

TIME DOTCOM BERHAD
(413292-P)
Incorporated in Malaysia

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2015

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

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current year quarter 31/12/2015	Preceding year corresponding quarter 31/12/2014	Audited Twelve months to 31/12/2015	Audited Twelve months to 31/12/2014
	RM'000	RM'000	RM'000	RM'000
Operating revenue	173,520	158,052	682,364	596,283
Operating expenses				
- depreciation and amortisation of property, plant and equipment	(23,781)	(21,973)	(93,218)	(84,968)
- other operating expenses	(121,857)	(102,010)	(459,267)	(377,102)
Other operating income (net)	4,969	8,029	40,770	9,648
Profit from operations	32,851	42,098	170,649	143,861
Investment income	5,242	10,284	32,703	42,699
Realisation of fair value gain reclassified from available-for-sale reserve to profit or loss	-	36	274,024	74
Finance expense	(1,650)	(1,469)	(6,607)	(7,302)
Share of profit from equity-accounted investments	130	-	25	-
Profit before income tax	36,573	50,949	470,794	179,332
Income tax expense	(15)	(1,087)	(5,419)	(6,930)
Profit for the period/year	36,558	49,862	465,375	172,402
Attributable to owners of:				
- the Company	35,804	50,521	466,852	173,925
- non-controlling interests	754	(659)	(1,477)	(1,523)
Profit for the period/year	36,558	49,862	465,375	172,402
Other comprehensive income/(loss):				
Foreign currency translation	2,841	5,008	22,766	4,235
Realisation of fair value gain from available-for-sale reserve to profit or loss	-	(36)	(274,024)	(74)
Fair value (loss)/gain on available-for-sale financial assets	(10,310)	43,994	(53,128)	166,399
Other comprehensive (loss)/income for the period/year	(7,469)	48,966	(304,386)	170,560
Total comprehensive income for the period/year	29,089	98,828	160,989	342,962
Attributable to owners of:				
- the Company	28,335	99,487	162,466	344,485
- non-controlling interests	754	(659)	(1,477)	(1,523)
Total comprehensive income for the period/year	29,089	98,828	160,989	342,962
Earnings per share (based on weighted average number of ordinary shares)				
- Basic	6.22 sen	8.81 sen	81.24 sen	30.34 sen
- Diluted	6.19 sen	8.81 sen	81.11 sen	30.34 sen

The Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the Annual Audited Financial Statements for the year ended 31 December 2014.

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II. CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Audited As at 31/12/2015	Audited As at 31/12/2014
	RM'000	RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	1,250,747	965,693
Intangible assets	213,959	213,959
Investment in equity-accounted investments	61,036	-
Other investments	377,459	848,222
Deferred tax assets	212,008	210,599
Trade and other receivables	10,092	10,564
	<u>2,125,301</u>	<u>2,249,037</u>
Current assets		
Tax recoverable	2,253	983
Trade and other receivables	229,133	177,758
Restricted cash	10,759	10,033
Cash and cash equivalents	242,494	307,538
	<u>484,639</u>	<u>496,312</u>
Total assets	<u>2,609,940</u>	<u>2,745,349</u>
EQUITY AND LIABILITIES		
Equity attributable to owners of the Company		
Share capital	287,800	286,932
Reserves	1,794,747	2,069,999
Equity attributable to owners of the Company	2,082,547	2,356,931
Non-controlling interests	-	1,477
Total equity	<u>2,082,547</u>	<u>2,358,408</u>
Non-current liabilities		
Loans and borrowings	101,965	88,494
Deferred income	23,078	21,852
Deferred tax liabilities	5,939	5,683
	<u>130,982</u>	<u>116,029</u>
Current liabilities		
Loans and borrowings	45,825	51,731
Trade and other payables	349,373	218,431
Provision for tax	1,213	750
	<u>396,411</u>	<u>270,912</u>
Total liabilities	<u>527,393</u>	<u>386,941</u>
Total equity and liabilities	<u>2,609,940</u>	<u>2,745,349</u>
Net assets per share attributable to ordinary owners of the Company	<u>RM3.62</u>	<u>RM4.11</u>

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Annual Audited Financial Statements for the year ended 31 December 2014.

