TIME™

ANNUAL REPORT

2021

CONTENTS

PERFORMANCE INDICATORS

REVENUE FY2021

RM1,396.4 mil

14% from RM1,223.2 mil in FY2020

EBITDA FY2021

RM689.2 mil

22% from RM567.1 mil in FY2020

OPERATING PROFIT FY2021

RM526.0 mil

27% from RM415.2 mil in FY2020

EPS FY2021

21.6 sen

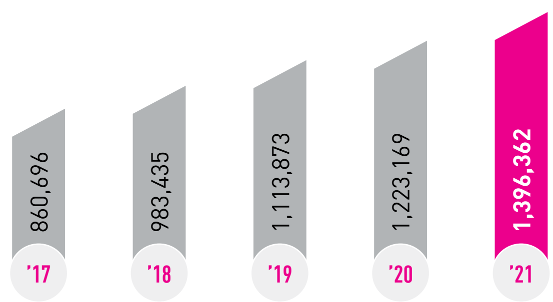
18% from 18.3 sen in FY2020[1]

TOTAL SHAREHOLDERS' EQUITY FY2021

RM3,163.5 mil

4% from RM3,050.3 mil in FY2020

REVENUE (RM'000)



Note:

1 For comparison purposes, FY2020 Basic Earnings per Ordinary Shares has 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.

CORPORATE PROFILE

INTRODUCTION AND BUSINESS MODEL

Domestic Network

100% fibre optic-based domestic fixed-line telecommunications provider.

Global Network

International bandwidth provider with a global footprint.

Data Centres

Carrier-neutral data centre operator with world-class data storage facilities and ancillary services.

ASEAN

Strategic acquisitions/ joint ventures/ partnerships with telecommunications service providers and data centre businesses in ASEAN.

TIME dotCom ("TIME" or the "Group" or the "Company") is a telecommunications provider headquartered in Malaysia, that delivers both domestic and global connectivity, data centre, cloud computing and managed service solutions to Enterprise, Wholesale and Retail market segments across the ASEAN region.

Outside Malaysia, TIME's fibre optic network assets span 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") cable systems, TIME is able to link Europe, Africa and Asia all the way to the US western seaboard. This extensive reach allows TIME to generate stronger revenues amidst the robust competition in the global bandwidth market.

As a leading carrier-neutral data centre operator and managed services provider in Malaysia and Southeast Asia, the Group's data centre business, AIMS Data Centre ("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. Furthermore, AIMS has partnered with the Bangkok Neutral Internet eXchange ("BKNIX") to form a third exchange site in its facility in Bangkok, Thailand.

The Group has also strengthened its cloud business with the acquisition of a 60% stake in AVM Cloud Sdn Bhd ("AVM Cloud"), 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.

TIME's Focus Areas and Telecommunications Solutions

Telecom Segment

- Connectivity
- Co-location

Network/ Asset

- Fibre Optic (Terrestrial)
- Fibre Optic (Subsea)
- Data Centre

Customer Segment

- Wholesale
- Enterprise
- Retail

Services

- Connectivity
- Data Centre
- Cloud
- Security
- Voice

Note:

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 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 business, reduces reliance on a single geographical market, ensuring that TIME is able to continue generating positive financial returns.

SOLID FINANCIAL POSITION

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

EXPANDING DOMESTIC NETWORK

TIME continues to improve its reliable, high-speed fibre optic network to support its domestic expansion plans and ensure customer satisfaction and retention. The Group remains committed to delivering network availability and stability to its customers.

EXPANDING REGIONAL PRESENCE

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

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 skill set, mindset and culture of its talent 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 its strengths to drive 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 A-GRID, UNITY, FASTER, APG and AAE-1 subsea cable systems
- Cater to surge in demand for data centres by expanding data centre presence in Malaysia and across the region
- Strengthen cloud business through acquisition and innovation
- 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 its strengths to focus on international business expansion and increasing 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.

Being in the telecommunications business for more than two decades and having built a proven reputation for high-performance solutions, product innovation and unwavering customer commitment, TIME is equipped and dedicated in spearheading service excellence to its customers and stakeholders by pushing the boundaries of technological performance to offer best-in-class telecommunications solutions in Malaysia and beyond.

CORPORATE INFORMATION

BOARD OF DIRECTORS

Elakumari Kantilal
Non-Independent,
Non-Executive Director

Hong Kean Yong
Senior Independent,
Non-Executive Director

Mark Guy Dioguardi
Independent,
Non-Executive Director

Koh Cha-Ly
Independent,
Non-Executive Director

Datuk Azailiza Mohd Ahad
Independent,
Non-Executive Director

Datuk Zainal Amanshah Zainal Arshad
Independent,
Non-Executive Director

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

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

Patrick Corso
Non-Independent,
Executive Director

Lee Guan Hong
Non-Independent,
Executive Director

AUDIT COMMITTEE

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

NOMINATION AND REMUNERATION COMMITTEE

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

TENDER COMMITTEE

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

COMPANY SECRETARY

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

REGISTERED OFFICE

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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

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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

TIME dotCom Berhad

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

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

0.01%

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

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

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

Note:
This structure reflects TIME's subsidiaries only. Please refer to Note 8.1 of the Financial Statements on page 128 of this Annual Report for the list of associates.

CHAIRMAN'S STATEMENT

Dear Shareholders,

The year 2021 has been a year of change and progress for TIME. Having taken on the role of acting Chairman following the retirement of Encik Abdul Kadir Md Kassim as Chairman, my top priority, alongside the Board, was to continue steering TIME on a sustainable growth journey whilst ensuring the health and safety of our employees and stakeholders in a world ravaged by a pandemic.

As COVID-19 continued to dampen global and domestic economic conditions, the digital and connectivity needs of homes and businesses evolved even further to adapt to the new landscape. The Group kept pace in developing solutions to meet these challenges and, most importantly, did not lose sight of our promise to ensure network availability and stability to support the needs of our customers.

YEAR IN REVIEW

Despite the challenging circumstances prevalent throughout 2021, I am pleased to say that TIME has continued to make commendable progress – a testament to our robust business model and strategies as well as our agility in navigating an already inherently challenging landscape to meet market demand. This included the expansion of our network footprint, as well as the inorganic expansion of our business through the successful acquisition of a strategic stake in a leading local cloud services provider, AVM Cloud, which propels our cloud services capabilities even higher. Our new data centre, AIMS Cyberjaya, also commenced operations in 2021 and is poised to meet the high market demand generated by rapid digitalisation. We are also proud to have attained several industry-firsts for innovation while we remain firmly entrenched as a leading player in our chosen segments of the telecommunications industry.

"As a result, the Group's revenue for FY2021 grew 14% year-on-year to RM1.4 billion. On the back of increased revenues, profit before tax ("PBT") stood at RM532.7 million while profit after tax ("PAT") was RM396.8 million."

Specific business strategies and action plans implemented in FY2021 are provided in detail in the **Management Discussion & Analysis** section of this Annual Report.

SHAREHOLDER REWARDS

"We are pleased to announce that the total dividend payout for FY2021 amounted to RM390.2 million and this was paid out over two phases, in December 2021 and March 2022."

A special interim tax exempt (single tier) dividend of 8.22 sen per ordinary share was declared on 26 November 2021 and paid out on 22 December 2021.

Subsequently, on 25 February 2022, the Board of Directors declared an ordinary interim and a special interim tax exempt (single tier) dividend of 10.86 sen and 2.29 sen per ordinary share, respectively. This was paid on 23 March 2022.

We also took the opportunity to revise our dividend policy to pay shareholders an annual ordinary dividend of up to 50% (previously 25%) of normalised PAT in FY2021. This change was done on the basis of our strong confidence in the foundations and strategic initiatives of the Group, which we expect to drive future growth, profit and cash generation.

CORPORATE GOVERNANCE AND SUSTAINABILITY

The Board and Senior Management continue to prioritise both corporate governance and sustainability as integral aspects of stakeholder value creation and to mitigate existing and emerging risks in our business model.

The fundamentals of good business management, talent retention and development also remain strategically vital.

Alignment with the prescribed corporate governance best practises of the Malaysian Code on Corporate Governance 2021 ("MCCG 2021") is an ongoing exercise, details of which are provided in the **Corporate Governance Report**.

The Board wishes to reassure shareholders and reiterate its commitment to developing a stronger organisational structure centred on accountability, professionalism, ethical behaviour and integrity.

The full details of our strategic efforts in driving good corporate governance and improved environmental and social performance is provided in the **Sustainability Statement** of this Annual Report.

OUTLOOK AND PROSPECTS

While the future remains volatile with the potential emergence of new COVID-19 variants and the global response thereto, the reopening of most, if not all, economic sectors have led to a strong revival of economic activities. The injection of investments, both domestic and foreign, and a continued expansionary economic policy centred on increased spending should deliver much needed impetus to restore the local economy.

As the nation moves further into Phase 4 of the National Recovery Plan, we are hopeful that resilient demand for TIME's products and services will expand further. This has held true over the past two years, especially in the Retail and Enterprise segments and we believe this demand will be further spurred on by the digital-first approach the Government is taking. The new normal in a post-pandemic scenario will create more opportunities as the requirement for higher bandwidth continues to increase. eCommerce and the greater consumption of OTT services will drive business growth, specifically for the cloud and data centre industries.

The Group is well-placed to capitalise on these opportunities as they emerge, and we are confident in our ability to retain a stable growth trajectory going forward.

APPRECIATION AND ACKNOWLEDGEMENTS

Firstly, on behalf of the Board, I would like to thank Encik Abdul Kadir Md Kassim who has stepped down after a most successful 11-year tenure as Chairman of the Board. He was a remarkable and exemplary leader who was instrumental in guiding the Company's growth and development. It was a pleasure and privilege to have served on the same Board as him. We will continue to emulate his legacy of innovation, strong corporate governance and strategic leadership. We wish him the very best in his future undertakings.

I would also like to take this opportunity to welcome Datuk Azailiza Mohd Ahad and Datuk Zainal Amanshah Zainal Arshad, who joined us on 27 August 2021 and 3 January 2022, respectively. They bring with them a wealth of experience and skill sets that enrich the collective capabilities and expertise of the Board. We look forward to working together on TIME's continued progress.

To our people at TIME, thank you for your professionalism, contributions, and sacrifice in braving the many challenges faced over the past year. You have been pivotal to the Group's continued success. In the same vein, the Board expresses its thanks to the Group's Senior Management for having successfully delivered another positive year.

On a personal note, I thank my fellow Board members for their wise counsel and support throughout FY2021, our shareholders for their continued confidence in the Group, and the Malaysian Communications and Multimedia Commission ("MCMC") for their astute leadership and support in enabling the telco industry to remain vibrant and dynamic across FY2021.

It is our firm belief that all the above have contributed to TIME's continued resilience, and with improving conditions expected over the coming months, we are poised and able to continue creating value for all our stakeholders.

ELAKUMARI KANTILAL
Acting Chairman

MANAGEMENT DISCUSSION & ANALYSIS

TELECOMMUNICATIONS INDUSTRY REVIEW

The telecommunications industry remained highly competitive and tightly regulated in FY2021. However, the overall sector continued to be supported by robust demand from a variety of sources.

The Malaysian government's JENDELA initiative has been instrumental in the continued drive to develop the domestic telecommunications industry. Through JENDELA, the government aims to achieve nine million premises passed with gigabit access, 100Mbps mobile speeds through the adoption of 5G as well as 100% 4G coverage in populated areas by the end of 2025.

Despite various obstacles posed by the COVID-19 pandemic, the industry continued to make progress towards further proliferation of 4G network coverage and the commencement of 5G network rollout for the nation. Stiff but healthy competition has led to consumers enjoying more affordable product offerings with improved services across the board.

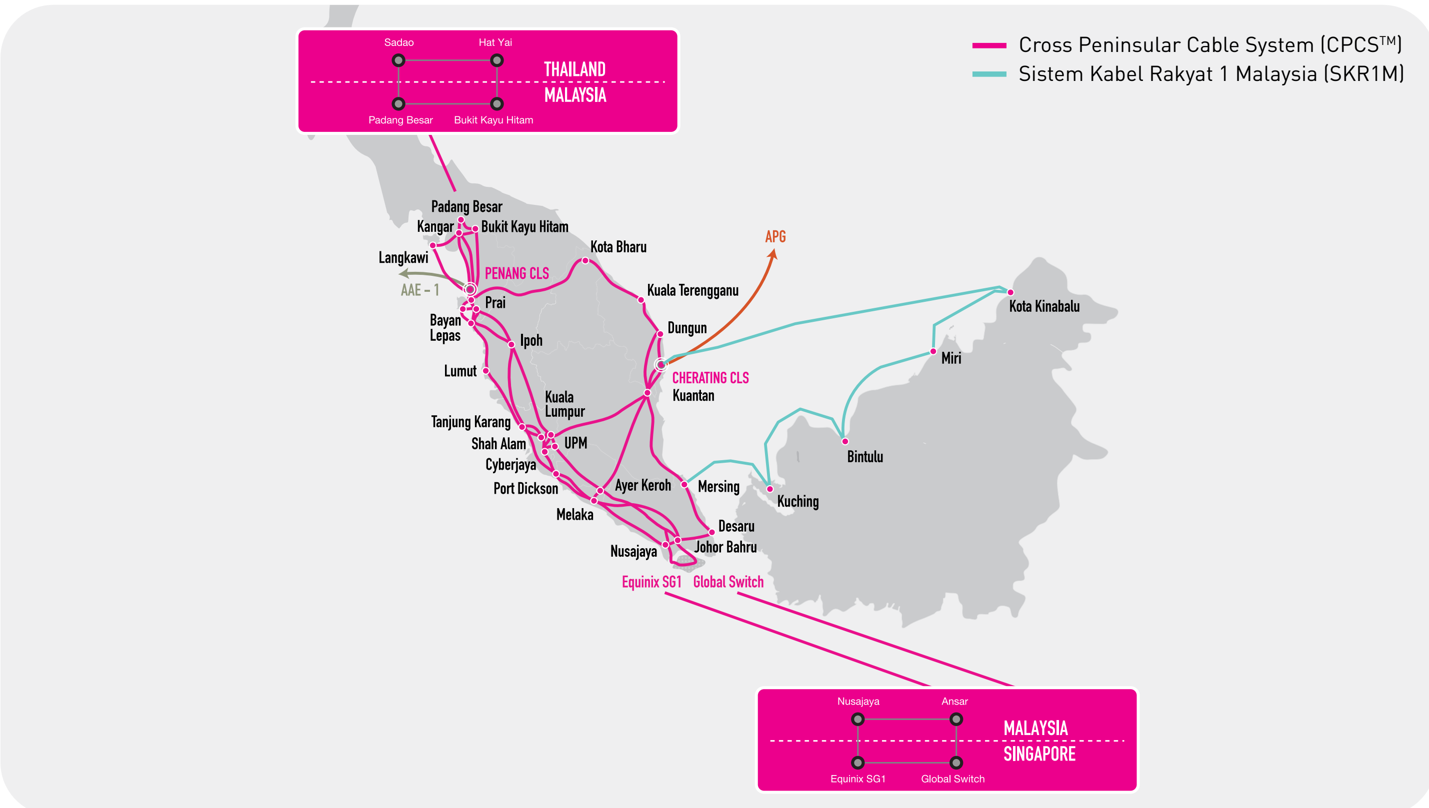
The pandemic had also accelerated fibre broadband proliferation due to the dire need for connectivity as Malaysians navigate the challenges of a post-pandemic environment.

