

TIME DOTCOM BERHAD
Registration No. 199601040939 (413292-P)
Incorporated in Malaysia

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2024

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

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Unaudited Current year quarter 30/09/2024 RM'000	Unaudited Preceding year corresponding quarter 30/09/2023 RM'000	Unaudited Nine months to 30/09/2024 RM'000	Unaudited Nine months to 30/09/2023 RM'000
Continuing operations				
Operating revenue	423,352	411,071	1,259,605	1,168,694
Operating expenses				
- depreciation and amortisation of property, plant and equipment and right-of-use assets	(48,861)	(45,460)	(145,570)	(133,766)
- other operating expenses *	(312,658)	(234,584)	(797,386)	(780,226)
Other operating income (net)	330	4,248	1,161	29,147
Profit from operations	62,163	135,275	317,810	283,849
Income from investments	12,003	11,400	33,688	26,395
Finance costs	(5,827)	(5,965)	(18,060)	(16,048)
Share of profit from associates and jointly controlled entity, net of tax	16,843	9,129	38,050	23,056
Profit before tax	85,182	149,839	371,488	317,252
Tax expense	(25,962)	(41,386)	(100,218)	(102,498)
Profit from continuing operations	59,220	108,453	271,270	214,754
Discontinued operations				
Profit from discontinued operations, net of tax **	-	-	-	2,272,772
Profit for the period	59,220	108,453	271,270	2,487,526
Profit attributable to:				
Owners of the Company				
- from continuing operations	58,705	106,597	268,425	209,376
- from discontinued operations	-	-	-	2,274,595
	58,705	106,597	268,425	2,483,971
Non-controlling interests				
- from continuing operations	515	1,856	2,845	5,378
- from discontinued operations	-	-	-	(1,823)
	515	1,856	2,845	3,555
Profit for the period	59,220	108,453	271,270	2,487,526

* Included in the current quarter and nine months to 30 September 2024 other operating expenses is net foreign exchange loss of RM68,874,000 and RM71,046,000 respectively as compared to a net foreign exchange gain (in other operating income (net)) of RM4,077,000 and RM26,828,000 in the preceding year corresponding quarter and nine months to 30 September 2023 respectively.

** Included in the profit from discontinued operations, net of tax in the nine months ended 30 September 2023, is a gain on divestment of RM2,259,351,000 (Refer Note 21).

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 financial year ended 31 December 2023

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

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Unaudited Current year quarter 30/09/2024 RM'000	Unaudited Preceding year corresponding quarter 30/09/2023 RM'000	Unaudited Nine months to 30/09/2024 RM'000	Unaudited Nine months to 30/09/2023 RM'000
Profit for the period	59,220	108,453	271,270	2,487,526
Continuing operations				
Other comprehensive income, net of tax:				
<i>Items that may be reclassified subsequently to profit or loss</i>				
- Foreign currency translation differences for foreign operations	(8,347)	(7,409)	(20,604)	7,520
- Cash flow hedge – associate	-	1	-	31
	<u>(8,347)</u>	<u>(7,408)</u>	<u>(20,604)</u>	<u>7,551</u>
<i>Items that will not be reclassified subsequently to profit or loss</i>				
- Net change in fair value of equity investments designated at fair value through other comprehensive income ("FVOCI")	(1,618)	2,211	(4,678)	1,797
- Remeasurement of defined benefit plan - associate	-	-	-	473
	<u>(1,618)</u>	<u>2,211</u>	<u>(4,678)</u>	<u>2,270</u>
Discontinued operations				
Other comprehensive income, net of tax:				
<i>Items that may be reclassified subsequently to profit or loss</i>				
- Reclassification of currency translation differences on divestment of subsidiaries	-	-	-	2,545
	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,545</u>
Total other comprehensive income for the period, net of tax	(9,965)	(5,197)	(25,282)	12,366
Total comprehensive income for the period	49,255	103,256	245,988	2,499,892
Total comprehensive income attributable to:				
Owners of the Company				
- from continuing operations	48,740	101,400	243,143	224,287
- from discontinued operations	-	-	-	2,272,050
	<u>48,740</u>	<u>101,400</u>	<u>243,143</u>	<u>2,496,337</u>
Non-controlling interests				
- from continuing operations	515	1,856	2,845	5,378
- from discontinued operations	-	-	-	(1,823)
	<u>515</u>	<u>1,856</u>	<u>2,845</u>	<u>3,555</u>
Total comprehensive income for the period	49,255	103,256	245,988	2,499,892

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 financial year ended 31 December 2023.

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

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Unaudited Current year quarter 30/09/2024 RM'000	Unaudited Preceding year corresponding quarter 30/09/2023 RM'000	Unaudited Nine months to 30/09/2024 RM'000	Unaudited Nine months to 30/09/2023 RM'000
Earnings per share (based on weighted average number of ordinary shares)				
- Basic				
from continuing operations	3.18 sen	5.78 sen	14.52 sen	11.38 sen
from discontinued operations	-	-	-	123.60 sen
	<u>3.18 sen</u>	<u>5.78 sen</u>	<u>14.52 sen</u>	<u>134.98 sen</u>
- Diluted				
from continuing operations	3.17 sen	5.78 sen	14.47 sen	11.37 sen
from discontinued operations	-	-	-	123.52 sen
	<u>3.17 sen</u>	<u>5.78 sen</u>	<u>14.47 sen</u>	<u>134.89 sen</u>

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 financial year ended 31 December 2023.