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III. CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	Audited Twelve months to 31/12/2015 RM'000	Audited Twelve months to 31/12/2014 RM'000
Operating Activities		
Cash receipts from customers	766,045	628,129
Transfer (to)/from restricted cash and bank balances	(726)	24,884
Cash payments to suppliers	(242,659)	(184,070)
Cash payments to employees and for administrative expenses	(177,264)	(172,977)
Cash generated from operations	345,396	295,966
Tax paid	(7,380)	(5,605)
Tax refund	-	560
Net cash generated from operating activities	338,016	290,921
Investing Activities		
Acquisition of property, plant and equipment	(332,959)	(221,779)
Proceeds from disposal of property, plant and equipment	3,921	191
Proceeds from sale of other investments	423,854	286
Purchase of other investments	(6,219)	-
Investment in equity-accounted investments	(59,780)	-
Investment income received	32,828	42,392
Net cash generated from/(used in) investing activities	61,645	(178,910)
Financing Activities		
Proceeds from term loans and other borrowings	60,511	22,105
Repayment of term loans and other borrowings	(74,432)	(48,261)
Finance charges paid	(7,010)	(7,264)
Transaction costs paid	-	(1,429)
Dividend paid	(455,203)	-
Net cash used in financing activities	(476,134)	(34,849)
Net change in Cash and Cash Equivalents	(76,473)	77,162
Effect of exchange rate fluctuations on cash held	11,429	2,459
Cash and Cash Equivalents as at beginning of financial year	307,538	227,917
Cash and Cash Equivalents as at end of financial year	Note (a) 242,494	307,538
Note:		
(a) Cash and Cash Equivalents comprise the following amounts:		
Cash and bank balances	65,638	91,035
Deposits with licensed banks	187,615	226,536
	253,253	317,571
Restricted cash	(10,759)	(10,033)
	242,494	307,538

Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Annual Audited Financial Statements for the year ended 31 December 2014.

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IV. CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	←----- Attributable to owners of the Company -----→									
	←----- Non-distributable -----→					←----- Distributable -----→				
	Share Capital	Share Premium	Available- for-Sale Reserve	Foreign Currency Translation Reserve	Share Grant/ Option Reserves	Capital Reserve	Retained Earnings	Attributable to owners of the Company	Non- controlling interests	Total Equity
Twelve months to 31 December 2015 (audited)	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Balance as at 1 January 2015	286,932	847,735	548,461	7,988	5,383	8,760	651,672	2,356,931	1,477	2,358,408
Dividend paid	-	-	-	-	-	-	(455,203)	(455,203)	-	(455,203)
Employee share grant plan/option scheme	-	-	-	-	18,353	-	-	18,353	-	18,353
Issuance of shares pursuant to share grant plan	868	6,876	-	-	(7,744)	-	-	-	-	-
Profit/(loss) for the period/year	-	-	-	-	-	-	466,852	466,852	(1,477)	465,375
Realisation of fair value gain from available-for-sale reserve to profit or loss	-	-	(274,024)	-	-	-	-	(274,024)	-	(274,024)
Fair value loss on available- for-sale financial assets	-	-	(53,128)	-	-	-	-	(53,128)	-	(53,128)
Exchange differences recognised directly in equity	-	-	-	22,766	-	-	-	22,766	-	22,766
Total comprehensive (expense)/income for the period/year	-	-	(327,152)	22,766	-	-	466,852	162,466	(1,477)	160,989
Balance as at 31 December 2015	287,800	854,611	221,309	30,754	15,992	8,760	663,321	2,082,547	-	2,082,547