Overall, in FY2021, the telecommunications industry achieved stable growth on the back of increased broadband subscribers as well as new investments by most players to improve the quality of network and services. In FY2021, 94% of populated areas had 4G access with up to 6.4 million premises having access to fixed stable broadband.

Access Pricing continues to be regulated as per the Variation to the Commission Determination on the Mandatory Standard on Access Pricing issued by MCMC and this extends into the rest of FY2022.

GROUP BUSINESS AND OPERATIONAL PERFORMANCE

DOMESTIC NETWORK



Amidst a tightly regulated environment and highly competitive market, TIME continued to sustain both revenues and earnings growth by focusing on its key strategies of expanding network coverage, enhancing service quality, and improving customer service towards retaining and expanding its customer base across all of its customer segments.

The continuation of lockdowns, physical distancing requirements and other pandemic-related measures also supported the higher demand for broadband services that prevailed during the prior year. This translated into a steady increase in new customer acquisitions as well as package upgrades from existing customers.

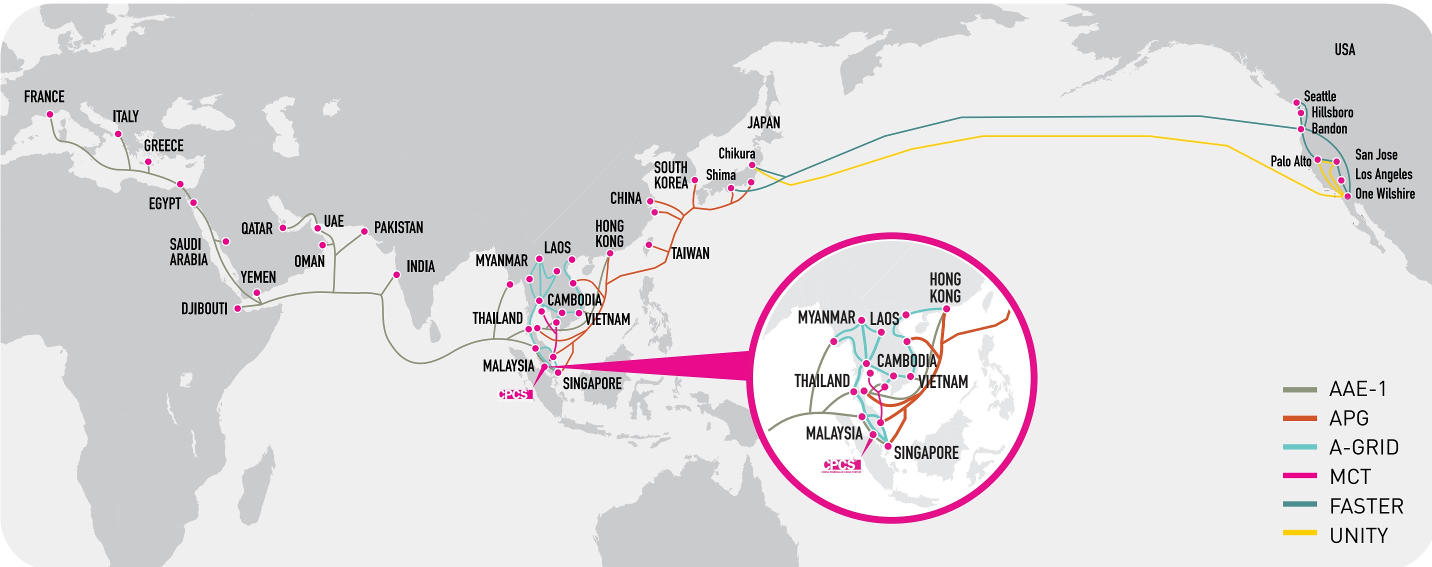
Capital expenditure ("CAPEX") was driven by the need to enhance fibre network infrastructure and expand coverage footprint. Additional costs were incurred to ensure improved operational capability and further enhanced high levels of customer service, including high uptime and reduced service disruptions.

The Group's commitment to delivering high-speed, highly reliable and consistent Internet services contributed to the strong revenue growth from the Retail segment in FY2021.The Group's recognition as Malaysia's Most Consistent Broadband Provider based on analysis by Ookla® of Speedtest Intelligence® data from Q1 2020 through Q4 2021 is a testament to this commitment.

Healthy demand for data centre and data products driven by ongoing digitalisation in the Enterprise segment augmented revenue growth for the Group. The addition of AVM Cloud offerings into the Group's cloud solutions also drove the increase in revenue. As the nation progresses towards its digital economy aspirations, it is anticipated that demand for these products will remain robust.

Intense competition resulting in price erosion remains a key challenge faced by the Wholesale segment. Lingering uncertainties in the local industry have also impacted customers' spending decisions in this segment. The Group remains vigilant but heartened as there is still a healthy demand for bandwidth fuelled by the aggressive market demand for telecommunications services.

GLOBAL NETWORK



TIME's extensive subsea cable systems have continued to be vital in the Group's ability to meet demand for bandwidth and the provision of high-quality connectivity services and offerings to customers both domestically and globally.

The COVID-19 pandemic has been felt globally with many businesses downsizing their presence across regional markets. The Group countered this by reviewing its pricing strategy and leaned into repackaged offerings bundled with software-defined solutions that answered the market's call for cost efficiency.

The Group continues to maximise the capacity of its international subsea cable systems while ensuring that product innovation delivers solutions that are flexible, secure and reliable to customers.

DATA CENTRES

The Group's data centre operations, AIMS, is a carrier-neutral data centre service provider and also home to the Malaysia Internet Exchange ("MyIX"). In FY2021, AIMS was awarded Malaysia Data Centre Services Provider of the Year for the fourth time running by Frost & Sullivan.

On the back of expedited digitalisation trends and various other developments, TIME's data centre operations continued to experience robust, double-digit growth.

Among the contributing factors were the increased demand for data and data-related services driven by the OTT customer segment, increased adoption of cloud-based services, the shift to more digitalised communication for work and education, and increased consumption of eCommerce as well as other online services.

Overall, demand for data centre and related services, which included cloud solutions from AVM Cloud, in FY2021 grew by 87% year-on-year. With the first phase of the new Cyberjaya facility starting its operation in Q3 2021, the Group's total net lettable area has increased by 35% to reach 111,640 sq ft in FY2021.

Location	Net Lettable Area (Sq Ft)
Kuala Lumpur	61,420
Cyberjaya	43,200
Others	7,020
TOTAL	**111,640**

ASEAN

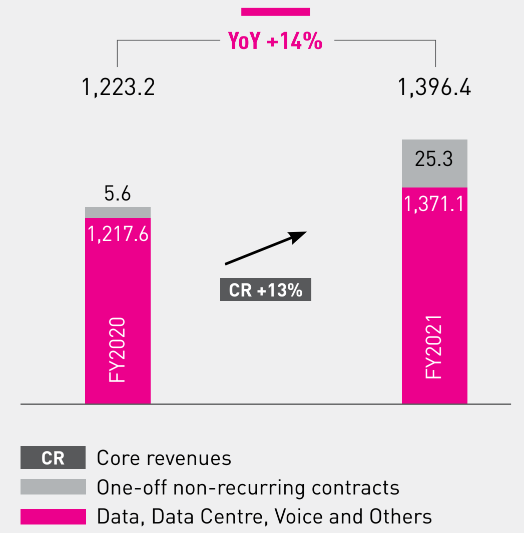
The Group's operations in Southeast Asia followed similar trends to Malaysia. Revenue and earnings remained on the uptrend, which supports TIME's regional diversification strategy given the highly competitive marketplace in Malaysia.

The continued expansion of TIME's presence in Thailand, Cambodia and Vietnam enables the continued development of multiple income streams while entrenching the Group as a regional telco player. Furthermore, the anticipation of the need for Global customers to reduce costs can be leveraged by tapping into TIME's regional ecosystem to achieve their business goals.

FINANCIAL REVIEW

GROUP REVENUE PERFORMANCE

TIME Group Revenue (RM'million)



Operating Revenue	FY2020 RM'million	FY2021 RM'million
Within Malaysia	1,150.2	**1,322.7**
Outside Malaysia	73.0	**73.7**
	1,223.2	**1,396.4**

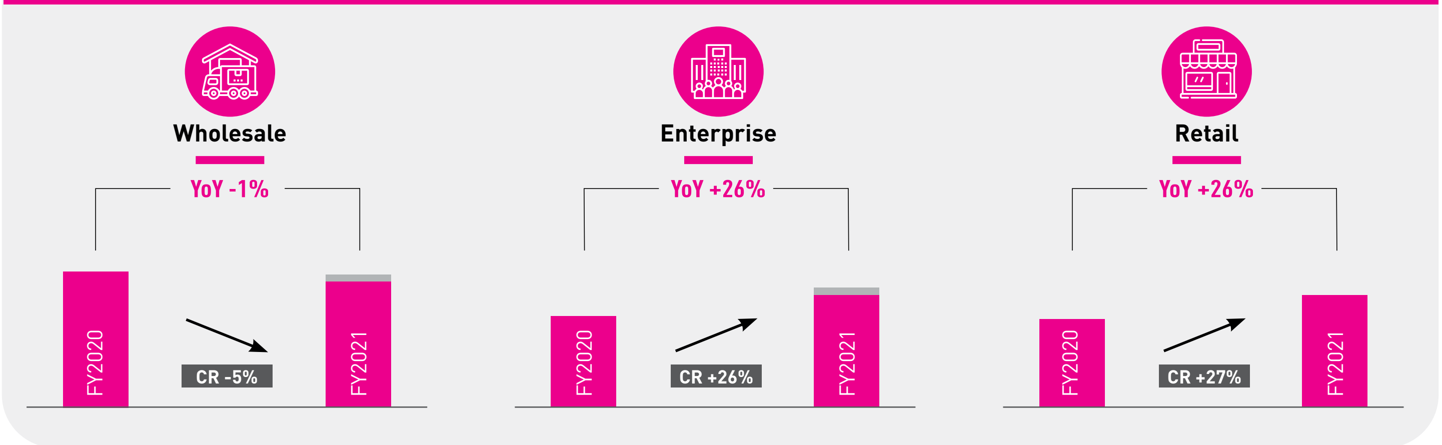
In FY2021, TIME posted a 14% year-on-year increase in revenue to RM1,396.4 million (FY2020: RM1,223.2 million). Revenue from all core product groups posted an increase with the exception of the voice product group.

One-off revenues from non-recurring contracts accounted for RM25.3 million out of the total consolidated revenue recognised in FY2021 (FY2020: RM5.6 million).

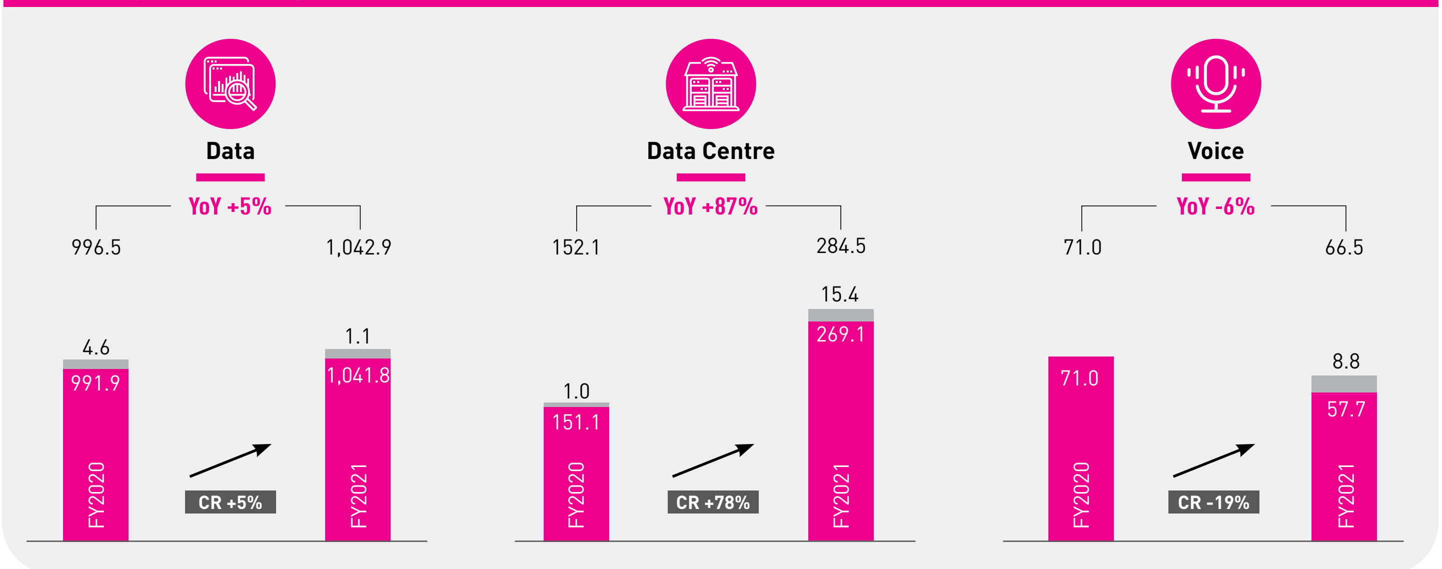
Excluding one-off revenues from non-recurring contracts, the overall consolidated revenue in the twelve-month period of FY2021 would have shown an increase of RM153.5 million or 13% when compared to FY2020.