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II. CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Unaudited As at 30/09/2024 RM'000	Audited As at 31/12/2023 RM'000
Non-current assets		
Property, plant and equipment	1,687,367	1,646,592
Investment property	1,386	1,411
Right-of-use assets	87,228	88,664
Intangible assets	140,121	140,124
Investment in associates	523,300	524,739
Investment in jointly controlled entity	698,377	685,001
Other investments	41,496	55,017
Deferred tax assets	26,546	31,348
Trade and other receivables	135,612	130,918
	3,341,433	3,303,814
Current assets		
Tax recoverable	6,152	2,872
Trade and other receivables	438,485	418,409
Contract assets	44,910	53,383
Restricted cash	1,356	1,349
Cash and bank balances	1,126,311	1,535,041
	1,617,214	2,011,054
Total assets	4,958,647	5,314,868
EQUITY AND LIABILITIES		
Equity		
Share capital	1,473,403	1,467,424
Reserves	2,298,257	2,672,150
Equity attributable to owners of the Company	3,771,660	4,139,574
Non-controlling interests	32,553	36,009
Total equity	3,804,213	4,175,583
Non-current liabilities		
Loans and borrowings	2,874	-
Lease liabilities	58,674	63,767
Contract liabilities	385,526	385,344
Deferred tax liabilities	116,047	121,304
Redemption liability	41,428	41,428
	604,549	611,843
Current liabilities		
Loans and borrowings	1,000	10,913
Lease liabilities	17,348	11,548
Trade and other payables	396,053	362,131
Contract liabilities	79,603	82,402
Provision for tax	55,881	46,888
Redemption liability	-	13,560
	549,885	527,442
Total liabilities	1,154,434	1,139,285
Total equity and liabilities	4,958,647	5,314,868
Net assets per share attributable to ordinary owners of the Company	RM2.04	RM2.24

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Annual Audited Financial Statements for the financial year ended 31 December 2023.

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III. CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	Unaudited Nine months to 30/09/2024 RM'000	Unaudited Nine months to 30/09/2023 RM'000
Operating Activities		
Cash receipts from customers	1,315,358	1,295,096
Transfer (to)/from restricted cash	(7)	1,136
Cash payments to suppliers	(457,393)	(444,639)
Cash payments to employees and for administrative expenses	(293,187)	(319,610)
Cash generated from operations	564,771	531,983
Tax paid	(97,137)	(21,359)
Tax refunded	-	53
Net cash generated from operating activities	467,634	510,677
Investing Activities		
Acquisition of property, plant and equipment	(211,955)	(257,756)
Acquisition of subsidiaries	(18,560)	-
Acquisition of other investments	-	(441)
Proceeds from disposal of property, plant and equipment	91	48
Proceeds from divestment of subsidiaries	-	2,029,280
Net cash disposed from divestment of subsidiaries	-	(48,976)
Investment income received	43,673	24,302
Net cash (used in)/generated from investing activities	(186,751)	1,746,457
Financing Activities		
Proceeds from term loans and other borrowings	3,832	200,000
Repayment of term loans and borrowings	(10,888)	(219,027)
Finance charges paid	(1,047)	(3,373)
Payment of lease liabilities	(13,140)	(21,786)
Proceeds from issuance of additional shares	4,217	4,827
Purchase of shares held by Share Grant Plan ("SGP") trust	(22,342)	-
Shareholder loan from an associate	-	535
Repayment from previous associate	-	108
Repayment from a joint venture	-	210,803
Dividend paid to owners	(630,077)	(1,572,340)
Net cash used in financing activities	(669,445)	(1,400,253)
Net change in cash and cash equivalents	(388,562)	856,881
Effect of exchange rate fluctuations on cash held	(20,168)	4,388
Cash and cash equivalents as at beginning of financial year	1,235,041	524,990
Placement of deposits maturing more than three (3) months as at beginning of financial year	300,000	-
Cash and cash equivalents	Note (a) 1,126,311	1,386,259
Note (a):		
Cash and bank balances	314,386	210,345
Deposit with licensed bank	811,925	1,175,914
Cash and cash equivalents	1,126,311	1,386,259
Restricted cash	1,356	3,113
Cash and bank balances	1,127,667	1,389,372

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Annual Audited Financial Statements for the financial year ended 31 December 2023.