	←----- Attributable to owners of the Company -----→									
	←----- Non-distributable -----→					←----- Distributable -----→				
	Share Capital	Share Premium	Available- for-Sale Reserve	Foreign Currency Translation Reserve	Share Grant Reserves	Capital Reserve	Retained Earnings	Attributable to owners of the Company	Non- controlling interests	Total Equity
Twelve months to 31 December 2014 (audited)	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Balance as at 1 January 2014	286,547	844,686	382,136	3,753	-	8,760	477,747	2,003,629	-	2,003,629
Sale of subsidiary shares to non-controlling interests	-	-	-	-	-	-	-	-	3,000	3,000
Employee share grant plan	-	-	-	-	8,817	-	-	8,817	-	8,817
Issuance of shares pursuant to the share grant plan	385	3,049	-	-	(3,434)	-	-	-	-	-
Profit/(loss) for the period/year	-	-	-	-	-	-	173,925	173,925	(1,523)	172,402
Realisation of fair value gain from available-for-sale financial assets to profit or loss	-	-	(74)	-	-	-	-	(74)	-	(74)
Fair value gain on available- for-sale financial assets	-	-	166,399	-	-	-	-	166,399	-	166,399
Exchange differences recognised directly in equity	-	-	-	4,235	-	-	-	4,235	-	4,235
Total comprehensive income/(expense) for the period/year	-	-	166,325	4,235	-	-	173,925	344,485	(1,523)	342,962
Balance as at 31 December 2014	286,932	847,735	548,461	7,988	5,383	8,760	651,672	2,356,931	1,477	2,358,408

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Annual Audited Financial Statements for the year ended 31 December 2014.

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V. NOTES TO THE CONDENSED FINANCIAL STATEMENTS

1. Basis of Preparation

The interim financial statements are prepared in accordance with *MFRS 134: Interim Financial Reporting* and paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities"). The interim financial statements also comply with *IAS 34: Interim Financial Reporting* issued by the International Accounting Standards Board (IASB).

The interim financial statements should be read in conjunction with the annual audited financial statements for the year ended 31 December 2014. These explanatory notes attached to the interim financial statements provide an explanation of events and transactions that are significant to an understanding of changes in the financial position and performance of the Group since the year ended 31 December 2014.

2. Significant accounting policies

The accounting policies and presentation adopted for this interim report are consistent with those adopted in the audited financial statements of the Group for the financial year ended 31 December 2014, except for the adoption of the following amendments and annual improvements to MFRSs with a date of initial application of 1 January 2015:

Description

Amendments to MFRS 119 *Employee Benefits - Defined Benefit Plans: Employee Contributions*
Annual Improvements to MFRSs, 2010 – 2012 cycle
Annual Improvements to MFRSs, 2011 – 2013 cycle

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

Description	Effective for annual periods beginning on or after
MFRS 14 <i>Regulatory Deferral Accounts</i>	1 January 2016
Amendments to MFRS 5 <i>Non-Current Assets Held For Sale and Discontinued Operations (Annual Improvements 2012 – 2014 Cycle)</i>	1 January 2016
Amendments to MFRS 7 <i>Financial Instruments : Disclosures (Annual Improvements 2012 – 2014 Cycle)</i>	1 January 2016
Amendments to MFRS 10, MFRS12 and MFRS 128 <i>Consolidated Financial Statements, Disclosures of Interests in Other Entities and Investments in Associates and Joint Ventures – Investment Entities: Applying the Consolidation Exception</i>	1 January 2016
Amendments to MFRS 11 <i>Joint Arrangements – Accounting for Acquisitions of Interests in Joint Operations</i>	1 January 2016
Amendments to MFRS 101 <i>Presentation of Financial Statements – Disclosure Initiative</i>	1 January 2016
Amendments to MFRS 116 and MFRS 138 <i>Property, Plant and Equipment and Intangible Assets – Clarification of Acceptable Methods of Depreciation and Amortisation</i>	1 January 2016
Amendments to MFRS 116 and MFRS 141 <i>Property, Plant and Equipment and Agriculture – Agriculture: Bearer Plants</i>	1 January 2016
Amendments to MFRS 119 <i>Employee Benefits (Annual Improvements 2012 – 2014 Cycle)</i>	1 January 2016
Amendments to MFRS 127 <i>Separate Financial Statements – Equity Method in Separate Financial Statements</i>	1 January 2016
Amendments to MFRS 134 <i>Interim Financial Reporting (Annual Improvements 2012 – 2014 Cycle)</i>	1 January 2016
MFRS 9 <i>Financial Instruments (IFRS 9 as issued by IASB in July 2014)</i>	1 January 2018
MFRS 15 <i>Revenue from Contracts with Customers</i>	1 January 2018
Amendments to MFRS 10 and MFRS 128 <i>Consolidated Financial Statements and Investments in Associates and Joint Ventures – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i>	Date yet to be confirmed by MASB

The Group will adopt the above standards, amendments and improvements when they became effective in the respective financial periods. These standards, amendments and improvements are not expected to have any material financial impact on the financial statements of the Group, except for MFRS 9, Financial Instruments and MFRS 15, Revenue from Contracts with Customers. The Group is currently assessing the impact of adopting both MFRS 9 and MFRS 15.