All core customer segments except the Wholesale segment, contributed positively to overall revenue growth in FY2021. Malaysia remained the largest source of revenue, accounting for 95% of total Group revenue with the balance coming from overseas operations.

Revenue by Customer Segment



Revenue by Product Group



CR Core revenues | One-off non-recurring contracts | Data, Data Centre, Voice and Others

As in the previous financial year, revenue growth in FY2021 was also achieved on the back of stronger contribution from the data centre and data product groups.

In FY2021, both data and data centre product groups registered higher revenues of RM1,042.9 million and RM284.5 million, respectively. Excluding one-off revenues from non-recurring contracts, this reflected a year-on-year improvement of 5% and 78%, respectively. The higher revenues in the data centre product group were supported by the inclusion of AVM Cloud offerings.

TIME saw continued strong revenue growth in the Retail customer segment with an increase of 26% due to the rise in Internet users caused by the shift toward working and learning from home. The Enterprise customer segment also saw an increase in revenue growth of 26% year-on-year because of the accelerated push to digitalisation.

The Wholesale customer segment registered a slight decrease of 1% in revenue. The challenges seen in the Wholesale space in the second half of FY2020 extended into FY2021.

INCOME STATEMENT

RM'million	FY2020	FY2021	YoY Variance %
REVENUE	1,223.2	1,396.4	**14%**
EBITDA	567.1	689.2	**22%**
PROFIT BEFORE TAX (PBT)	423.1	532.7	**26%**
PROFIT AFTER TAX (PAT)	326.9	396.8	**21%**
Adjustments on EBITDA:			
Donation for fight against COVID-19	2.7	-	
Forex loss/(gain)	16.2	(19.1)	
Construction deposit and PPE written off	4.3	3.5	
Reversal of overprovision for financial guarantee	-	(1.0)	
Total adjustments on EBITDA	**23.2**	**(16.6)**	
Adjustments on PBT and PAT:			
Dividend income	(3.1)	(0.4)	
Total adjustment on PBT and PAT	**(3.1)**	**(0.4)**	
Adjusted EBITDA	**590.3**	**672.6**	**14%**
Adjusted PBT	**443.2**	**515.7**	**16%**
Adjusted PAT	**347.0**	**379.8**	**9%**

Earnings before interest, tax, depreciation and amortisation ("EBITDA") in FY2021 grew to RM689.2 million which is 22% higher year-on-year (FY2020: RM567.1 million).

PBT was higher at RM532.7 million, a 26% improvement year-on-year (FY2020: RM423.1 million). Earnings improved on the back of stronger top-line performance, improved operational and cost efficiency, higher interest income and increased share of profits from associates.

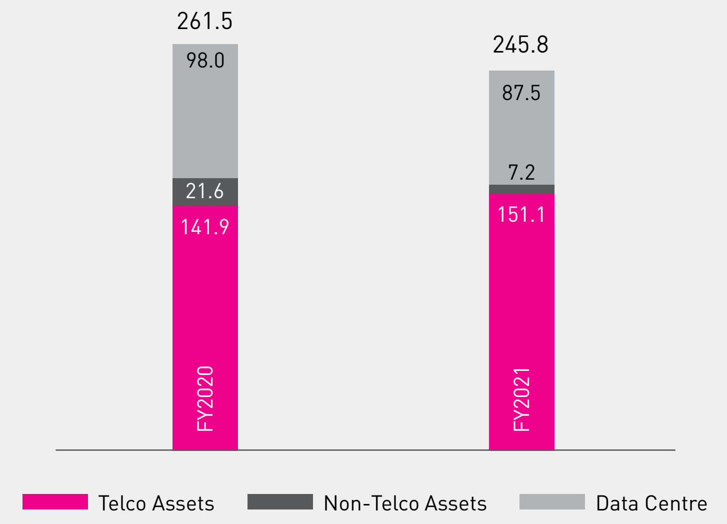
PAT stood at RM396.8 million (FY2020: RM326.9 million), 21% higher year-on-year. Over the course of FY2021, TIME recorded higher income tax expense as a result of higher current year tax due to increased profitability and deferred tax expense as the Group has been utilising accumulated tax losses and capital allowances.

The Group's earnings were impacted by a provision for construction deposits, and property, plant and equipment ("PPE") write-offs of RM3.5 million (FY2020: RM4.3 million) as well as net foreign exchange gains and a reversal of overprovision for financial guarantee of RM19.1 million and RM1.0 million, respectively.

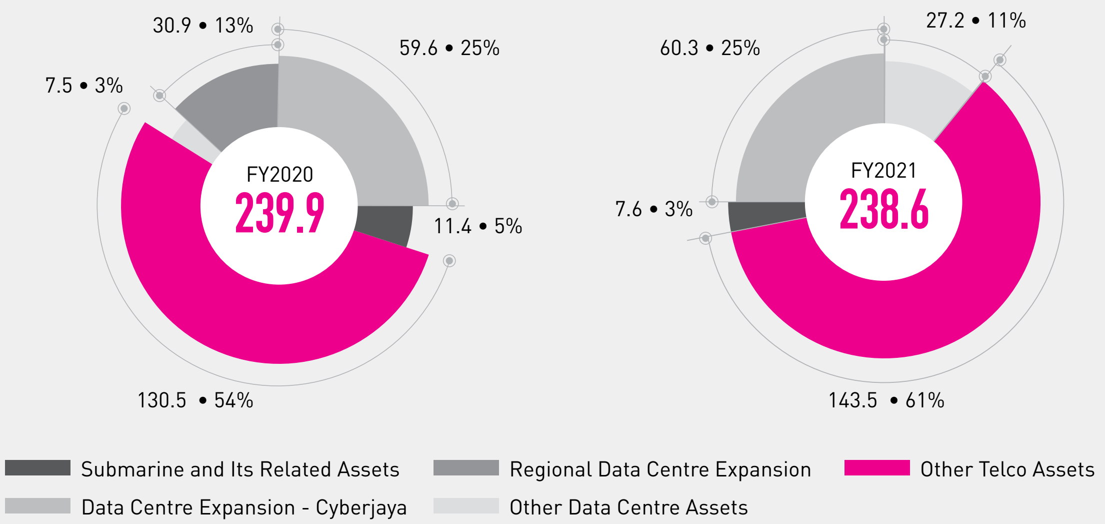
Excluding the above, as well as other non-operating adjustments (as disclosed in the above table), TIME's adjusted EBITDA for FY2021 was RM672.6 million (FY2020: RM590.3 million). A similarly adjusted PBT also showed a 16% increase year-on-year to reach RM515.7 million in FY2021 (FY2020: RM443.2 million).

CAPITAL EXPENDITURE

CAPEX Breakdown (RM'million)



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



Group CAPEX for FY2021 was recorded at RM238.6 million, driven by investment in telecommunications assets and network rollout as well as for the expansion of data centres. Total CAPEX in FY2021 was 18% of total FY2021 revenues. CAPEX was funded both by internally generated funds and third-party borrowings. Internally generated funds are supported by healthy cash flows.

CASH FLOW

	FY2020 RM'million	FY2021 RM'million
Net cash inflow from operating activities	641.2	**632.0**
Net cash outflow from investing activities	(264.1)	**(333.4)**
Net cash inflow from operating and investing activities	377.1	**298.6**
Net cash outflow from financing activities	(131.4)	**(255.4)**
Net increase in cash and cash equivalents	245.7	**43.2**
Exchange effects on cash and cash equivalents	(3.8)	**4.1**
Cash and cash equivalents at beginning of the year	506.9	**748.8**
Cash and cash equivalents at end of the year	748.8	**796.1**

As at 31 December 2021, on the back of healthy cash flows generated from operations, TIME's cash and cash equivalents position stood at RM796.1 million, 6% higher year-on-year (FY2020: RM748.8 million).

The Group reported a net cash outflow of RM333.4 million (FY2020: RM264.1 million) from investing activities, a year-on-year increase of 26%.

Investing activities comprised RM300.4 million of new PPE and RM44.7 million of acquisition of a new subsidiary, net of cash and cash equivalents acquired. The amount is set-off by investment income receipts totalling RM11.6 million in FY2021, arising mainly from dividend receipts from associates and interest income, as well as proceeds from disposal of PPE totalling RM0.1 million.

Net cash outflow from financing activities was RM255.4 million (FY2020: RM131.4 million), a 94% increase year-on-year. The amount includes proceeds from term loans and borrowings, and higher cash dividends of RM350.1 million (FY2020: RM170.0 million) paid.

DIVIDENDS

On 26 November 2021, the Group declared a special interim tax exempt (single tier) dividend of 8.22 sen per ordinary share which was paid out on 22 December 2021.

On 25 February 2022, the Group declared an ordinary interim and a special interim tax exempt (single tier) dividend for FY2021 of 10.86 sen and 2.29 sen per ordinary share, respectively. The dividends were paid out on 23 March 2022.

New Dividend Policy for FY2021

> **"The Company has adopted a new dividend policy to pay an annual ordinary dividend of up to 50% (previously 25%) of the Group's Normalised Profit after Tax provided that such distribution will not be detrimental to the Group after taking into account its working capital needs as well as long term capital requirements. The Group's Normalised Profit after Tax is defined as the Group's audited consolidated Profit after Tax."**

BALANCE SHEET

	FY2020 RM'million	FY2021 RM'million
ASSETS		
Non-current assets	2,698.2	**2,775.8**
Current assets	1,202.4	**1,345.5**
Total assets	3,900.6	**4,121.3**
EQUITY AND LIABILITIES		
Equity		
Share capital	1,340.5	**1,379.1**
Reserves	1,704.4	**1,762.2**
Total equity attributable to owners of the Company	3,044.9	**3,141.3**
Non-controlling interests	5.4	**22.2**
Total equity	3,050.3	**3,163.5**
Non-current liabilities	463.8	**556.9**
Current liabilities	386.5	**400.9**
Total liabilities	850.3	**957.8**
Total equity and liabilities	3,900.6	**4,121.3**
Net assets per share attributable to ordinary owners of the Company	RM1.68	**RM1.72**

The Group's overall balance sheet remains healthy with assets far exceeding liabilities.

The Group's asset position had strengthened to RM4,121.3 million, 6% higher year-on-year (FY2020: RM3,900.6 million). The growth in total assets is attributed to the following:

- Increase in PPE of RM131.1 million due to the aforementioned network expansion, data centre expansion in Cyberjaya and addition of AVM Cloud's assets into the Group in order to meet growing demand;
- The acquisition of AVM Cloud resulting in the recognition of RM38.0 million goodwill;
- Increase in trade and other receivables of RM93.4 million due to higher revenue, higher construction deposits, escrow account of RM8.0 million held in trust by a trustee for the acquisition of AVM Cloud and RM6.2 million deposit for the purchase of a building;
- Increase in cash and cash equivalents of RM47.3 million on the back of strong revenue growth and improved collections in FY2021; and
- Offset by lower deferred tax assets of RM109.5 million.

In FY2021, total liabilities increased by RM107.5 million to reach RM957.8 million.

The most significant changes in liabilities came from higher loans and borrowings due to drawdown of a term loan of RM100.0 million in FY2021 to fund AIMS Cyberjaya.

LOANS & BORROWINGS

	FY2020 RM'million	FY2021 RM'million
Non-current		
Term loans	28.7	**108.0**
Current		
Term loans	14.0	**22.5**
Revolving credit	4.1	**-**
Total loans & borrowings	46.8	**130.5**

As at 31 December 2021, the Group's gearing ratio stood at 4% (FY2020: 2%). The combination of the Group's low gearing position and its strong cash balance not only indicates that the Group is in a strong and healthy financial position but also displays the Group's abundant capacity to access more funding through debt should the need arise.

RISK MITIGATION

TIME continues to review its strategic, business and operational risks in tandem with changes in the external operating environment as well as any changes to its business model, business strategies and processes. This includes pandemic-induced risks such as global chipset shortage, cyberthreats, supply chain disruptions and regulatory issues.

Accordingly, the Group's Risk Register was initially updated in 2020 with the onset of the pandemic. The Risk Register and Risk Matrix has, in FY2021, been further assessed by the Board of Directors and Senior Management to ensure the most comprehensive and current risk scenarios have been included in the overall approach to risk management.

In addition, the TIME Business Continuity and Disaster Recovery plans have also been scrutinised by the Board and Senior Management. Both 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 are provided in the **Statement on Risk Management and Internal Control** ("SORMIC") of this Annual Report.

OUTLOOK AND PROSPECTS

The Group is optimistic that recovery will continue across the board as the national economy continues to reopen and movement restrictions are relaxed.

