proxy:	
		No. of Shares	%
Address:			
Telephone/Mobile No.:			
Email Address:			

*and/or

Full Name (in CAPITAL Letters):	NRIC/Passport No.:	Proportion of Shareholding to be represented by the 2 nd Proxy:	
		No. of Shares	%
Address:			
Telephone/Mobile No.:			
Email Address:			

or failing him/her, the Chairman of the Meeting as my/our proxy to participate in and vote for me/us and on my/our behalf at the 26th Annual General Meeting (“26th AGM”) of the Company to be held on a fully virtual basis from the broadcast venue at **Time Lobby, Ground Floor, No. 14, Jalan Majistret U1/26, HICOM Glenmarie Industrial Park, 40150 Shah Alam, Selangor Darul Ehsan, Malaysia** and via the meeting platform at <https://meeting.boardroomlimited.my> on **Thursday, 15 June 2023 at 2.00 p.m.** (Malaysia time) or any adjournment thereof.

Please indicate with an “X” or “√” in the boxes provided below to show how you wish your votes to be cast. If no specific direction as to voting is given, the proxy/proxies may vote or abstain from voting on the resolutions at his/her/their discretion.

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.	Ordinary Resolutions	For	Against
1	Re-election of Low Kim Fui as Director		
2	Re-election of Kuan Li Li as Director		
3	Re-election of Selvendran Katheerayson as Director		
4	Payment of Directors’ Fees to the Non-Executive Directors		
5	Payment of Directors’ Benefits to the Non-Executive Directors		
6	Appointment of Messrs PricewaterhouseCoopers PLT as Auditors		

Signed this _____ day of _____ 2023.

Signature/Common Seal of Member

Notes:

1. The 26th AGM will be conducted on a fully virtual basis, through live streaming and entirely via the remote participation and electronic voting (“**RPEV**”) facilities, which are available at <https://meeting.boardroomlimited.my> provided by the Company’s poll administrator, Boardroom Share Registrars Sdn Bhd (“**Poll Administrator**”). Please follow the registration procedure set out in the Administrative Details for the 26th AGM (“**Administrative Details**”) in order to register, participate in and vote remotely at the 26th AGM.
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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

Fold Here

6. The instrument appointing proxy(ies) 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 duly authorised.
7. Where a member is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991 (“**SICDA**”), it may appoint up to 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.
8. Where a member is an exempt authorised nominee as defined under the SICDA, who 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 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.
9. The instrument appointing proxy(ies) 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 at 11th Floor, Menara Symphony, No. 5, Jalan Professor Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan, Malaysia, not less than 24 hours before the time for holding the 26th AGM and in default, the instrument of proxy shall not be treated as valid.
10. By lodging a completed Proxy Form to the Company for appointing proxy(ies) and/or corporate representative(s) to participate in and vote remotely at the 26th AGM or any adjournment thereof, the member accepts and agrees to the Personal Data Privacy terms set out in the Notice of 26th AGM dated 28 April 2023.

GROUP CORPORATE DIRECTORY

TIME

TIME dotCom Berhad [199601040939 (413292-P)]
TT dotCom Sdn Bhd [197901008085 (52371-A)]
 No. 14, Jalan Majistret U1/26
 HICOM Glenmarie Industrial Park
 40150 Shah Alam
 Selangor, Malaysia
 Tel : +60-3-5039 3000
 Fax : +60-3-5032 0183
 Website : www.time.com.my

Northern Region

102M, Lengkok Kg. Jawa 2
 MIEL Industrial Zone
 11900 Bayan Lepas
 Pulau Pinang, Malaysia
 Tel : +60-4-370 0000
 Fax : +60-4-370 0001

Eastern Region

Lot 142-A
 Kawasan Perindustrian Semambu
 25350 Kuantan
 Pahang, Malaysia
 Tel : +60-9-556 0692
 Fax : +60-9-556 0691

Southern Region

Lot 3930
 Jalan Riang 23
 Taman Gembira, Off Jalan Tampoi
 81200 Johor Bahru
 Johor, Malaysia
 Tel : +60-7-279 3030
 Fax : +60-7-279 3031

East Malaysia

No. 13, Lot 10
 Lorong Burung Keleto
 Pusat Perindustrian Ngee Lim
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 Sabah, Malaysia
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TIME dotCom Japan K.K. (0100-01-195220)
 3-9, Nihonbashimuromachi 4-chome
 Chuo-ku, Tokyo 103-0022
 Japan

TIME dotCom (Cambodia) Co., Ltd. (00034774)
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 Preah Monivong Blvd, Phum 1
 Sangkat Voat Phnum
 Khan Doun Penh
 Phnom Penh, Cambodia
 Tel : +855-23-963 777
 Fax : +855-23-963 778

GLOBAL TRANSIT

TIME dotCom Global Services Sdn Bhd
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 HICOM Glenmarie Industrial Park
 40150 Shah Alam
 Selangor, Malaysia
 Tel : +60-3-2727 8400
 Fax : +60-3-5032 0183
 Website : www.globaltransit.net

Global Transit Limited (LL06360)
Global Transit 2 Limited (LL10521)
Global Transit 3 Limited (LL10761)
Global Transit 5 Limited (LL10766)
 Lot A020, Level 1, Podium Level
 Financial Park, Jalan Merdeka
 87000 Labuan
 Sabah, Malaysia
 Tel : +60-8-742 7745
 Fax : +60-8-742 8845

Global Transit Singapore Pte Ltd
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 #05-01, Parkview Square
 Singapore 188788
 Tel : +65-6336 2828
 Fax : +65-6339 0438

Global Transit (Hong Kong) Limited
 (963139)
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 Hong Kong
 Tel : +852-2874 2828
 Fax : +852-2815 6862

AIMS

AIMS Group of Companies
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AIMS Data Centre Pte Ltd (200509374Z)
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AIMS Data Centre (Thailand) Limited
 (0105562127716)
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 Bangkok, Thailand
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 Email : sales.support@aimsdatacentre.com
 Website : www.aimsdatacentre.com/thailand

AVM

AVM Cloud Sdn Bhd ("AVM Cloud")
 [200901032570 (875681-X)]
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 Website : www.igsb.com.my

AVM Cloud (Thailand) Limited
 ("AVM Thailand")
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 South Sathorn Road
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 Tel : +662-098 6215
 Website : www.avmcloud.net

HOTLINE

For General or Product Enquiries

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Fibre Optic Communications

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