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IV. CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	← Attributable to the 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	Shares held by SGP trust RM'000	Retained Earnings RM'000	Equity attributable to owners of the Company RM'000	Non-controlling Interest RM'000	Total Equity RM'000
Nine months to 30 September 2024 (Unaudited)										
Balance as at 1 January 2024	1,467,424	38,645	44,921	(21,829)	(52)	-	2,610,465	4,139,574	36,009	4,175,583
Profit for the period	-	-	-	-	-	-	268,425	268,425	2,845	271,270
Fair value loss on equity investments designated at FVOCI	-	(4,678)	-	-	-	-	-	(4,678)	-	(4,678)
Exchange differences recognised directly in equity	-	-	(20,604)	-	-	-	-	(20,604)	-	(20,604)
Total other comprehensive income for the period	-	(4,678)	(20,604)	-	-	-	-	(25,282)	-	(25,282)
Total comprehensive income for the period	-	(4,678)	(20,604)	-	-	-	268,425	243,143	2,845	245,988
<i>Contributions by and distributions to owners of the Company</i>										
Dividend paid to owners of the Company	-	-	-	-	-	-	(630,077)	(630,077)	-	(630,077)
SGP/option scheme	-	-	-	8,502	-	22,342	-	30,844	-	30,844
Issuance of shares pursuant to the share option scheme	5,979	-	-	(1,762)	-	-	-	4,217	-	4,217
Purchase of shares held by SGP trust	-	-	-	-	-	(22,342)	-	(22,342)	-	(22,342)
Exercise of put option to acquire non-controlling interest	-	-	-	6,301	-	-	-	6,301	(6,301)	-
Total transactions with owners of the Company	5,979	-	-	13,041	-	-	(630,077)	(611,057)	(6,301)	(617,358)
Balance as at 30 September 2024	1,473,403	33,967	24,317	(8,788)	(52)	-	2,248,813	3,771,660	32,553	3,804,213

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Annual Audited Financial Statements for the financial year ended 31 December 2023

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IV. CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (CONTINUED)

	← Attributable to the owners of the Company →								
	← Non-distributable →					Distributable			
Nine months to 30 September 2023 (Unaudited)	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	Equity attributable to owners of the Company RM'000	Non- controlling Interest RM'000	Total Equity RM'000
Balance as at 1 January 2023	1,418,562	39,096	29,610	3,114	(84)	1,611,489	3,101,787	25,943	3,127,730
Profit for the period	-	-	-	-	-	2,483,971	2,483,971	3,555	2,487,526
Fair value gain on equity investments designated at FVOCI	-	1,797	-	-	-	-	1,797	-	1,797
Exchange differences recognised directly in equity	-	-	7,520	-	-	-	7,520	-	7,520
Cash flow hedge - associate	-	-	-	-	31	-	31	-	31
Remeasurement of defined benefit plan	-	-	-	-	-	473	473	-	473
Divestment of subsidiaries	-	-	2,545	-	-	-	2,545	-	2,545
Total other comprehensive income for the period	-	1,797	10,065	-	31	473	12,366	-	12,366
Total comprehensive income for the period	-	1,797	10,065	-	31	2,484,444	2,496,337	3,555	2,499,892
<i>Contributions by and distributions to owners of the Company</i>									
Dividend paid	-	-	-	-	-	(1,572,340)	(1,572,340)	-	(1,572,340)
Divestment of subsidiaries	-	-	-	-	-	-	-	6,004	6,004
SGP	-	-	-	62,282	-	-	62,282	-	62,282
Issuance of shares pursuant to the share option scheme	48,862	-	-	(44,035)	-	-	4,827	-	4,827
Total transactions with owners of the Company	48,862	-	-	18,247	-	(1,572,340)	(1,505,231)	6,004	(1,499,227)
Balance as at 30 September 2023	1,467,424	40,893	39,675	21,361	(53)	2,523,593	4,092,893	35,502	4,128,395

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Annual Audited Financial Statements for the financial year ended 31 December 2023.

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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. The interim financial statements also comply with IAS 34, *Interim Financial Reporting* issued by the International Accounting Standards Board and requirements of the Companies Act 2016, where applicable.

The interim financial statements should be read in conjunction with the annual audited financial statements for the financial year ended 31 December 2023. The 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 financial year ended 31 December 2023.

2. Significant accounting policies

The accounting policies and presentation adopted for this interim financial statements are consistent with those adopted in the audited financial statements of the Group for the financial year ended 31 December 2023, except for the adoption of the following amendments to MFRSs for the financial year beginning on or after 1 January 2024.

Description

Amendments to MFRS 16	<i>Leases – Lease Liability in a Sale and Leaseback</i>
Amendments to MFRS 101	<i>Presentation of Financial Statements – Non-current Liabilities with Covenants and Classification of Liabilities as Current or Non-current</i>

The adoption of the above did not have any significant effects on the interim financial statements upon their initial application.

At the date of this interim financial statements, the following standards and amendments have been issued but are not yet effective and have not been adopted by the Group:

Description		Effective for annual periods beginning on or after
Amendments to MFRS 121	<i>Lack of Exchangeability</i>	1 January 2025
Amendments to MFRS 9 and MFRS 7	<i>Amendments to the Classification and Measurement of Financial Instruments</i>	1 January 2026
MFRS 18	<i>Presentation and Disclosure in Financial Statements</i>	1 January 2027
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 plans to apply the abovementioned accounting standards and amendments where applicable, when they become effective in the respective financial year.

The initial application of the abovementioned standards and amendments, where applicable are not expected to have any material financial impact to both the current year and prior year financial statements of the Group.

3. Audit report in respect of the 2023 financial statements

The audit report on the Group's annual audited financial statements for the financial year ended 31 December 2023 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 current quarter ended 30 September 2024.

6. Material changes in estimates used

There were no changes in estimates of amounts reported in prior financial years that have material effects in the current quarter ended 30 September 2024.

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7. Debt and equity securities

On 4 January 2024, Mr Patrick Corso exercised 1,980,000 option shares granted to him at the adjusted option exercise price of RM2.130 per share. The Group received proceeds totalling RM4,217,400 as a result of the said exercise.