The Group's robust business strategy will underpin the continued resilience of its business and financial performance. However, the Group will stay vigilant and monitor potential disruptive events such as the emergence of new COVID-19 variants or any other possible global and local disruptions in order to be responsive or to devise the relevant mitigation strategies.

Operational resilience and agility remain a priority to the Group as it continues to deliver network availability and stability to its customers. In addition to this, the Group stays committed to the health and well-being of its employees and stakeholders.

The Group is poised to seize any opportunities that emerge as the nation moves along its recovery path. Demand for TIME's products and services has remained strong - the result of shifting customer behaviour caused by the pandemic. The Group will continue to expand its coverage footprint, in line with the Government's objectives under JENDELA and the Malaysia Digital Economy blueprint.

The acceleration of Malaysia's digital economy aspirations has also accelerated the demand for connectivity and digital solutions. Demand within the cloud and data centre markets are expected to continue to grow. With AVM Cloud and the Group's newly operationalised data centre, AIMS Cyberjaya, the Group is well-positioned to capitalise on opportunities in this space.

The Group's regional aspirations remain unchanged, and the Group will continue to focus on meeting demands for cross-border connectivity and regional data centres. TIME will continue to leverage its business strengths for continued sustainable growth and success.

SUSTAINABILITY STATEMENT

ABOUT THIS REPORT

SCOPE & BOUNDARY

This Sustainability Statement ("Statement") covers the period from 1 January 2021 to 31 December 2021. All initiatives and performance data disclosed are derived from the Group's operations in Malaysia, which includes domestic subsidiaries. Excluded are associates, overseas operations, third party contractors, suppliers, vendors and other related value chain partners.

This statement has been prepared in line with Bursa Malaysia's Sustainability Reporting Guide Second Edition. Where relevant, select disclosures have been developed in reference to the Global Reporting Initiative ("GRI") Standards.

MATERIALITY

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

1. Topics that are material to financial value creation
2. Topics that are material to stakeholders and indirect value creation

RESTATEMENTS OF INFORMATION

This Statement contains some restatements of information from the previous year's reporting, including information on stakeholder engagement, the governance structure and 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

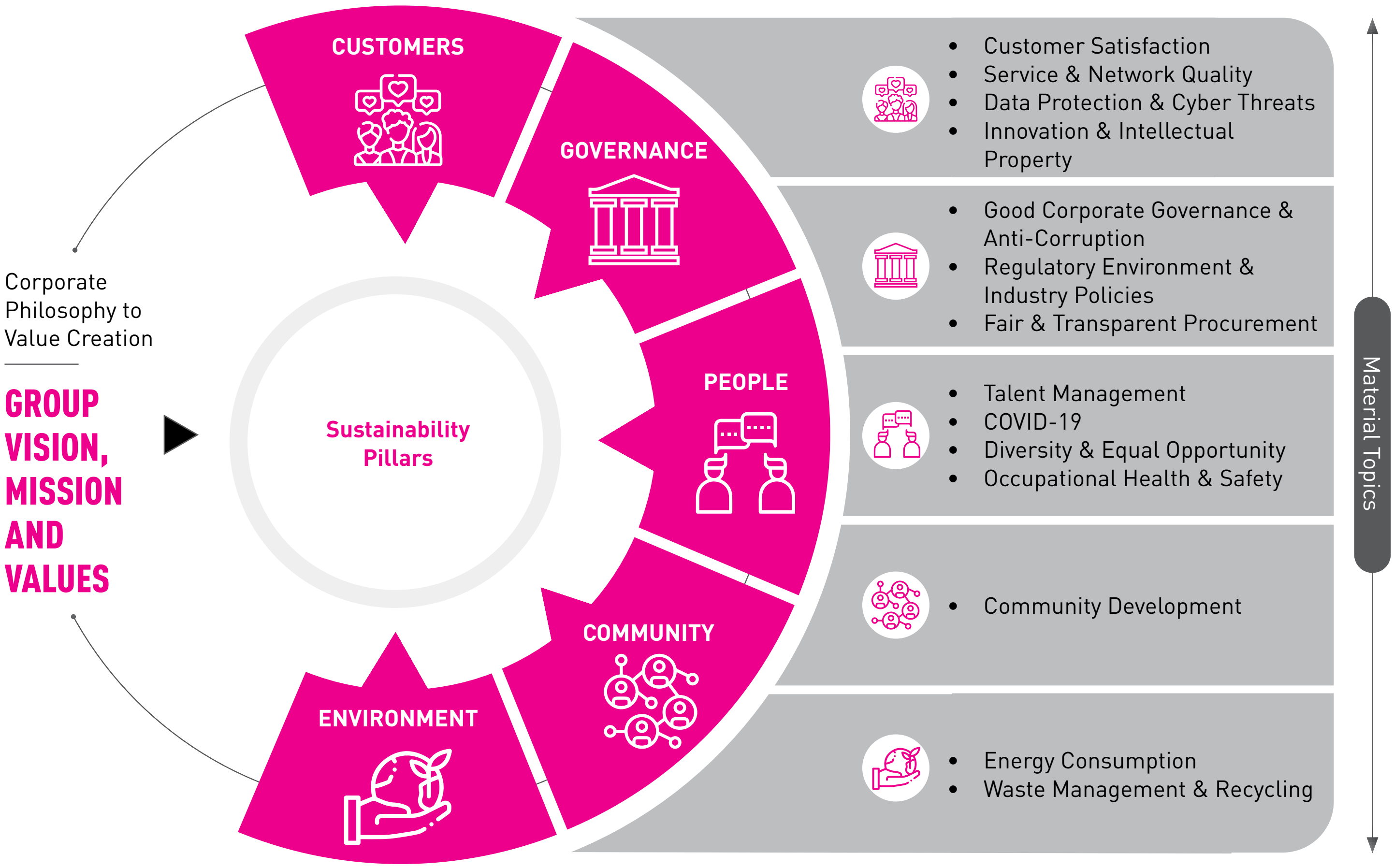
TIME has applied the precautionary approach, as reflected via its risk mitigation strategies and framework and in preventing occupational health and safety ("OHS") incidents. For specific information, please refer to the **Statement on Risk Management and Internal Control ("SORMIC")** on page 70 and the subsection on OHS on page 38.

DRIVING THE SUSTAINABILITY AGENDA

Sustainability continues to grow in significance in relation to TIME's business model, strategies and value creation. As the Group improves on incorporating economic, environmental and social ("EES") related elements into its business and financial performance, it has remained sensitive to the undercurrents that have propelled sustainability from being an optional practice to one that is expected of businesses.

Sustainability remains an important topic that the Board of Directors ("Board") and Senior Management discuss and subsequently cascades down, via the Group's sustainability governance structure on page 20.

The Group's approach is driven by the following sustainability pillars, which are aligned with the Group's material topics:



SUSTAINABILITY GOVERNANCE

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

The structure ensures that sustainability is not disconnected from the strategic thinking of the Group. Rather, it becomes a central focus for value creation where sustainability matters can be effectively deliberated, assessed and subsequently, appropriate action plans developed.

A firm reporting structure has been established with supporting levels that extend to the Board and Senior Management. The structure comprises the Board and the Sustainability Steering Committee ("SSC"), who are responsible for the formulation of the Group's overall sustainability strategy and the Sustainability Working Group ("SWG"). From here on, sustainability is then cascaded across the Group to all divisions and departments.

This enables sustainability to take root across the organisation's culture, supporting the development of a desired mindset; one where key themes such as diversity and inclusivity, corporate integrity and ethical behaviour, respect and professional accountability can be established as the norm for TIME.

The Sustainability governance structure has oversight on all EES topics deemed material.

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.

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** of this Annual Report.

The Group follows the stipulated practices of the MCCG 2021. Details for how the stipulated practices have been applied can be found in the **Corporate Governance Report**.

EMBEDDING EES FOCUS INTO GROUP RISK MANAGEMENT

Increasingly, risks arising from material EES topics are being included in TIME's overall risk management approach. Tangible linkages between EES concerns and issues, and their potential impact on operational and financial performance are being established.

The linkage between EES risks and business impacts will be further strengthened in the short to medium-term with the development of key performance indicators ("KPIs") and targets to mitigate risks.

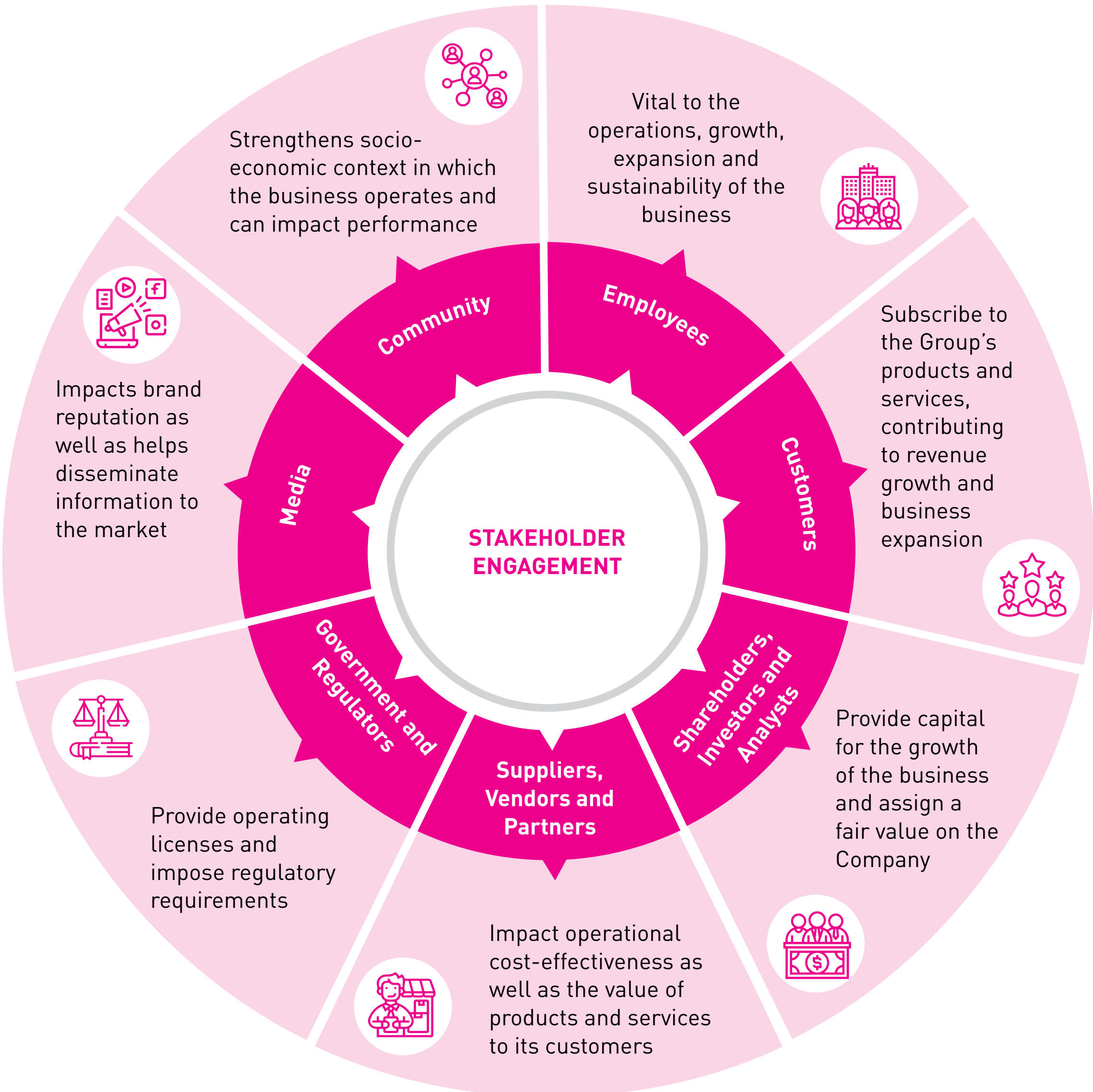
Detailed information on the Group's Risk Management Framework and its defence mechanisms are provided in the **SORMIC** of this Annual Report.

STAKEHOLDER ENGAGEMENT

TIME continues to actively engage its stakeholders by utilising a combination of digital and conventional communication mediums. Stakeholder engagement is essential towards ascertaining the perspectives, needs and concerns of stakeholders and to include these in the determination of material EES topics.

The views of stakeholders are vital in ensuring that TIME remains in touch with its stakeholders, that its approach to value creation is aligned to delivering desired outcomes for stakeholders and that results achieved continue to be mutually beneficial.

Given that the Group's stakeholders have remained relatively unchanged during the second COVID-19 pandemic year, the information on stakeholder engagement channels, material interests and strategies are a restatement from the previous year.