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3. Audit report in respect of the 2014 financial statements

The audit report on the Group's financial statements for the financial year ended 31 December 2014 was not qualified.

4. Seasonal or cyclical factors

The Group's operations are not subject to any significant seasonal or cyclical factors.

5. Unusual items due to their nature, size or incidence

There were no items affecting assets, liabilities, equity, net income, or cash flows that were unusual because of their nature, size or incidence in the year other than the realisation of available-for-sales reserve amounting to approximately RM274.0 million arising from the disposals of a quoted equity investment held by the Company. The disposals comprising 49,900,000 ordinary shares of DiGi.Com Berhad ("DiGi Shares") at a price of RM6.23 per share and 18,829,500 DiGi shares at a price of RM6.00 per share were completed on 10 April 2015 and 12 May 2015 respectively via private placements to eligible third party institutional/sophisticated investors. Total gross proceeds received from the said disposals amounted to approximately RM423.9 million and were satisfied entirely in cash.

6. Material changes in estimates used

There were no changes in estimates of amounts reported in prior financial years that have material effect in the current period.

7. Debt and equity securities

On 14 July 2015, TIME dotCom Berhad vested and issued 1,736,878 ordinary shares of RM0.50 each in the Company to eligible employees under the Annual Restricted Share Plan and Annual Performance Share Plan portion of the Company's Share Grant Plan ("SGP"). The closing share price on vesting date was RM6.60 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.

On 21 July 2015, the Company granted an option to Afzal Abdul Rahim (Chief Executive Officer or "CEO") of the Company to subscribe for up to 17,215,907 new ordinary shares of RM0.50 each in TIME dotCom Berhad. The option exercise price was fixed at RM5.99, which represented a discount of approximately 9.9% to the 5-day volume weighted average market price of the Company's shares. The option may be exercised by the CEO at any time and from time to time during the 5 year option period up to a maximum of 20% of the total option shares per annual period. Unexercised options may be carried forward to the next period without reducing the maximum exercisable portion in the next period.

The Group did not undertake any other issuance and/or repayment of debt and equity securities, share buy-backs, share cancellations, shares held as treasury shares and resale of treasury shares during the current quarter ended 31 December 2015.

8. Dividend

The Group paid an interim tax exempt (single tier) dividend of 5.60 sen per ordinary share in respect of the financial year ended 31 December 2014 on 31 March 2015.

The Group has also paid a special interim tax exempt (single tier) dividend of 73.50 sen per ordinary share for the financial year ended 31 December 2015 on 29 July 2015.

The Directors of the Company have declared an interim tax exempt (single tier) dividend of 6.70 sen per ordinary share in respect of the financial year ended 31 December 2015, which will be paid on 31 March 2016.

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9. Segmental Reporting

Group	Individual Quarter		Cumulative Quarter	
	Current year quarter	Preceding year corresponding quarter	Twelve months to	Twelve months to
	31/12/2015	31/12/2014	31/12/2015	31/12/2014
	RM'000	RM'000	RM'000	RM'000
Operating Revenue				
Voice	19,281	17,949	76,493	71,389
Data	133,519	122,449	524,615	457,160
Data Centre	19,760	17,208	76,648	64,762
Others	960	446	4,608	2,972
	173,520	158,052	682,364	596,283
Operating Expenses:				
Depreciation and amortisation of property, plant and equipment	(23,781)	(21,973)	(93,218)	(84,968)
Other operating expenses	(121,857)	(102,010)	(459,267)	(377,102)
Other operating income (net)	4,969	8,029	40,770	9,648
Profit from operations	32,851	42,098	170,649	143,861
Investment income	5,242	10,284	32,703	42,699
Realisation of fair value gain from available-for-sale reserve to profit or loss	-	36	274,024	74
Finance expense	(1,650)	(1,469)	(6,607)	(7,302)
Share of results on equity-accounted investments	130	-	25	-
Profit before income tax	36,573	50,949	470,794	179,332
Geographical locations				
Operating Revenue				
Within Malaysia	160,229	143,500	622,553	550,531
Outside Malaysia	13,291	14,552	59,811	45,752
	173,520	158,052	682,364	596,283

10. Valuation of Property, Plant and Equipment

There were no material changes to the valuation of property, plant and equipment since the financial year ended 31 December 2014.