During the nine months ended 30 September 2024, the Company had undertaken a purchase of its shares through its share grant trustee, for the purpose of granting the purchased shares to the eligible employees in accordance with its SGP. A total of 4,392,300 shares were purchased at a weighted average share price of RM5.07 per share, of which 4,380,022 of the purchased shares had been transferred to the eligible employees upon vesting on 31 July 2024.

Other than the above, the Group did not undertake any other issuance and/or repayment of debt and equity securities, share buy-backs, share cancellations and resale of treasury shares during the current nine months period ended 30 September 2024.

8. Dividends

On 27 March 2024, the Company paid an ordinary interim and a special interim tax exempt (single tier) dividends of 8.25 sen and 6.90 sen per ordinary share respectively, for the financial year ended 31 December 2023.

On 25 September 2024, the Company paid a special interim tax exempt (single tier) dividend of 18.93 sen per ordinary share for the financial year ending 31 December 2024.

9. Segmental Reporting

	Individual Quarter		Cumulative Quarter	
	Current quarter	Preceding year corresponding quarter	Nine months to	Nine months to
Group	30/09/2024	30/09/2023	30/09/2024	30/09/2023
	RM'000	RM'000	RM'000	RM'000
Continuing Operations				
Operating Revenue				
Voice	12,167	12,589	35,827	37,875
Data	366,396	347,200	1,086,239	988,311
Cloud and other services	43,829	50,326	135,305	140,807
Others	960	956	2,234	1,701
	423,352	411,071	1,259,605	1,168,694
Operating Expenses:				
Depreciation and amortisation of property, plant and equipment and right-of-use assets	(48,861)	(45,460)	(145,570)	(133,766)
Other operating expenses	(312,658)	(234,584)	(797,386)	(780,226)
Other operating income (net)	330	4,248	1,161	29,147
Profit from operations	62,163	135,275	317,810	283,849
Income from investments	12,003	11,400	33,688	26,395
Finance costs	(5,827)	(5,965)	(18,060)	(16,048)
Share of profit from associates and jointly controlled entity, net of tax	16,843	9,129	38,050	23,056
Profit before tax	85,182	149,839	371,488	317,252
Tax expense	(25,962)	(41,386)	(100,218)	(102,498)
Profit from continuing operations	59,220	108,453	271,270	214,754
Profit from discontinued operations, net of tax	-	-	-	2,272,772
Profit for the period	59,220	108,453	271,270	2,487,526

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9. Segmental Reporting (continued)

Group	Individual Quarter		Cumulative Quarter	
	Current quarter	Preceding year corresponding quarter	Nine months to	Nine months to
	30/09/2024 RM'000	30/09/2023 RM'000	30/09/2024 RM'000	30/09/2023 RM'000
Geographical locations				
Operating Revenue				
Within Malaysia	405,044	391,383	1,202,466	1,116,838
Outside Malaysia	18,308	19,688	57,139	51,856
	<u>423,352</u>	<u>411,071</u>	<u>1,259,605</u>	<u>1,168,694</u>
Timing of revenue recognition				
Over time	394,249	381,894	1,186,122	1,091,492
At a point in time	29,103	29,177	73,483	77,202
	<u>423,352</u>	<u>411,071</u>	<u>1,259,605</u>	<u>1,168,694</u>

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 2023.

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

On 3 October 2024, the Company completed the subscription of Tranche 2 Shares for a subscription consideration amounting to RM4,999,999.20, comprising 980,392 new redeemable convertible preference shares ("RCPS") at an issue price of RM5.10 per RCPS in the share capital of Charge N Go Sdn Bhd ("CnG") ("Subscription of Tranche 2 Shares") pursuant to the Subscription Agreement dated 14 December 2023 made between the Company, Thiruchandran A/L Thiruchelvam and CnG ("Subscription Agreement"). Following the completion of the Subscription of Tranche 2 Shares, there is one remaining condition to be fulfilled in relation to the subscription for the third tranche of RCPS, subject to CnG meeting the performance conditions as outlined in Subscription Agreement.

Other than the above, there were no other items, transactions or events of a material and unusual nature from 30 September 2024 to 20 November 2024 (being the latest practicable date) that would have a substantial effect on the financial results of the Group.

12. Changes in the composition of the Group during the financial period ended 30 September 2024

- (i) On 10 January 2024, the Company completed the First Completion of the Subscription Agreement dated 14 December 2023 between the Company, Thiruchandran A/L Thiruchelvam and CnG and the subscription consideration for the First Completion amounted to RM4,187,494. The Company had simultaneously on the same date further completed a Share Sale and Purchase Agreement dated 14 December 2023 between the Company and RWC1 Sdn Bhd in relation to the purchase of 44,643 ordinary shares in CnG by the Company from RWC1 Sdn Bhd at a total purchase consideration of RM812,502. Consequently, CnG became a 51% owned subsidiary of the Company.
- (ii) On 18 January 2024, the Company acquired 76,341 ordinary shares in AVM Cloud Sdn Bhd ("AVM") at a total purchase consideration of RM13,560,430.78 from Choong Yoke Khang @ Choong Yoke Can arising from the exercise of a put option by Choong Yoke Khang @ Choong Yoke Can as provided for in the Shareholders Agreement between the Company, its minority shareholders and AVM dated 7 January 2021. Consequently, the Company's shareholding in AVM had increased from 60% to 67%.
- (iii) On 31 July 2024, the Company granted 4,380,022 of the Company's shares purchased during the current quarter to eligible employees pursuant to the SGP. The closing price on the vesting date of 31 July 2024 was RM 5.140 per share. The vesting of the shares under the SGP was 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.
- (iv) Zeus Ventures Sdn Bhd had been struck off from the register by the Registrar of Companies under Gazette No. 17471 dated 30 July 2024.