Employees

Related Material Topic(s)	Strategy	Engagement Method	Material Stakeholder Interest
• Talent Management • COVID-19 • Diversity & Equal Opportunity • Occupational Health & Safety	Ensure the safety and well-being of employees and maintain consistent engagement with employees in light of the COVID-19 pandemic and work from home arrangements. Talent retention and development are also key focus areas	• Intranet, newsletters and broadcasts • Employee self-service portal • Engagement events such as culture, training and development programmes • Virtual town halls conducted over FY2021 • Annual performance appraisal • Employee satisfaction survey	• Personal and career development • Safety and well-being while working under an ever-changing environment due to COVID-19 • Consistent communication with management and leadership • Competitive remuneration

Customers

Related Material Topic(s)	Strategy	Engagement Method	Material Stakeholder Interest
• Customer Satisfaction • Service & Network Quality • Data Protection & Cyber Threats • Innovation & Intellectual Property • Good Corporate Governance & Anti-Corruption • COVID-19 • Community Development	Ensure that customers are kept informed of offerings available to them and other related developments as well as providing various channels for customer feedback	• Contact centre hotline and email • Social media • Advertising & promotions • Client/service managers • Tactical events, roadshows, conferences, webinars, etc.	• Fast and consistent Internet connectivity • Value offerings • Prompt resolution to issues • Extensive product suite, especially for Enterprise and Wholesale customers • Multi-channel payment methods that best suit customers

Shareholders, Investors and Analysts

Related Material Topic(s)	Strategy	Engagement Method	Material Stakeholder Interest
• Customer Satisfaction • Service & Network Quality • Data Protection & Cyber Threats • Innovation & Intellectual Property • Good Corporate Governance & Anti-Corruption • Regulatory Environment & Industry Policies • COVID-19	Ensure that shareholders, investors and analysts are kept updated on the financial and non-financial performance of the Group	• Shareholder updates • Virtual briefings, meetings and conferences • Investor relations page on website • Financial reports • Annual report • Virtual annual general meeting • Virtual extraordinary general meeting	• Business strategy for long-term sustainable growth • Sound corporate governance practices • Transparency regarding business operations, financial performance and related developments affecting the Group • Consistent dividend payout

Suppliers, Vendors and Partners

Related Material Topic(s)	Strategy	Engagement Method	Material Stakeholder Interest
• Good Corporate Governance & Anti-Corruption • Regulatory Environment & Industry Policies • Fair & Transparent Procurement • COVID-19 • Occupational Health & Safety	Ensure two-way dialogue to support constant improvement, performance monitoring/feedback and updates on internal policies to achieve alignment	• Virtual meetings • Supplier assessment system • Product launches • Virtual briefings and trainings	• Health and safety standards • Fair procurement and treatment • Business collaboration opportunities • Operational and business innovations

Government and Regulators

Related Material Topic(s)	Strategy	Engagement Method	Material Stakeholder Interest
• Customer Satisfaction • Service & Network Quality • Data Protection & Cyber Threats • Good Corporate Governance & Anti-Corruption • Regulatory Environment & Industry Policies • Community Development	Ensure that the Group is compliant with government and regulatory requirements and guidelines	• Virtual and physical meetings • Reports • Participation in government and regulatory events and initiatives (e.g. JENDELA, etc.)	• Regulatory compliance • Bridging digital divide • Protecting consumer interests e.g. fair pricing, quality of services, etc.

Media

Related Material Topic(s)	Strategy	Engagement Method	Material Stakeholder Interest
• Customer Satisfaction • Service & Network Quality • Data Protection & Cyber Threats • Innovation & Intellectual Property • Regulatory Environment & Industry Policies • COVID-19	Ensure that the media is kept up to date on the Group's business e.g., company growth, business strategy and direction, new products and services, etc.	• Social media • Press releases • Media coverage • Updates on product and service launches • Website	• Latest updates on business, products, and services • Transparency on business performance and related developments affecting the Group

Community

Related Material Topic(s)	Strategy	Engagement Method	Material Stakeholder Interest
• Service & Network Quality • Data Protection & Cyber Threats • Good Corporate Governance & Anti-Corruption • Regulatory Environment & Industry Policies • COVID-19 • Community Development	Ensure the Group's products and services serve to impart a positive impact on the community as well as maintaining brand awareness to help the Group grow as a socially responsible corporate citizen	• Social media • CSR activities • Advertising and promotions • Website	• Ensuring access to Internet connectivity • Building national digital infrastructure to bridge digital divide • Assisting the government in digitalising key aspects of its pandemic response

Compared to FY2020, there was a higher level of adaptation in FY2021 to the COVID-19 pandemic and there were more opportunities for physical engagements with relevant authorities. Nevertheless, online communications remained the primary mode of interaction amongst industry players and the government sector. Active regulatory engagement continued with MCMC and other stakeholders.

Amongst others, TIME's participation in JENDELA continued with bi-weekly updates to regulators. The Company also actively supported MCMC and took part in in-depth discussions on the implementation of targets and expected outcomes for each quarter.

The country also saw an unprecedented calamity where several states experienced major floods in December 2021 that severely affected the lives of thousands of people. The disaster also affected the telecommunications services around the impacted locations. The Group actively participated in the Operasi Bantu Hingga Selesai ("Ops BAHIS"), a post-disaster relief program incepted by the Ministry of Communications and Multimedia to alleviate the difficulties faced by the victims.

MATERIAL EES TOPICS

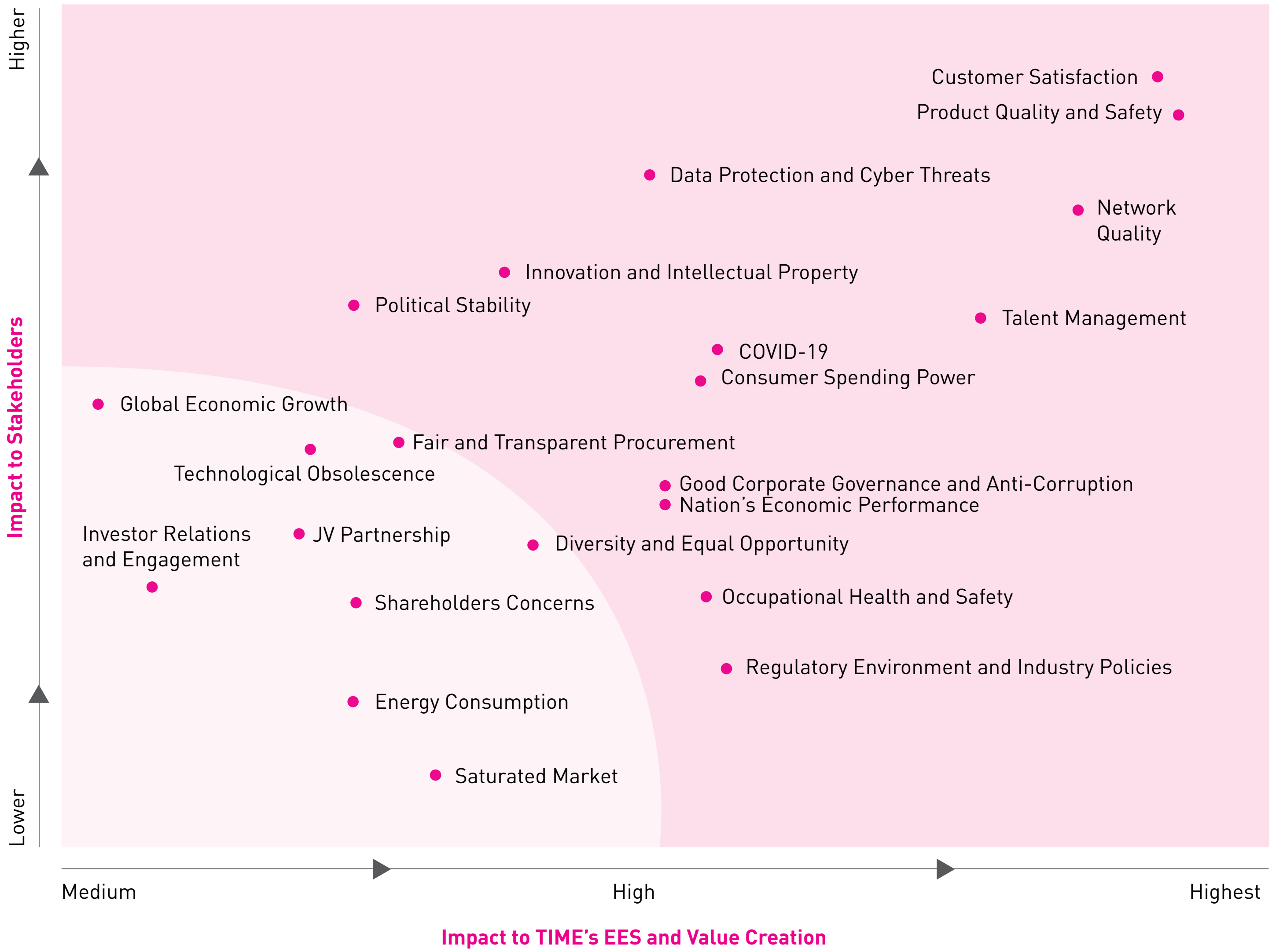
In ascertaining material EES topics, TIME employs the following approach or criteria:

1. Extent of topic's EES impact
2. Extent of topic's ability to impact create financial growth
3. Extent of topic's importance/impact on stakeholders

Given that there were no material changes to the Group's business model or its business operations and the continued prevalence of the COVID-19 pandemic into FY2021, the Group's operating conditions in FY2020 and FY2021 were comparatively similar.

Hence, the materiality matrix from FY2020 remains valid and has been restated for FY2021.

Materiality Matrix (Medium & High Range)



CUSTOMERS

CUSTOMER SATISFACTION

The satisfaction of TIME's customers is critical towards ensuring customer retention and new customer acquisition as well as driving brand appeal and preference. Amidst a highly competitive operating landscape where customers have many options for telecommunications services, the significance of customer satisfaction is more pronounced towards supporting business and financial performance.

Hence, TIME continues to focus on ensuring customer satisfaction at all touchpoints across the service delivery process. All engagements are assessed using various feedback mechanisms to gauge customers' satisfaction levels of their interaction with TIME.

Surveys are conducted periodically to obtain accurate assessments on whether TIME's commitments such as service uptimes, broadband speeds and more, are delivered as promised.

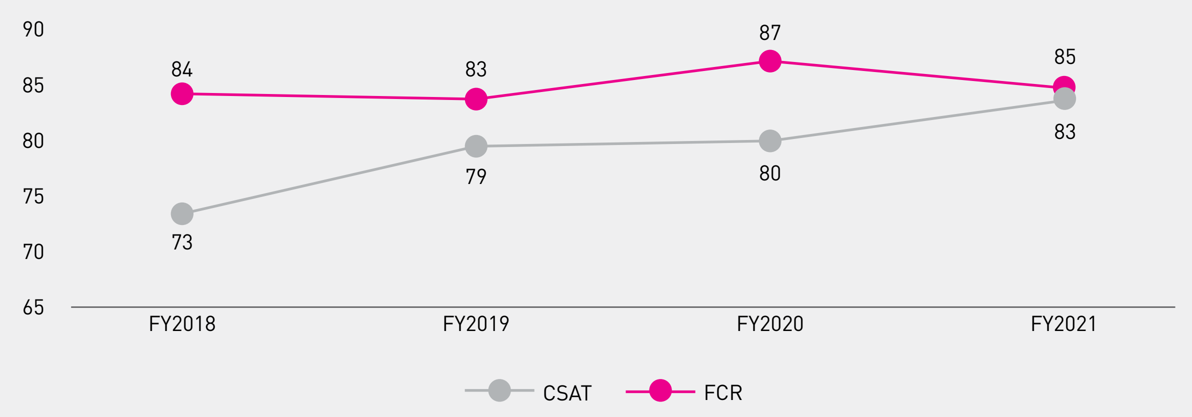
Increasingly, technology is being leveraged to deliver predictive and customised services. Recent innovations employed by TIME include chatbots, customer self-service portal ("Self Care"), TIME Internet app, interactive voice response ("IVR") and other digital platforms, which together with conventional mediums (i.e. customer care hotline and emails), provide multiple channels for customers to seek round-the-clock assistance in getting the most from their TIME services.

Some of the key initiatives undertaken in FY2021 regarding customer satisfaction and service are as follows:

- Launched router upgrade plans to ensure customers have the latest devices and can benefit from improved speeds
- Provided mesh units for new customers to enjoy better coverage in the home
- Various improvements to the customer self-service platform so customers can obtain information with ease
- Developed a microsite that allows customers to quickly check the status of their service
- Use of WhatsApp to disseminate updates to customers
- Notification of key processes to ensure full transparency
- Created multiple self-help videos and guides so customers are empowered to address various requirements independently
- Shortened duration taken from the moment customer calls to actual house calls made by technicians
- Improvement of remote support and troubleshooting services
- Digitalisation (partial) of key processes that enable further simplicity and ease of use for customers

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 FY2021. The Group was also able to retain a first call resolution ("FCR") rate within the same range.

CSAT and FCR Scores (%)



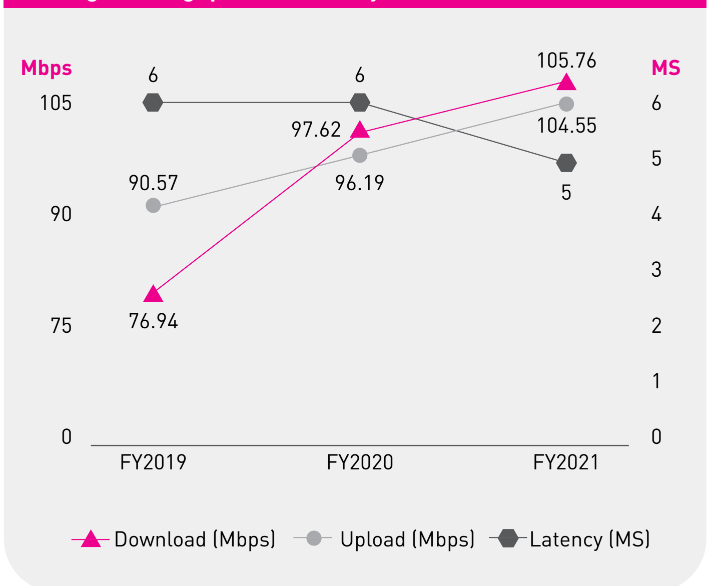
In addition, TIME has reduced the mean time to respond ("MTTR") by 50% with an average of 7 hours in FY2021 compared to an average of 14 hours in FY2020 due to various movement restrictions. MTTR is defined as the average time it takes to troubleshoot and repair faulty or damaged equipment.