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11. Material events subsequent to the end of the current financial quarter

On 29 January 2016, the Group acquired an additional 5,794,800 ordinary shares in CMC Telecommunication Infrastructure Corporation ("CMC Telecom") for a cash consideration of VND 231.8 billion. Subsequently, on 16 February 2016 the Group acquired a further 377,000 ordinary shares in CMC Telecom for a cash consideration of VND 13.195 billion. Both acquisitions increased the Group's effective ownership interest in CMC Telecom to 43.8%.

In the opinion of the Directors, there are no other items, transactions or events of a material and unusual nature which have arisen since 31 December 2015 to 18 February 2015 (being the latest practicable date) that have a substantially effect on the financial results of the Group.

12. Changes in the composition of the Group during the financial year ended 31 December 2015

- a) On 21 January 2015, the Company acquired the entire issued and paid-up share capital of a shelf company known as TIME dotCom International Sdn. Bhd. (formerly known as IntegrasI Intelek Sdn Bhd) ("TIME International"). TIME International has an authorised share capital of RM400,000 comprising 400,000 ordinary shares of RM1.00 each and an issued and paid-up share capital of RM2.00 each comprising 2 ordinary shares of RM1.00 each. The principal activity of TIME International is investment holding.
- b) On 23 March 2015, the Group completed its acquisition of a 25.0% stake in Campana Group Pte. Ltd. ("Campana") for USD1.0 million. Campana is a newly set-up company that is registered in Singapore, whose business is intended to be that of a telecommunications provider.
- c) On 1 July 2015, the Group completed its subscription of a 25.37% stake in CMC Telecommunication Infrastructure Corporation ("CMC Telecom") for VND 255.0 billion. CMC Telecom is one of Vietnam's largest telecommunications service providers and provides broadband services for businesses and home users.
- d) On 18 September 2015, the Group completed its subscription of a 49.0% stake in KIRZ Co., Ltd for THB54,215,274. KIRZ Co., Ltd is a telecommunications provider in Thailand. On 31 December 2015, KIRZ Co., Ltd issued an additional 72,549 new ordinary shares to its existing shareholders. The Group had subscribed for 35,549 new ordinary shares in KIRZ Co., Ltd for a cash consideration of THB3,554,900 to maintain its shareholding at 49.0%.
- e) On 3 October 2015, the Group completed its subscription of a 45.6% stake in KIRZ Holdings Co., Ltd for a cash consideration of THB25,784,726. On 15 October 2015, the Group purchased a further 0.17% stake in KIRZ Holdings Co., Ltd for a cash consideration of THB100,000. Subsequently, on 31 December 2015, the Group subscribed for another 37,000 new ordinary shares in KIRZ Holdings Co., Ltd for a cash consideration of THB3,700,000. This subscription increased the Group's effective ownership interest in KIRZ Holdings Co., Ltd to 49.0% as at 31 December 2015. The principal activity of KIRZ Holdings Co., Ltd is that of an investment holding company in Thailand.

13. Contingent liabilities/assets

There were no changes in the contingent liabilities or contingent assets since 31 December 2014.