There were no other changes in the composition of the Group during the financial period ended 30 September 2024.

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13. Contingent liabilities/assets

There were no changes in the contingent liabilities or contingent assets since the financial year ended 31 December 2023.

14. Capital commitments

	As at 30/09/2024 RM'000
Property, plant and equipment	
Authorised but not contracted for	69,386
Contracted but not provided for	<u>235,002</u>

15. Fair value information

The carrying amounts of cash and cash equivalents, receivables and payables reasonably approximate 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.

Fair values are 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 financial 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 financial assets or liabilities, either directly or indirectly.
- Level 3 – Unobservable inputs for the asset or liability.

The table below analyses financial instruments carried at fair value and financial instruments not carried at fair value for which fair value and carrying value are as disclosed.

	←-----Total fair value-----→				Carrying value
30 September 2024	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000	Total RM'000
Financial instruments carried at fair value:					
Financial assets					
Other investments	<u>-</u>	<u>-</u>	<u>41,496</u>	<u>41,496</u>	<u>41,496</u>

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16. Tax expense

The income tax expense for the Group for the current quarter and financial period ended 30 September 2024 were made up as follows:

Group	Individual Quarter		Cumulative Quarter	
	Current quarter 30/09/2024 RM'000	Preceding year corresponding quarter 30/09/2023 RM'000	Nine months to 30/09/2024 RM'000	Nine months to 30/09/2023 RM'000
Tax expense on continuing operations	25,962	41,386	100,218	102,498
Tax expense on discontinued operations	-	-	-	5,657
Total tax expense	25,962	41,386	100,218	108,155
Tax expense:				
- Current year	20,377	42,819	106,646	87,018
- Over provision in prior years	(2,683)	(515)	(2,681)	(513)
	17,694	42,304	103,965	86,505
Deferred tax (credit)/expense:				
- Origination of temporary differences	6,913	(5,589)	(3,691)	22,725
- Under/(over) provision in prior years	1,355	4,671	(56)	(1,075)
	8,268	(918)	(3,747)	21,650
Total tax expense	25,962	41,386	100,218	108,155

The effective tax rate of the Group for the current quarter and nine months to 30 September 2024 is slightly higher than the statutory tax rate of 24% mainly due to non-deductible expenses and loss making subsidiaries.

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

There were no corporate proposals which have been announced but not completed as at 20 November 2024, being the latest practicable date.

18. Loans and borrowings

The loans and borrowings as at 30 September 2024 and 31 December 2023 are as follows:

	Amount repayable in one year or on demand RM'000	Amount repayable after one year RM'000	Total RM'000
30 September 2024			
Loans and borrowings			
Secured:			
- Denominated in RM	1,000	2,874	3,874
As at 30 September 2024	<u>1,000</u>	<u>2,874</u>	<u>3,874</u>
31 December 2023			
Loans and borrowings			
Secured:			
- Denominated in RM	10,913	-	10,913
As at 31 December 2023	<u>10,913</u>	<u>-</u>	<u>10,913</u>

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18. Loans and borrowings (continued)

The Group's loans and borrowings were mainly used to fund the Group's working capital requirements. The Group's loans and borrowings comprise both fixed and floating rate facilities and bear interest at rates ranging from 4.88% to 5.30% per annum.

19. Off-balance sheet financial instruments

The cash and cash equivalents of the Group, as at 30 September 2024, did not include bank balances amounting to RM9,001,000 (31 December 2023: RM1,576,000) held by the Group in trust for consortium members of the Asia Pacific Gateway submarine cable project to pay the suppliers under the terms of a supply contract.

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

20. Material litigation

The Company and its subsidiaries have no outstanding material litigation as at 20 November 2024, being the latest practicable date.

21. Discontinued Operations

On 20 April 2023, the Company announced the completion of the transactions below in relation to the 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 DB Arrow Pte Limited ("DBAPL"), a portfolio company managed by DigitalBridge Group, Inc. ("DigitalBridge"):

- (a) a conditional share sale and purchase agreement with DBAPL ("SPA 1") for the divestment of 49% of the issued ordinary shares ("OS") and 100% of the irredeemable convertible preference shares ("ICPS") of AIMS with the provisional purchase price 1 fixed at RM2,025.79 million ("Transaction 1"). The proceeds have been received from DBAPL (which includes security deposit) on even date;
- (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 divestment of the Company's 21% of the issued shares of AIMS TH for the provisional purchase price 2 fixed at THB27.30 million (equivalent to RM3.49 million) ("Transaction 2"). The proceeds have been received from DBAPL on even date,

collectively referred to as the "Transactions".

On 19 October 2023, an additional consideration of RM10.34 million was received. Thus, total final consideration received for the Transactions amounted to RM2,039.62 million.