Despite the ongoing pandemic, technician visits to customers' premises were still carried out to troubleshoot more complicated and technical issues. All technicians abided by the SOPs and continued to wear masks, practiced social distancing, completed a health declaration form and underwent temperature checks to reduce risk of infection.

SERVICE AND NETWORK QUALITY

Network quality is a key aspect of ensuring customer satisfaction. TIME is committed to providing continually improving availability and quality services, and lower latency network performance by constantly optimising its network infrastructure including fibre routing, network health, operation processes and automation. As a result, TIME was ranked Malaysia's Most Consistent Broadband Provider based on analysis by Ookla® of Speedtest Intelligence® data from Q1 2020 through Q4 2021.

Average Throughput and Latency



Note:

1. *Results obtained from analysis by Ookla® of Speedtest Intelligence® data.*
2. *Latency refers to the time taken to transmit data across a network to its destination. A lower latency time ensures minimum delay in processing data over the connection.*

Network virtualisation and modernisation is a constant, ongoing process driven by a comprehensive technology roadmap that is aligned closely to the Group's business strategies. Network maintenance and improvement is one of the main costs incurred by any telecommunications operator but is essential towards ensuring continued satisfaction of service delivery and customer experience.

TIME is constantly upgrading its network and products to elevate the in-home Internet experience. In FY2021, the Group has continued to ensure excellent connectivity through the latest Smart WiFi technology that ensures everyone in the household gets connected to the strongest, fastest signal automatically.

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

Various security enhancements were introduced to TIME's underlying network infrastructure for data protection and the prevention of cyber threats, including:

- Implementation of SecureDNS for 500Mbps and 1Gbps broadband plans to improve home device security automatically
- Expansion of Anti-Distributed Denial of Service ("DDoS") infrastructure capacity to handle cyberattacks
- Implementation of Zero-trust Access to facilitate authorised work-from-anywhere and prevent ransomware infection to customers' critical systems

Furthermore, the certifications below are proof of TIME's commitment to innovation and industry standards on top of delivering best-in-class services for its customers:

Certifications/ Compliance	Description	Products/Services/Business
ISO 9001:2015 Quality Management System	Quality Management System 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, 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, 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

The Group also holds the distinction for several industry-firsts that have set a new benchmark for network and service quality in Malaysia:

1ST IN MALAYSIA
to achieve the MEF 3.0 LSO Sonata certification

1ST IN SOUTHEAST ASIA
to achieve the MEF 3.0 SD-WAN certification

1ST MALAYSIAN CLOUD PROVIDER
to obtain CSA STAR Level 2 certification

1ST MALAYSIAN TELCO PROVIDER
to leverage Fortinet's technology for virtualised edge security solution

DATA PROTECTION AND CYBER THREATS

TIME is bound by the Personal Data Protection Act 2010 ("PDPA") in keeping all pertinent data safe, including customer data. Beyond adhering to the PDPA, TIME adopts a wide range of ICT-based systems to ensure safe storage of data which includes firewalls and other protection mechanisms. Data integrity and confidentiality is always prioritised.

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 always encrypted to ensure safety.

In FY2021, there were zero cases of data breach. All DDoS attacks faced in FY2021 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. The certifications below are proof of TIME's robust approach to ensuring data and network security against cyberthreats.

Certifications/ Compliance	Description	Products/Services/Business
ISO/IEC 27001:2013 Information Security Management System	ISMS outlines the requirements for information security management systems and provides a systematic approach to managing company and customer information based on periodic risk assessments.	TIME Cloud Services, TIME Security Advance Monitoring, Data Centre Managed Services, TIME Core Network Services
ISO/IEC 27017:2015 Security Control for Cloud Services	An additional code of ISMS practice used for cloud services information security controls.	TIME Cloud Services
ISO/IEC 20000-1 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 ("ITIL"), 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, Co-location
TVRA	A Threat and Vulnerability Risk Assessment ("TVRA"), as per the requirements of the Monetary Authority of Singapore ("MAS") Technology Risk Management Guidelines ("TRM"), 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, AIMS CJ1

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, 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, 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, AIMS CJ1

Customers can also 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.

GOVERNANCE

GOOD CORPORATE GOVERNANCE

In order to reflect relevant changes and align with the corporate governance practices of the MCCG 2021 related to sustainability, the Company has made the following changes:

1. Amendment to the Nomination and Remuneration Committee ("NRC") terms of reference ("TOR")

2. Amendment to the Policy on Nomination and Assessment Process of Board Members

3. Establishment of a Group-wide Sustainability Policy and Framework to address EES matters, and broad goals, objectives and plans in relation to material topics. It has been included in the 2022 Annual Operating Plan ("AOP") in compliance with Practice 4.1 MCCG 2021. The Sustainability Policy can be viewed here:

   www.time.com.my/TIME-sustainability-policy

For details on the amendments above, please refer to TIME's **Corporate Governance Report** for FY2021.

In compliance with the recently introduced paragraph 15.01A of Bursa Listing Requirements, the Group is also working towards formulating a fit and proper policy for the appointment and re-election of directors on or after 1 July 2022.

DRIVING GOOD GOVERNANCE THROUGH OPERATIONAL SITE CERTIFICATION

TIME continuously aligns itself to certifications that are incorporated into the current scope of business.

In FY2021, TIME's Core and Metro Ethernet networks (IP Core, DWDM, ME and GPON) continued to comply with BNM's RMiT Guidelines for NRA.

All operational sites and 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 Carrier Ethernet (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 AND LEGISLATION

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

- 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
- Commission Determination and Mandatory Standards:
  - Commission Determination on the Mandatory Standard on Access, Determination No. 3 of 2016
  - Commission Determination on the Mandatory Standard on Access Pricing, Determination No. 1 of 2017
  - Commission Determination on Access List Determination, Determination No. 2 of 2015
  - Commission Determination on the Mandatory Standards for Quality of Service (Wired Broadband Access Service)
  - Determination No. 2 of 2016 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 N0. 3 of 2009
- 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
- Bursa Malaysia Listing Requirements for Main Market
- Malaysian Code on Corporate Governance 2021

In addition, TIME has also complied with the latest policies released by the industry regulator, 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 Notice No. 1 of 2021

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 (Act 694), TIME implemented its Anti-Bribery & Corruption ("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 Policy defines what corrupt acts are and strictly prohibits them to be carried out in any manner within the Group or in any dealings involving the Group or its agents. As such, the Policy extends to any engagements/interactions between agents 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 that can constitute bribery and corruption. It also stipulates what punitive actions will be taken for non-compliance.

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

On 25 January 2021, the ABC Policy was updated to include customers as one of the stakeholder groups in the policy.

Consequently, on 11 March 2022, further amendments were implemented to provide better clarity and are best suited to TIME's practices. The key amendments to the policy can be viewed here:

www.time.com.my/2022-TIME-ABC-Policy

A number of key initiatives were carried out under the ABC programme from June 2020 onwards. This includes training and awareness sessions for TIME staff and third-party providers ("3PP"), inclusion of an ABC clause into contracts with customers, introduction of the internal ABC portal for proper documentation of ABC related requests and approvals, preparation of a company-wide Corruption Risk Register and integration of the ABC Policy requirements such as Vendor Due Diligence, into TIME processes.

100% of employees and 100% of active vendors have provided written acknowledgement to abide by the Group's ABC Policy. 95% of employees have completed the ABC Learning Module.

CASCADING THE ANTI-CORRUPTION AGENDA TO THE SUPPLY CHAIN

TIME continues to cascade 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 list. Failure to provide affirmation will lead to reminders to take necessary action and if still unrectified, said supplier will be barred from bidding for contracts and removed from the vendor list.

ANTI-CORRUPTION RISK ASSESSMENT

As part of its overall efforts to strengthen anti-corruption controls and to identify potential areas of risk, TIME has identified some parts of the organisation that may be at greater risk of corruption, in particular Procurement and Contracts. Additional check and balance systems will 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, decentralisation of decision making towards ensuring more than a single party is required for major commercial decisions, and more.

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.

On 11 March 2022, further amendments were implemented to provide better clarity and update the necessary details in the policy.

In compliance with the Whistleblower Protection Act 2010 (Act 711), TIME has established a whistleblowing policy which provides for a confidential channel for anyone to report any unethical or corrupt practices that are related to the organisation.

The whistleblower shall be accorded full confidentiality and will be protected from victimisation, harassment or disciplinary action for his/her disclosure.

The whistleblowing mechanism is managed by Internal Audit and all whistleblowing reports are to be channelled to the Group's Senior Independent, Non-Executive Director for further deliberation and decision making. If the allegations are sound, appropriate punitive actions will be taken against the offender. This includes warnings, suspensions, dismissals or even reporting the offender to the relevant enforcement authorities.

In FY2021, the Group has not received any whistleblowing reports.

FAIR AND TRANSPARENT PROCUREMENT

TIME's preference is for local suppliers that operate in Malaysia. Local procurement enables shorter supply chains, supports the development of local businesses, creates jobs including those which are knowledge-based, provides high-skill work for local talents and supports knowledge transfer. Local procurement also promotes a reduced environmental footprint as less resources are typically consumed compared to the importation of goods and services.

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 are encouraged to have multiple supplier bids, barring exceptional cases.

Increasingly, suppliers are also being assessed on their EES performance i.e. their track record for regulatory compliance. This includes factors such as whether they have been censured in any way for corruption, labour issues, health and safety incidents as well as other issues.

PEOPLE

TIME's 1,383 strong workforce is a key asset for the Group. High calibre, professional talent is essential to the business model and the continued delivery of operational excellence and customer satisfaction. Most importantly, talent is also required to ensure effective succession planning for key positions across the Group.

The Board and Senior Management continues to prioritise talent management and development by implementing specific strategies aimed at attracting, retaining and developing a competent, motivated and results-oriented talent pool. This is further supported by a conducive organisational culture centred on respect, transparency, professionalism and rewards based on meritorious performance.

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

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

TIME has established its Employment Policy to strengthen its approach to talent management and to ensure Group-wide compliance.

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 with the International Labour Organisation and the Universal Declaration of Human Rights.

In FY2021, TIME reported zero incidents of infringements of the rights of any persons, adult or child, nor any incidence of forced or compulsory labour. Neither has there been any violation of human rights at any time in the Group's history.

The rights of employees are set out in the TIME Employee Handbook.

EMPLOYEE RECRUITMENT

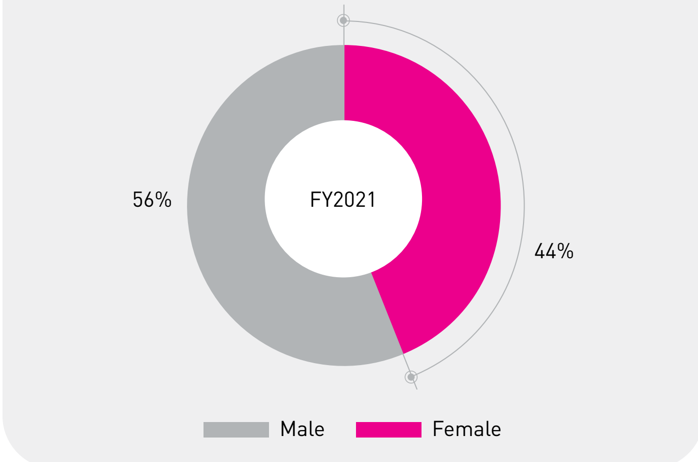
TIME's approach to recruitment is centred on merit, based on the candidate's capabilities, expertise, qualifications and experience related to the job. Socio-demographic factors such as ethnicity, gender, religion, marital status and others are disallowed from being considered as part of the evaluation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

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

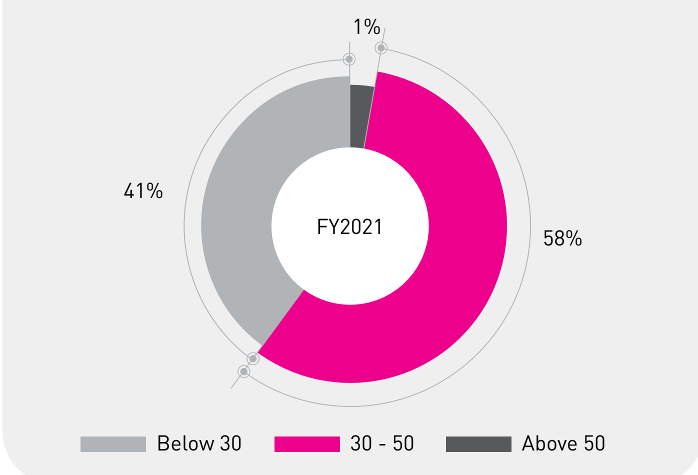
All new hires are briefed on their rights as an employee as provided for in the laws of the country. This includes labour and human rights and the Group policies on good governance, Corporate Compliance and Ethics and the ABC Policy. New hires are also provided an induction session to enable them to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

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

New Hires by Gender for 2021



New Hires by Age Group for 2021



EMPLOYEE RETENTION

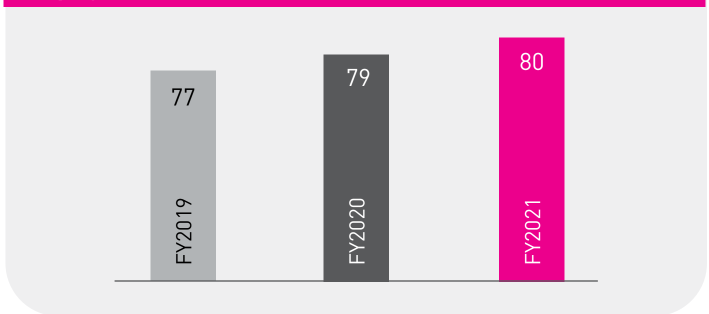
The approach to employee retention is driven by ensuring high employee satisfaction and morale. This entails providing a fair and rewarding work experience that is well aligned with the career prospects and aspirations of employees.