14. Capital commitments

	As at 31/12/2015 RM'000
Property, plant and equipment	
a) Approved and contracted but not provided for in the financial statements	268,197
b) Approved but not contracted for	96,245

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15. Income tax

The income tax expense for the Group for current quarter and financial year ended 31 December 2015 was made up as follows:

Group	Individual Quarter		Cumulative Quarter	
	Current year quarter	Preceding year corresponding quarter	Twelve months to	Twelve months to
	31/12/2015	31/12/2014	31/12/2015	31/12/2014
	RM'000	RM'000	RM'000	RM'000
Income tax:				
- Current year	1,183	665	6,758	4,814
- Under/(Over) provision in prior years	118	-	(186)	(263)
	1,301	665	6,572	4,551
Deferred tax:				
- Current year	35,474	41,639	35,607	43,596
- Under provision in prior years	386	-	386	-
- Recognition of previously unrecognised temporary differences	(37,146)	(41,217)	(37,146)	(41,217)
	(1,286)	422	(1,153)	2,379
Total	15	1,087	5,419	6,930

The effective tax rate of the Group for the current and preceding year corresponding quarters and financial year-to-date are lower than the statutory tax rate of 25% principally due to certain non-taxable income and utilisation of unabsorbed capital allowances and tax losses available to the Group. The lower effective tax rate is also due to the lower tax rates prevailing in some of the jurisdictions/countries in which the Group operates.

16. Investments in quoted securities

a. There were no acquisitions or disposals of any quoted securities other than the disposals of 49,900,000 DiGi shares at a price of RM6.23 per share and 18,829,500 DiGi shares at a price of RM6.00 per share via private placement exercises to eligible third party institutional/sophisticated investors. The said disposals were completed on 10 April 2015 and 12 May 2015 respectively (see Note 5). Following the said disposals of DiGi shares held, the Group realised a fair value gain from available-for-sale reserve to profit and loss of RM274.0 million.

b. Particulars of investments in quoted securities are as follows:-

	As at 31/12/2015
	RM'000
Quoted Securities in Malaysia:	
- Cost	171,137
- At book value	371,140
- At market value (fair value)	371,140

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

There are no corporate proposals, which have been announced but not completed as at 18 February 2016, being the latest practicable date.

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18. Loans and Borrowings

The loans and borrowings as at 31 December 2015 are as follows:

	Amount repayable in one year or on demand RM'000	Amount repayable after one year RM'000	Total RM'000
<u>Non-secured:</u>			
Loans and borrowings			
- Denominated in RM	999	-	999
<u>Secured:</u>			
Finance lease liabilities in RM			
	4,360	2,250	6,610
Loans and borrowings			
- Denominated in RM	29,678	59,885	89,563
- Denominated in USD	10,788	39,830	50,618
	45,825	101,965	147,790

19. Off Balance Sheet financial instruments

The cash and cash equivalents of the Group, as at 31 December 2015, do not include a bank balance amounting to RM10,346,000 (31.12.2014: RM8,304,000) held by the Group in trust for consortium members of the Asia Pacific Gateway submarine cable project to pay the supplier under the terms of supply contract.

Other than as stated above, the Group does not have any off balance sheet financial instruments as at the date of this quarterly report.

20. Material litigation

The Company and its subsidiaries have no outstanding material litigation as at 18 February 2016, being the latest practicable date.

21. Comparison between the current quarter ("Q4 2015") and the immediate preceding quarter ("Q3 2015")

The Group recorded a consolidated revenue in the current quarter of RM173.5 million, which is marginally higher than the consolidated revenue recognised in Q3 2015 of RM173.4 million. Data revenue, which makes up the bulk of the Group's consolidated revenue, grew RM2.0 million in the current quarter, largely due to revenues from global bandwidth sales. Voice and data centre revenues, however, recorded small declines of approximately RM0.8 million each against their comparable revenues in Q3 2015.

The Group reported a consolidated pre-tax profit of RM36.6 million in Q4 2015 which was RM23.1 million lower than the pre-tax profit recorded in Q3 2015 of RM59.7 million. The Group's current quarter results had been affected by lower net foreign currency gains of RM3.6 million against net foreign currency gains of RM19.0 million in the previous quarter. The current quarter results had also been impacted by a RM4.4 million write off of property, plant and equipment as well as lower dividend and interest income.

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

(a) Current quarter (“Q4 2015”) versus preceding year corresponding quarter (“Q4 2014”)

The Group’s consolidated revenue of RM173.5 million in Q4 2015 was RM15.4 million or 9.7% higher than the consolidated revenue recorded in Q4 2014 of RM158.1 million. All core product segments within the Group registered higher revenues in Q4 2015. Data revenue grew 9.0% in the current quarter when compared to Q4 2014 despite recording lower global bandwidth sales and income from non-recurring contracts of RM17.2 million (Q4 2014: RM21.6 million), while data centre and voice revenues grew 14.8% and 7.4% respectively.