The status of utilisation of proceeds up to 30 September 2024 is as follows:

Purpose	Timeframe for utilisation from completion of item (a) and (b)	Estimated amount as per Circular to Shareholders dated 16 January 2023 (RM'million)	Actual amount incurred (RM'million)	Balance to utilise (RM'million)	Deviation from estimated amount (%)
Special dividend	within 6 months	1,000.00	1,000.18	(0.18)	0.02%
Capital expenditure	within 36 months	500.00	361.52	138.48	Not fully utilised
General working capital	within 36 months	463.98	463.98	-	Fully utilised
Estimated expenses	within 6 months	45.00	40.20	4.80	Not fully utilised
Total		2,008.98	1,865.88	143.10	

Accordingly, pursuant to the disposal, the Company has 30% effective interest remaining in AIMS despite 51% legal ownership of the ordinary shares in AIMS. As the Company no longer control AIMS and AIMS TH respectively pursuant to the disposal, the asset and liabilities of AIMS and AIMS TH have been deconsolidated from that date. The Company therefore presents and discloses the financial results of AIMS up to 20 April 2023 as discontinued operations and thereafter as a share of profit from jointly controlled entity.

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21. Discontinued Operations (continued)

The financial performance and cash flow information of the discontinued operations up to 30 September 2024 are as follows:

(a) Financial performance	Current year quarter# 30/09/2024	Preceding year corresponding quarter# 30/09/2023	Nine months to# 30/09/2024	Nine months to* 30/09/2023
	RM'000	RM'000	RM'000	RM'000
Operating revenue	-	-	-	60,929
Operating expenses	-	-	-	(41,851)
Profit before tax	-	-	-	19,078
Tax expense	-	-	-	(5,657)
Profit for the period	-	-	-	13,421
Gain on divestment of subsidiaries (refer to (i))	-	-	-	2,259,351
Profit from discontinued operations	-	-	-	2,272,772
Currency translation difference	-	-	-	(2,545)
Total comprehensive income from discontinued operations	-	-	-	2,270,227

(i) Details of the gain on divestment of subsidiaries:

	RM'000
Consideration received	2,029,280
Expenses directly attributable	(40,199)
Total net divestment consideration	1,989,081
Retained interest in joint venture	679,999
Carrying amount of net asset disposed (refer to (ii))	(407,184)
Reclassification of foreign currency translation reserve	(2,545)
Net gain on divestment of subsidiaries	2,259,351

No financial results recorded for current quarter, nine months to 30 September 2024 and preceding year corresponding quarter as the Transactions had been completed on 20 April 2023.

* Nine months to 30 September 2023 consists of 4 months of financial results.

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21. Discontinued Operations (continued)

(ii) The carrying amount of assets and liabilities as at 20 April 2023:

	RM'000
Assets	
Property, plant and equipment	502,923
Right-of-use assets	24,426
Intangible assets	111,858
Trade and other receivables	80,195
Deferred tax assets	14,948
Tax recoverable	390
Restricted cash	268
Cash and cash equivalents	48,976
	783,984
Liabilities	
Loans and borrowings	(88,676)
Lease liabilities	(22,305)
Trade and other payables	(270,965)
Provision for tax	(858)
	(382,804)
Total net asset disposed	401,180
Less: Non-controlling interest	6,004
Total net assets disposed attributable to the owners of the Company	407,184

(b) Cash flows from discontinued operations

	Nine months to* 30/09/2024 RM'000	Nine months to* 30/09/2023 RM'000
Net cash used in from operating activities	-	(17,815)
Net cash used in investing activities	-	(21,394)
Net cash from financing activities	-	47,935
Effect of exchange rate fluctuations on cash held	-	(105)
Effect on cash flows	-	8,621

* No financial results recorded for nine months to 30 September 2024 as the Transactions had been completed on 20 April 2023, as compared to nine months to 30 September 2023 which consists of 4 months of financial results from discontinued operations.

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

(a) Comparison between the current quarter ("Q3 2024") and the immediately preceding quarter ("Q2 2024")

	Q3 2024	Q2 2024	Increase/(decrease)	
	RM'000	RM'000	RM'000	%
Revenue by product:				
Voice	12,167	11,719	448	3.8
Data	366,396	363,379	3,017	0.8
Cloud and other services	43,829	42,882	947	2.2
Others	960	508	452	88.9
Revenue from continuing operations	<u>423,352</u>	<u>418,488</u>	<u>4,864</u>	<u>1.2</u>
Profit before tax from continuing operations	<u>85,182</u>	<u>135,469</u>	<u>(50,287)</u>	<u>(37.1)</u>

The Group reported consolidated revenue from continuing operations of RM423.3 million in Q3 2024, which is RM4.9 million or 1.2% higher compared to RM418.5 million of consolidated revenue recorded in Q2 2024. One-off non-recurring revenue was recorded from cloud and other services of RM9.1 million in Q3 2024 (Q2 2024: RM7.6 million). Excluding one-off non-recurring revenue for better comparability, consolidated revenue increased by RM3.3 million or 0.8% in the current quarter. The increase in consolidated revenue (excluding one-off non-recurring revenue) was mainly contributed by enterprise and retail customers.