Hence, beyond the cultivation of a high-performance, meritorious organisational culture, it is also essential to competitively compensate employees with financial remuneration and non-financial benefits that are benchmarked to industry standards.

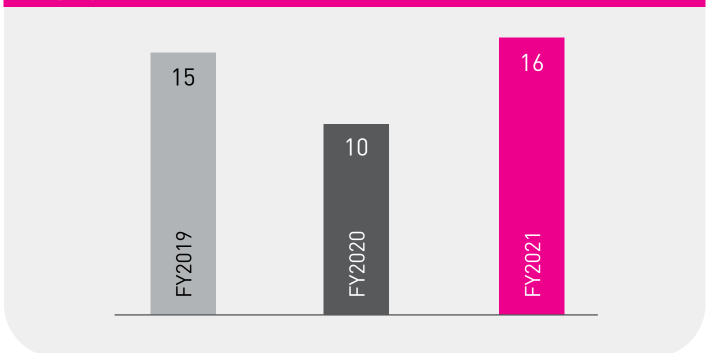
Employees are also provided opportunities for training and professional development borne by the Group to improve their skills and employability. In addition, high-performing employees are fast-tracked for senior or critical positions in the Group, thus providing them with a clear career pathway within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

Employee Satisfaction Index (%)



Employee Attrition Rate (%)



All resigning staff are granted exit interviews and the information gained from it allows TIME to assess what should be improved, changed or retained in the organisation.

TIME's new Employee Self-Service ("ESS") portal launched in September 2020 was a welcome addition to the tools that employees had for managing human resource matters. The portal's user-friendly interface has enabled employees to view and instantly make changes to their personal information. All HR-related applications are also accessible via the portal.

EMPLOYEE REMUNERATION AND BENEFITS

TIME adheres to the principle of equal work for equal pay. Remuneration, including bonuses and salary increments, is based on the principle of merit determined by the employee's work performance in the realisation of personal, divisional and company KPIs.

Other factors considered when determining remuneration includes 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 adheres to the Malaysian government's minimum wage policy with all employees earning monthly wages equal to or exceeding the set minimum wage of RM1,200 per month.

Benefits accorded comprise both mandatory benefits as stipulated in the Employment Act 1955 of Malaysia and additional benefits provided at the volition of the Group. TIME benchmarks employee benefits against industry peers to ensure parity with industry standards.

The Group also has a long-term incentive plan ("LTIP") in place whereby employees who meet performance criteria are awarded shares in the Company. This way, employees become active participants in the value creation of the business as shareholders of the Company. In FY2021, 36% of the pool of employees eligible for the LTIP received shares.

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

EMPLOYEE DEVELOPMENT

Continuing to upskill and develop the competencies of employees is important to maintain the professional capabilities of the workforce, and boost employee morale and satisfaction.

The requirement for training is provided for in the People Development Procedure document of the Group and the TIME Group Principles for People Development.

TIME continues to invest substantially in employee training with courses and programmes mostly delivered online. All job-related training courses and programmes are fully borne by the Group, utilising funds contributed to the Human Resources Development Fund ("HRDF"), where appropriate.

Training is based on the specific requirements of each talent. This could be to address present skill gaps or to provide talents with skills required to assume new positions within the Group, as part of their career progression within TIME.

Typically, training needs are determined by employee appraisals that are conducted for every employee at least once a year. In FY2021, all employees received appraisals. The 100% achievement was made possible through the use of online mediums, which enabled all employees, even those working from home, to be appraised.

From the appraisal, a customised training plan is developed for the employee on an annual basis.

Training requests can also be submitted on an ad-hoc basis by the employee based on their views of what specific training programmes would be relevant to their professional development. The Senior Management team can also nominate employees that they believe would benefit from specific training programmes.

All training is assessed for effectiveness after conclusion of the training session, programme or briefing.

The pandemic affected total training hours as a company and on per-employee basis, due to constraints from movement restriction orders. However, the shift to online mediums has helped keep efforts to continuously train employees achievable, although in some aspects, on a smaller scale. Nevertheless, in FY2021, total training hours as a company has improved against FY2020.

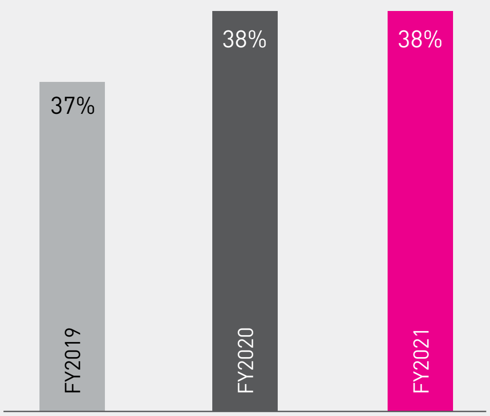
	FY2019	FY2020	FY2021
Total Training Hours as a Company	30,380	7,331	**11,071**
Avg. Training Hours Per Employee	24.6	5.5	**8.1**
Total Male Employees Attended Training	550	256	**587**
Total Female Employees Attended Training	381	207	**396**
Total Employees Attended Training	931	463	**983**
Avg. Training Hours Per Employee (Male)	20.4	5.9	**8.6**
Avg. Training Hours Per Employee (Female)	25.6	5.1	**7.1**
Avg. Training Hours Per Employee (Senior Management Staff)	24.8	3.6	**14.4**
Avg. Training Hours Per Employee (Management Staff)	26.3	7.8	**9.7**
Avg. Training Hours Per Employee (Executives)	26.7	8.4	**6.7**
Avg. Training Hours Per Employee (Non-Executives)	18.1	2.1	**3**

DIVERSITY AND EQUAL OPPORTUNITY

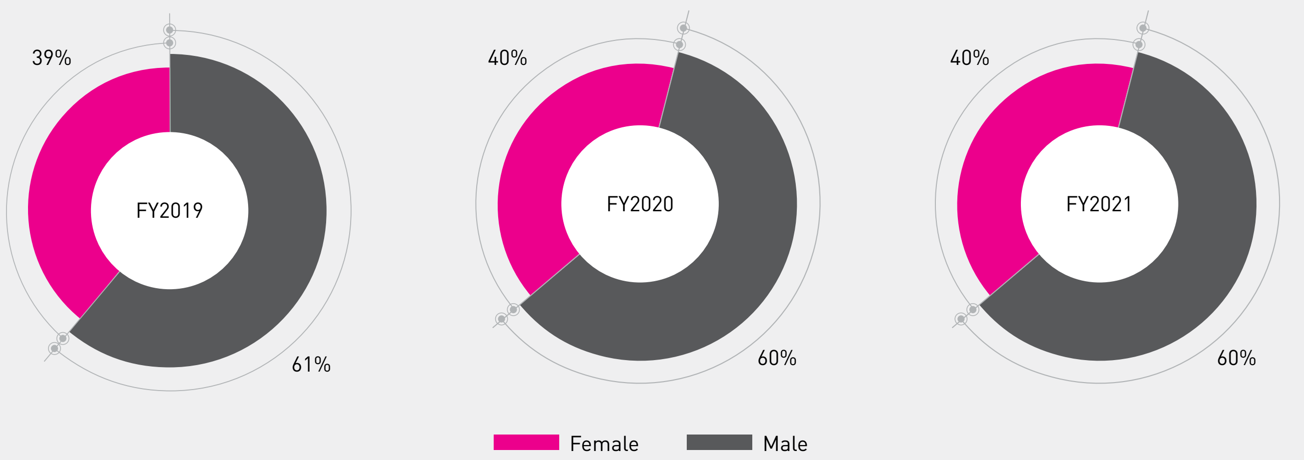
TIME continues to encourage the cultivation and prevalence of a diverse and inclusive workforce, comprising high calibre talent from varied ethnic and cultural backgrounds as well as varying skills, expertise and experiences. Diversity is also cultivated from a gender perspective, where both men and women are provided equal opportunities for recruitment, promotion, training and rewards.

The value of such diversity in the workforce is the ability to cultivate a high-performance culture based on meritorious performance, where a richness of ideas and perspectives can emerge. This supports innovative thinking and creativity.

Women in Managerial Positions



Total Workforce Composition by Gender



OCCUPATIONAL HEALTH AND SAFETY

As a responsible company, TIME strives to always ensure a safe and secure work environment for all stakeholders. The topic of occupational safety and health ("OSH") is highly material on project sites (as opposed to office environments), where there can potentially be higher risks for the occurrence of OSH incidents.

TIME employs the following towards maintaining a zero fatality and zero lost-time-injury ("LTI") performance across all operations:

- Hazard Identification, Risk Assessment & Risk Control ("HIRARC");
- 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 with Department of Occupational Safety and Health Malaysia ("DOSH") guidelines and the Malaysian Standard (MS) 1722:2011; and
- License from the Construction Industry Development Board ("CIDB").

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

ASSESSMENT OF HIGH-RISK LOCATIONS AND MITIGATION MEASURES

Using Hazard Identification, Risk Assessment & Risk Control ("HIRARC"), TIME continues to identify aspects of its operations that may have a higher risk of OSH incidents as well as type of incidents. Given the Group's operations have not changed, the identified risks remain the same, with the inclusion of COVID-19:

Identified OHS Risks

- Working at high and/ or confined spaces
- Electrocution
- Falling objects
- Traffic accidents when working by road sides or high traffic areas
- Excavation work
- Heavy lifting activity
- High voltage

HEALTH AND SAFETY TRAINING

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

- Warehouse Operation Safety Training Custom Safety Training for Field Engineers
- Custom Safety Training for Field Engineers

HEALTH AND SAFETY PERFORMANCE

The following table illustrates TIME's OHS track record for the past three years:

Incident/Case	FY2019	FY2020	FY2021
Fatality	0	0	**0**
LTI	1	1	**1**
Incidence Rate	0.43	0.40	**0.40**
Frequency Rate	0.87	0.79	**0.40**
Severity Rate	13.5	57	**136**
Number of workers on long convalescence	1	1	**1**

There have been zero incidents in FY2021 where TIME was fined or censured for health and safety non-compliance.

COVID-19 HEALTH AND SAFETY MANAGEMENT

As in the previous financial year, the focus on COVID-19 management was to protect stakeholders, notably employees, customers and suppliers, while ensuring continued business operations and productivity. This was a challenge as the situation called for continuous strict SOP compliance while maintaining high levels of service availability.

The use of technology played a pivotal role in ensuring business operations could continue with an aspect of normalcy. Broadband services were deemed essential services by the Malaysian government and this further supported operational capabilities.

Throughout FY2021, the Group implemented its Business Continuity Plan ("BCP") and continued to make updates as and when necessary. An adherence to SOPs was frequently impressed upon staff and all suppliers to reduce the risk of infection and to ensure operational sites could continue to operate without the risk of shutdown or fines due to non-compliance.

Aside from the BCP, other supporting documents to enable safe operations and execution of work were developed. These include the TIME Group Principles (TIME Projects) for offsite project staff and field engineers.

A two-team system comprising Team A and Team B were developed with one working on-site and the other working from home or on standby.

In addition, all staff were recommended to obtain their vaccinations. The TIME Projects on Vaccination came into effect on 1 September 2021 and was made applicable to all employees, vendors and customers/visitors. Internal vaccination targets were set by Senior Management to monitor staff compliance.

In encouraging employees to obtain vaccinations, a special vaccination leave was established for all eligible staff and staff could also seek the Company's assistance from the People Division to register for vaccines.

Daily situational reports as well as compliance status reports were submitted to DOSH. However, beyond regulatory measures, TIME strengthened its TIME Wellbeing Support Team (COVID-19 Special Task Force) to provide counselling as well as psychological and psychosocial support to employees.

Care packages were distributed to staff who tested positive and underwent quarantine or isolation. These included pulse oximeters and self-test kits.

Throughout the year, a wide range of communication channels were used to create awareness and continued reinforcement of desired behaviours, which included compliance with SOPs.

COMMUNITY

FY2021 has seen TIME's continued contribution to the support of local communities. A wide range of financial and non-financial assistance was rendered during the financial year to various social causes including causes that were related to the COVID-19 pandemic.

TIME is of the view that continued financial and moral support to society is an essential aspect of fulfilling its corporate social responsibilities ("CSR") and can spur employee volunteerism.

A wide range of assistance, including financial and non-financial assistance was extended to B40 and lower income M40 families which includes families with disabled individuals, old folks and orphans.

Beneficiaries include those afflicted by the pandemic as well as frontliners such as food delivery riders. One specific initiative was for the distribution of ready-to-eat food to dispatch riders around the Klang Valley area and Selangor.

In addition, TIME also actively contributes to national-level COVID-19 response, by providing support to the Ministry of Health for its Virtual COVID-19 Assessment Centre ("CAC") as well as equipment loan to CAC's requiring computer equipment.

The December 2021 floods which inundated various parts of the Klang Valley impacted TIME employees as well. The Group stepped in to offer assistance which included immediate cash relief to all 56 affected employees, followed up with further financial contributions from the Group's Disaster Relief Fund. This was on top of care packages comprising food and hygiene items which were distributed to staff and also to members of the public.

Aside from looking after its own employees, a team of TIME volunteers was formed to help clean flood victims' homes in Sri Muda, Shah Alam as part of the larger initiative called Operasi Bantu Hingga Selesai ("Ops BAHIS"), a post-disaster relief program incepted by the Ministry of Communications and Multimedia, Malaysia ("KKMM").

ENVIRONMENT

ENERGY CONSUMPTION

In terms of material environmental considerations, energy consumption remains TIME's most significant topic, in particular the energy consumed by its data centres. It is undeniable that data centres are typically energy-intensive.

TIME continues to rely on the national grid for its electricity, which is still heavily reliant on fossil fuel sources. While the composition of renewable energy ("RE"), in particular solar, has grown rapidly in recent years, most power plants in Malaysia are still coal or diesel fired.