The Group reported a consolidated profit before tax of RM36.6 million which was lower than the consolidated profit before tax in the preceding year corresponding period of RM50.9 million. The lower profit before tax can be mainly attributed to:

- a) Lower global bandwidth sales and income from non-recurring contracts resulting in lower margins recorded in Q4 2015. Margins from global bandwidth and non-recurring contracts generally provide higher margins than recurring sales;
- b) Lower net foreign exchange gain of RM3.6 million recorded in Q4 2015 (Q4 2014: RM8.8 million);
- c) A higher write off of property, plant and equipment in Q4 2015 of RM4.4 million (Q4 2014: RM0.5 million);
- d) Lower dividend income of RM3.5 million against dividend income in Q4 2014 of RM8.5 million; and
- e) Higher depreciation recorded in Q4 2015 of RM23.8 million compared to RM22.0 million in Q4 2014.

(b) Financial year ended 31 December 2015 (“FY 2015”) versus financial year ended 31 December 2014 (“FY 2014”)

The Group reported a 14.4% increase in consolidated revenue in FY 2015 when compared against the RM596.3 million recorded in FY 2014. The increase can be attributed to higher revenue recorded in all core product segments, led by revenues generated from data and data centre sales. The higher revenues from global bandwidth sales and non-recurring contracts amounting to RM72.4 million during the year also helped contribute to the higher overall data revenues in FY 2015 (FY 2014: RM56.1 million).

The Group reported a consolidated pre-tax profit of RM470.8 million for FY 2015. Excluding the realisation of fair value gain from available-for-sale reserve to profit and loss of RM274.0 million arising from the disposals of a portion of quoted equity investment held and the corresponding lower dividend income derived thereafter of RM21.6 million (FY 2014: RM35.5 million), the Group would have reported an adjusted consolidated profit before tax of RM175.2 million in FY 2015, which is an increase of 21.8% or RM31.4 million, as compared to the similarly adjusted FY 2014 consolidated profit before tax of only RM143.8 million. The improvement in the Group’s results in FY 2015 is mainly attributable to the following:

- a) Net gain on foreign exchange of RM35.4 million in FY 2015 against net gain of foreign exchange of RM7.3 million in FY 2014;
- b) Higher data revenue underpinned by the stronger revenue contribution from global bandwidth sales and non-recurring contracts;
- c) Gain on disposal of land pursuant to a compulsory land acquisition by the government of approximately RM2.4 million (FY 2014: RM Nil);
- d) Higher income on short term deposits of RM11.1 million (FY 2014: RM7.2 million);

offset by higher depreciation costs, allowance for doubtful debts and a write off of property, plant and equipment of RM4.4 million in FY 2015 and the reversal of provision made pursuant to the dispute settlement with a supplier of RM11.0 million in FY 2014.

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23. Profit before income tax

Group	Individual Quarter		Cumulative Quarter	
	Current year quarter	Preceding year corresponding quarter	Twelve months to	Twelve months to
	31/12/2015	31/12/2014	31/12/2015	31/12/2014
	RM'000	RM'000	RM'000	RM'000
Profit before income tax is arrived at after (charging)/crediting:				
Depreciation and amortisation of property, plant and equipment	(23,781)	(21,973)	(93,218)	(84,968)
Amortisation of borrowing costs	(158)	(108)	(587)	(617)
Interest expense	(1,492)	(1,361)	(6,020)	(6,685)
Reversal of provision made pursuant to the dispute settlement with a supplier	-	-	-	11,000
Interest income from short term deposits	1,737	1,762	11,053	7,234
Dividend income from quoted equity investment in Malaysia	3,505	8,522	21,650	35,465
Realisation of fair value gain from available-for-sale reserve to profit or loss	-	36	274,024	74
Rental income	54	49	221	191
Bad debt recovered	111	24	465	585
Net gain on foreign exchange	3,602	8,830	35,416	7,341
Net reversal/(allowance) for doubtful debts	(849)	453	(2,966)	(393)
Net gain/(loss) on disposal of property, plant and equipment	8	-	2,434	186
Net reversal/(impairment) of outstanding construction deposits	1,446	(210)	1,446	(210)
Net impairment of outstanding rental deposits	(14)	(29)	(14)	(29)
Write off of property, plant and equipment	(4,375)	(487)	(4,441)	(487)