The Group's consolidated profit before tax from continuing operations in Q3 2024 amounted to RM85.2 million, which is RM50.3 million lower than the consolidated profit of RM135.5 million in Q2 2024. Lower Q3 2024 consolidated profit before tax was mainly due to:

- a) higher personnel costs of RM4.5 million;
- b) higher net foreign exchange loss of RM68.9 million in Q3 2024 as compared to RM6.6 million in Q2 2024;
- c) higher allowance for doubtful debts of RM2.7 million;
- d) higher inventory written off of RM1.1 million;
- e) higher depreciation and amortisation of property, plant and equipment and right-of-use assets of RM2.2 million; and

offset with higher interest income and share of profit from associates and jointly controlled entities.

No revenue and profit before tax from discontinued operations were disclosed in Q3 2024 and Q2 2024 respectively as the Transactions were completed on 20 April 2023.

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22. Review of performance for the current quarter and year to date (continued)

(b) Comparison between the current quarter ("Q3 2024") versus three months period ended 30 September 2023 ("Q3 2023")

	Q3 2024	Q3 2023	Increase/(decrease)	
	RM'000	RM'000	RM'000	%
Revenue by product:				
Voice	12,167	12,589	(422)	(3.4)
Data	366,396	347,200	19,196	5.5
Cloud and other services	43,829	50,326	(6,497)	(12.9)
Others	960	956	4	0.4
Revenue from continuing operations	423,352	411,071	12,281	3.0
Profit before tax from continuing operations	85,182	149,839	(64,657)	(43.2)

The Group reported consolidated revenue from continuing operations of RM423.3 million in Q3 2024, which is RM12.3 million or 3.0% higher compared to RM411.1 million of consolidated revenue recorded in Q3 2023. One-off non-recurring revenue was recorded from cloud and other services of RM9.1 million in Q3 2024 (Q3 2023: RM4.1 million). Excluding one-off non-recurring revenue for better comparability, consolidated revenue increased by RM7.2 million or 1.8 % in the current quarter. The increase in consolidated revenue (excluding one-off non-recurring revenue) was mainly contributed by retail customers.

The Group recorded consolidated profit before tax from continuing operations of RM85.2 million for the current quarter, which is RM64.6 million lower than the consolidated profit before tax from continuing operations of RM149.8 million recorded in Q3 2023. The decrease in the Group's Q3 2024 profit before tax was mainly due to the following:

- a) higher personnel costs of RM4.4 million;
- b) higher net foreign exchange loss of RM68.9 million in Q3 2024 as compared net foreign exchange gain of RM4.1 million in Q3 2023;
- c) higher allowance for doubtful debts of RM1.8 million;
- d) higher inventory written off of RM1.1 million;
- e) higher depreciation and amortisation of property, plant and equipment and right-of-use assets of RM3.4 million; and

offset with higher overall revenue, interest income and share of profit from associates and jointly controlled entities.

No revenue and profit before tax from discontinued operations were disclosed in Q3 2024 and Q3 2023 respectively as the Transactions were completed on 20 April 2023.

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22. Review of performance for the current quarter and year to date (continued)

(c) Comparison between the nine months period ended 30 September 2024 ("9M 2024") versus nine months period ended 30 September 2023 ("9M 2023")

	9M 2024	9M 2023	Increase/(decrease)	
	RM'000	RM'000	RM'000	%
Revenue by product:				
Voice	35,827	37,875	(2,048)	(5.4)
Data	1,086,239	988,311	97,928	9.9
Cloud and other services	135,305	140,807	(5,502)	(3.9)
Others	2,234	1,701	533	31.3
Revenue from continuing operations	1,259,605	1,168,694	90,911	7.8
Revenue from discontinued operations	-	60,929	(60,929)	(100.0)
Total revenue	1,259,605	1,229,623	29,982	2.4
Profit before tax	371,488	336,330	35,158	10.5
Profit before tax from discontinued operations*	-	(19,078)	19,078	(100.0)
Profit before tax from continuing operations	371,488	317,252	54,236	17.1

* Exclude gain on divestment of subsidiaries of RM2,259,351,000 (note 21).

The Group reported consolidated revenue from continuing operations of RM1,259.6 million in 9M 2024, which is RM90.9 million or 7.8% higher compared to RM1,168.7 million of consolidated revenue recorded in 9M 2023. One-off non-recurring revenue was recorded from cloud and other services of RM24.9 million in 9M 2024 as compared to RM11.5 million in 9M 2023. Excluding one-off non-recurring revenue for better comparability, consolidated revenue increased by RM77.3 million or 6.7% in 9M 2024. This was mainly due to higher recurring data revenue, which grew RM97.9 million or 9.9%, driven by retail and wholesale customers.

The Group recorded a profit before tax from continuing operations of RM371.5 million which is RM54.2 million or 17.1% higher than the consolidated profit before tax of RM317.2 million in 9M 2023. The increase in the Group's 9M 2024 profit before tax was mainly due to the following:

- a) higher overall revenue in 9M 2024;
- b) higher interest income of RM7.3 million;
- c) higher share of profit from associates and jointly controlled entity of RM15.0 million;
- d) lower personnel cost of RM44.8 million in 9M 2024 as compared to 9M 2023 which included adjustments for expired share grant scheme of RM27.3 million and AIMS transaction related one-off expenses of RM26.1 million;
- e) lower provision for impairment of submarine cable asset (9M 2024: RM Nil, 9M 2023: RM27.7 million);
- f) lower provision for construction deposit (9M 2024: RM Nil, 9M 2023: RM15.7 million); and

offset with higher allowance for doubtful debts, depreciation and amortisation of property, plant and equipment and right-of-use assets, finance costs and higher net foreign exchange loss (9M 2024: net loss of RM71.0 million, 9M 2023: net gain of RM26.8 million).