Other than as disclosed above, there were no other gains/losses on disposal or impairment of quoted and unquoted securities, investments, properties and/or derivatives included in the results for the current quarter and preceding year corresponding quarter.

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24. Prospects

The Group expects 2016 to be a challenging year amidst intense competition and an uncertain global economic environment but remains optimistic. The Group, however, remains confident that there are still many expansion and growth opportunities within the ASEAN region. This is in line with the Group's strategy to expand its foreign business.

The Group is also excited about its investments in the Asia-Pacific Gateway Cable System ("APG") (connecting Malaysia to Korea and Japan) and FASTER Cable System (connecting Japan to the United States), which will both introduce new sources of revenue to the Group when they become operational in mid-2016. These cable systems, combined with the Group's existing network infrastructure and the yet-to-be-completed Asia-Africa-Europe 1 Cable System (AAE-1) (connecting Asia, Africa, Europe and the Middle East via Malaysia, which is expected to be completed in 2017) will enable the Group to further enhance its global network footprint and connectivity.

At home, the Group will continue to intensify its efforts to gain market share domestically and to deliver its customers a good and uninterrupted network experience, improve its product and solution offerings and enhance operational and cost efficiencies throughout the Group, while further expanding and strengthening its underlying fibre network and coverage footprints.

Some of the abovementioned initiatives are capital intensive and may result in some margin compression for the Group when completed. The said initiatives are, however, necessary to ensure continued revenue growth in the future and are expected to benefit the Group in the longer term.

The results of the Group in 2016 are expected to remain satisfactory.

25. Profit Forecast and Profit Guarantee

The Group has not provided any profit forecast or profit guarantee in any public document.

26. Earnings per share ("EPS")

	Individual Quarter		Cumulative Quarter	
	Current year quarter	Preceding year corresponding quarter	Twelve months to	Twelve months to
Basic EPS:	31/12/2015	31/12/2014	31/12/2015	31/12/2014
Weighted average number of shares in issue ('000)	<u>575,600</u>	<u>573,556</u>	<u>574,672</u>	<u>573,214</u>
Profit for the period attributable to owners of the Company (RM'000)	<u>35,804</u>	<u>50,521</u>	<u>466,852</u>	<u>173,925</u>
Basic EPS	<u>6.22 sen</u>	<u>8.81 sen</u>	<u>81.24 sen</u>	<u>30.34 sen</u>
Diluted EPS:				
Weighted average number of shares in issue ('000) (Basic)	575,600	573,556	574,672	573,214
Effect of employee share options	<u>2,847</u>	<u>-</u>	<u>909</u>	<u>-</u>
Weighted average number of shares in issue ('000) (Diluted)	<u>578,447</u>	<u>573,556</u>	<u>575,581</u>	<u>573,214</u>
Profit for the period attributable to owners of the Company (RM'000)	<u>35,804</u>	<u>50,521</u>	<u>466,852</u>	<u>173,925</u>
Diluted EPS	<u>6.19 sen</u>	<u>8.81 sen</u>	<u>81.11 sen</u>	<u>30.34 sen</u>

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27. Supplementary information on the breakdown of realised and unrealised profits or losses

The breakdown of retained earnings of the Group as at the reporting date, into realised and unrealised profits, as disclosed pursuant to Paragraph 2.06 and 2.23 of Bursa Malaysia Main Market Listing Requirements are as follows:

	As at 31/12/2015 RM'000	As at 31/12/2014 RM'000
Total retained earnings of the Group		
- Realised	420,345	440,396
- Unrealised	242,976	211,276
Total retained earnings	663,321	651,672

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

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

By Order of the Board

MISNI ARYANI MUHAMAD
(LS 0009413)
Secretary

Selangor
24 February 2016