No revenue and profit before tax from discontinued operations were disclosed in 9M 2024 as the Transactions were completed on 20 April 2023.

Revenue and profit before tax from discontinued operations recorded in 9M 2023 consists of 4 months of financial results.

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23. Profit for the period

Group	Individual Quarter		Cumulative Quarter	
	Current quarter	Preceding year corresponding quarter	Nine months to	Nine months to
	30/09/2024	30/09/2023	30/09/2024	30/09/2023
	RM'000	RM'000	RM'000	RM'000
Profit for the period is arrived at after (charging)/crediting:				
Depreciation and amortisation of property, plant and equipment and right-of-use assets	(48,861)	(45,460)	(145,570)	(147,442)
Amortisation of borrowing costs	-	(4)	(17)	(403)
Interest expense				
- Interest on borrowings	(54)	(202)	(191)	(3,136)
- Other interest expense	(4,814)	(4,731)	(14,270)	(12,834)
- Interest on lease liabilities	(959)	(1,028)	(3,582)	(3,433)
Interest income	12,003	11,400	33,688	26,497
Net bad debt recovered	172	245	548	791
Net (loss)/gain on foreign currency exchange	(68,874)	4,077	(71,046)	26,828
Net allowance for doubtful debts	(4,914)	(3,084)	(14,548)	(8,265)
Net gain on disposal of property, plant and equipment	86	-	86	30
Net impairment of construction deposit	-	-	-	(15,676)
Inventories written off	(1,062)	-	(1,062)	(1,399)
Property, plant and equipment written off	-	-	(1,599)	(4,807)
Impairment of property, plant and equipment	-	-	-	(27,681)

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24. Prospects

The Group is optimistic of continued growth on the back of expanding network coverage, operational efficiencies and go-to-market strategies to support the delivery of innovative products and services to the market. Moreover, the Group will continue to seize opportunities by providing the most attractive connectivity propositions to power digitalization initiatives in both the private and public sectors.

The Group will continue to monitor developments in the domestic and global landscape to avail itself of opportunities as well as to mitigate potential risks and uncertainties whilst maintaining cost discipline, to ensure its long-term growth and overall business sustainability.

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 quarter 30/09/2024	Preceding year corresponding quarter 30/09/2023	Nine months to 30/09/2024	Nine months to 30/09/2023
Basic EPS:				
Weighted average number of shares in issue ('000)	1,848,819	1,844,111	1,848,797	1,840,305
Profit for the period attributable to owners of the Company (RM'000)				
- Continuing operations	58,705	106,597	268,425	209,376
- Discontinued operations	-	-	-	2,274,595
	<u>58,705</u>	<u>106,597</u>	<u>268,425</u>	<u>2,483,971</u>
Basic EPS				
- Continuing operations	3.18 sen	5.78 sen	14.52 sen	11.38 sen
- Discontinued operations	-	-	-	123.60 sen
	<u>3.18 sen</u>	<u>5.78 sen</u>	<u>14.52 sen</u>	<u>134.98 sen</u>
Diluted EPS:				
Weighted average number of shares in issue ('000) (Basic)	1,848,819	1,844,111	1,848,797	1,840,305
Effect of share option	-	1,180	-	1,174
Effect of share grant	2,075	-	6,502	-
Weighted average number of shares in issue ('000) (Diluted)	<u>1,850,894</u>	<u>1,845,291</u>	<u>1,855,299</u>	<u>1,841,479</u>
Profit for the period attributable to owners of the Company (RM'000)				
- Continuing operations	58,705	106,597	268,425	209,376
- Discontinued operations	-	-	-	2,274,595
	<u>58,705</u>	<u>106,597</u>	<u>268,425</u>	<u>2,483,971</u>
Diluted EPS				
- Continuing operations	3.17 sen	5.78 sen	14.47 sen	11.37 sen
- Discontinued operations	-	-	-	123.52 sen
	<u>3.17 sen</u>	<u>5.78 sen</u>	<u>14.47 sen</u>	<u>134.89 sen</u>

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27. Related party transactions

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

	Cumulative Quarter	
	Nine months to 30/09/2024 RM'000	Nine months to 30/09/2023 RM'000
With related parties		
Revenue from data, voice and other services	61,033	60,319
Sales of IT related services	43,988	52,507
Interconnect revenue	581	813
Fee for wayleave and right of use of telecommunications facilities	(7,611)	(7,611)
Interconnect charges	(293)	(533)
Leased line and infrastructure costs	(66,862)	(57,401)
Network maintenance costs	(4,173)	(2,353)
Training expenses	(233)	(174)
Rental of office and utility charges	(90)	(90)
Professional fees	(121)	(364)
Marketing services	-	(493)
Interest on advances	-	(304)
	-	(304)
With companies in which Directors have significant interest		
Revenue from data, voice and other services	-	9
	-	9

The Directors of the Group are of the opinion that the above transactions entered into were in the ordinary course of business and upon normal negotiated commercial terms.

By Order of the Board

CHEW ANN NEE
(MAICSA 7030413)
(SSM PC No.: 201908001413)
Company Secretary

Selangor Darul Ehsan
27 November 2024