Hence, energy-intensive operations typically would translate into higher carbon emissions that would contribute to climate change and global warming.

The Group's other main energy source consumed is diesel and petrol for its fleet of vehicles and to power generators that are used during site work and to power sites where electricity supply from the grid is intermittent or unavailable.

OVERSIGHT ON ENERGY CONSUMPTION

The Board and Senior Management are cognisant of many benefits derived from a reduction in energy consumption. Beyond environmental benefits, other advantage 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 of Directors. The Board continues to be updated on measures to reduce the energy and carbon footprint of the Group with plans developed over the short, medium and long-terms.

This remains a challenge as the Group's operations expand. Hence, the focus beyond reduction in absolute energy consumption is to focus on reduction in energy intensity or to achieve energy efficiency.

MANAGING ENERGY CONSUMPTION AT DATA CENTRES

TIME'S data centre operations come under a certified Energy Management System ("EMS") and the following are some of industry best practices that have been implemented at all data centre facilities:

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

	FY2019	FY2020	FY2021
Energy Consumption (MWh)	35,913	40,803	**46,993**
Net Lettable Area (Sq Ft)	56,945	56,945	**85,920**
Energy Consumption/ Net Lettable Area	0.631	0.717	**0.547**

Note:
The data for FY2021 and the comparative years have been restated to only reflect the energy consumption and net lettable area of directly owned data centres in Kuala Lumpur and Cyberjaya.

TAPPING SOLAR POWER

Reflecting its commitment to improving its consumption of energy, TIME has embarked on solar panel installation at its headquarters building. The panels have yielded over 58Wh of clean energy thus partially meeting the building's requirements for energy. Beyond generating clean electricity, the solar panels have provided an average annual saving of RM29,497 in electricity bills.

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 off and on based on movement sensors.

LED lights have begun to be installed at TIME's headquarters and are expected to be completed by Q4 2022.

REDUCING/OFFSETTING CARBON FOOTPRINT

Going forward, TIME will explore other mechanisms including purchasing carbon credits/offsets. The Group looks forward to the announcement by the Malaysian Government of plans to develop a carbon trading mechanism.

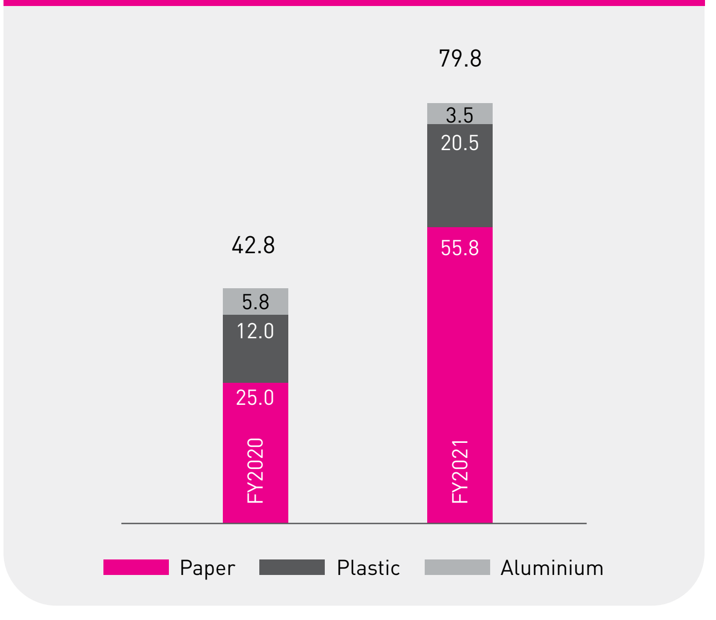
WASTE MANAGEMENT AND RECYCLING

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

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, plastic and aluminium.

The Group consumes significant amounts of waste for its operations and greater efforts have been made to recycle it either for its own operations, or sent to recyclers.

Recycle Collection (Kg)



Elakumari Kantilal

Non-Independent, Non-Executive Director

Malaysian, Age 65, Female

Appointed to the Board
8 March 2001

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

Elakumari holds a Master of Science in Accounting and Finance from the University of East Anglia and a Bachelor of Accounting from University Kebangsaan Malaysia. Besides her executive education in IMD Switzerland, she has also attended the Harvard Premier Business Management Program and is a member of the Malaysian Institute of Accountants.

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

She started her career in the government sector in 1981 and held various positions within the sector namely in the Accountant General's Office, Ministry of Agriculture and Ministry of Finance. She was involved in the monitoring and restructuring of companies, including debts of non-performing companies held by Ministry of Finance (Incorp).

Elakumari also sits on the Board of Danajamin Nasional Berhad.

Hong Kean Yong

Senior Independent, Non-Executive Director

Malaysian, Age 59, Male

Appointed to the Board
1 September 2012

Board Committees
Audit (Chairman)
Tender (Member)

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

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

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

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

Hong also sits on the Board of AMMB Holdings Berhad.

Mark Guy Dioguardi

Independent, Non-Executive Director

Australian, Age 52, Male

Appointed to the Board
17 June 2016

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

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

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

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

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

In 2018, 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 has retired from the Director position effective 1 April 2022.

Koh Cha-Ly

Independent, Non-Executive Director

Malaysian, Age 39, Female

Appointed to the Board
28 February 2020

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

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

She is currently the founder and Chief Executive Officer of Urbanmetry Sdn Bhd ("Urbanmetry"), a data 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 consultant for business and organisational strategy for Think City Kuala Lumpur and provided Planning and Business Feasibility Advisory services to various private property developers in Kuala Lumpur.

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

Datuk Azailiza Mohd Ahad

Independent, Non-Executive Director

Malaysian, Age 60, Female

Appointed to the Board
27 August 2021

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

She is currently a Partner with Messrs. Gani Patail Chambers ("GPC").

She has 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 One (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 Generals 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 also 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.

Datuk Zainal Amanshah Zainal Arshad

Independent, Non-Executive Director

Malaysian, Age 55, Male

Appointed to the Board
3 January 2022

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

He is currently the Vice President, Malaysia and SEA Emerging Markets and Vice President for Key Accounts Management (Asia) at AECOM.

With more than 25 years of experience in the private sector and eight years in Government, Datuk Zainal has held senior positions in multinationals, Malaysian companies and start- ups. He was the Chief Executive Officer of InvestKL Corporation ("InvestKL"), a Government Investment Promotion Agency under the Ministry of International Trade and Industry (MITI) 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 and brought it to IPO in 2004. Prior to joining REDtone, he worked for several local and multinational companies including Unisys (M) Sdn Bhd, NCR Malaysia Sdn Bhd, Solsis Sdn Bhd, Xylog Group and Lotus Software Sdn Bhd.

Ronnie Kok Lai Huat

Non-Independent,
Non-Executive Director

Malaysian, Age 67, Male

Appointed to the Board
31 January 2008

Board Committee
Tender (Chairman)

Ronnie holds a Degree in Business Administration from the University of Strathclyde, United Kingdom.

Prior to joining the Board of TIME, Ronnie held the position of Global Head of Marketing at Sampoerna International from September 2004 to January 2007 and was Sampoerna Malaysia's Marketing Director from June 2002 to August 2004.

Between 1996 and 2002, he served as the Vice President of Marketing & Sales at JT International Tobacco Sdn Bhd where he also held the position of Executive Director on the Board of the company.

Afzal Abdul Rahim

Non-Independent, Executive Director
(Chief Executive Officer)

Malaysian, Age 44, Male

Appointed to the Board
7 October 2008

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

He started his career in the automotive industry culminating in a regional role with Group Lotus PLC. A technology entrepreneur, he also founded the Malaysian Internet Exchange ("MyIX"), which was established in 2006.

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

Patrick Corso

Non-Independent, Executive Director

Italian, Age 48, Male

Appointed to the Board
26 November 2015

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

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

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

Lee Guan Hong

Non-Independent, Executive Director

Malaysian, Age 47, Male

Appointed to the Board
9 March 2017

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

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

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

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

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 2021.
4. ***Attendance of Board Meetings***
   The attendance of the Directors at Board Meetings held during the financial year ended 31 December 2021 is disclosed in the Corporate Governance Overview Statement.

LEADERSHIP TEAM

Afzal Abdul Rahim

Chief Executive Officer/Commander-In-Chief

Malaysian, Age 44, Male

Afzal's profile can be found on page 45 of this Annual Report.

Patrick Corso

Executive Director

Italian, Age 48, Male

Patrick's profile can be found on page 46 of this Annual Report.

Lee Guan Hong

Executive Director

Malaysian, Age 47, Male

Guan Hong's profile can be found on page 46 of this Annual Report.

Shahnaz Farouque Jammal Ahmad

Chief Financial Officer

Malaysian, Age 47, Male

Appointed on
13 October 2021

Shahnaz was most recently the Chief Executive Officer, Group Wholesale Banking of CIMB Group. Prior to this, he was the Chief Financial Officer 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 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, if any) 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 dotCom Berhad ("TIME" or the "Company") 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, summary of corporate governance practices during the financial year as well as key focus areas and future priorities in relation to corporate governance.

The Corporate Governance Overview Statement is complemented with a Corporate Governance Report, based on a prescribed format as encapsulated in paragraph 15.25(2) of the Main Market Listing Requirements so as to provide a detailed articulation on the application 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 Directors' Statement on Risk Management and Internal Control, Audit Committee Report and Sustainability Statement, as the application of certain corporate governance enumerations may be better contextually elucidated in the respective statements.

CORPORATE GOVERNANCE APPROACH

The Board endeavours to ensure that the Group remains strong, viable and sustainable in delivering value to its stakeholders. The Board views corporate governance as synonymous with four key concepts of the Group, namely 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.

SUMMARY OF CORPORATE GOVERNANCE PRACTICES

TIME has applied all the practices encapsulated in the MCCG for the financial year ended 31 December 2021 ("FY2021"), save for the following:

- **Practice 5.2**
  Board to comprise a majority independent directors for Large Companies[1];

- **Practice 8.2**
  Disclosure of top five Senior Management's remuneration on a named basis and in bands of RM50,000[2]; and

- **Practice 13.2**
  All directors attend general meetings[3].

Notes:

1 *TIME has departed from Practice 5.2 of the MCCG since 15 March 2021 following the re-designation of Mr Ronnie Kok Lai Huat from an Independent Non-Executive Director to a Non-Independent Non-Executive Director. In the Company's effort for closer compliance with the best practice standards, the Board has appointed Datuk Azailiza Mohd Ahad and Datuk Zainal Amanshah Zainal Arshad as additional Independent Non-Executive Directors on 27 August 2021 and 3 January 2022 respectively. However, with the resignation of Encik Abdul Kadir Md Kassim as an Independent Non-Executive Director (Chairman) on 22 October 2021, half of the Board presently comprises of Independent Directors.*

2 *The Board believes that such disclosure will not be in the Company's interest given the highly competitive industry the Company operates in.*

3 *Encik Abdul Kadir Md Kassim, the Company's former Non-Executive Chairman was absent at the 24th Annual General Meeting ("AGM") and Extraordinary General Meeting ("EGM") of the Company held on 22 July 2021 for medical reasons.*

TIME has provided meaningful explanations where it has departed from the said practices based on the flexibility accorded in the application lever of the MCCG. 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 time frame for adoption of the departed practices.

Additional details on TIME's application of each individual practice of the 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 of TIME 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.

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 appraised of the activities and proceedings of the Board Committees through the circulation of minutes of meetings of the Board Committees and updates 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 Limits of Authority, it should be noted that the Board retains collective oversight over the Board Committees at all times. The functionalities of these Board Committees are outlined below:

AC

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

NRC

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

TC

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

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

Directors	Board	AC	NRC	TC
Abdul Kadir Md Kassim [1]	4/8			
Elakumari Kantilal [2]	11/11	4/4	5/5	1/1
Ronnie Kok Lai Huat [3]	11/11	1/1	1/1	8/8
Hong Kean Yong [4]	11/11	4/4	1/1	8/8
Mark Guy Dioguardi [5]	11/11		4/4	8/8
Koh Cha-Ly [6]	11/11	3/3	4/4	
Datuk Azailiza Mohd Ahad [7]	5/5			
Afzal Abdul Rahim	11/11			
Patrick Corso	11/11			
Lee Guan Hong	11/11			

Board/Board Committee Chairman **Member**

Notes:

1 *Encik Abdul Kadir Md Kassim resigned as an Independent Non-Executive Director (Chairman) on 22 October 2021.*
2 *Puan Elakumari Kantilal was re-designated from NRC Chairman to NRC Member and resigned as TC Member on 15 March 2021.*
3 *Mr Ronnie Kok Lai Huat resigned as AC Chairman and NRC Member and was appointed as TC Chairman on 15 March 2021.*
4 *Mr Hong Kean Yong was re-designated from TC Chairman to TC Member, resigned as NRC Member and was appointed as AC Chairman on 15 March 2021.*
5 *Mr Mark Guy Dioguardi was appointed as NRC Chairman on 15 March 2021.*
6 *Ms Koh Cha-Ly was appointed as AC Member and NRC Member on 15 March 2021.*
7 *Datuk Azailiza Mohd Ahad was appointed as an Independent Non-Executive Director on 27 August 2021.*

Datuk Zainal Amanshah Zainal Arshad was appointed as an Independent Non-Executive Director post FY2021. As such, he did not attend any of the Board meetings held during FY2021.

During FY2021, there were changes to the composition of the Board Committees effective from 15 March 2021 and the new compositions can be found on page 5 of this Annual Report.

The responsibilities of the Board and Management are clearly demarcated 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 newly appointed and existing Board members on their duties and functions of the Board and its Committees. The Board Charter is periodically reviewed by the Board to ensure it reflects the fast-changing market dynamics as well as the evolving needs of the Group. The Board Charter is also made available on the Company's website.

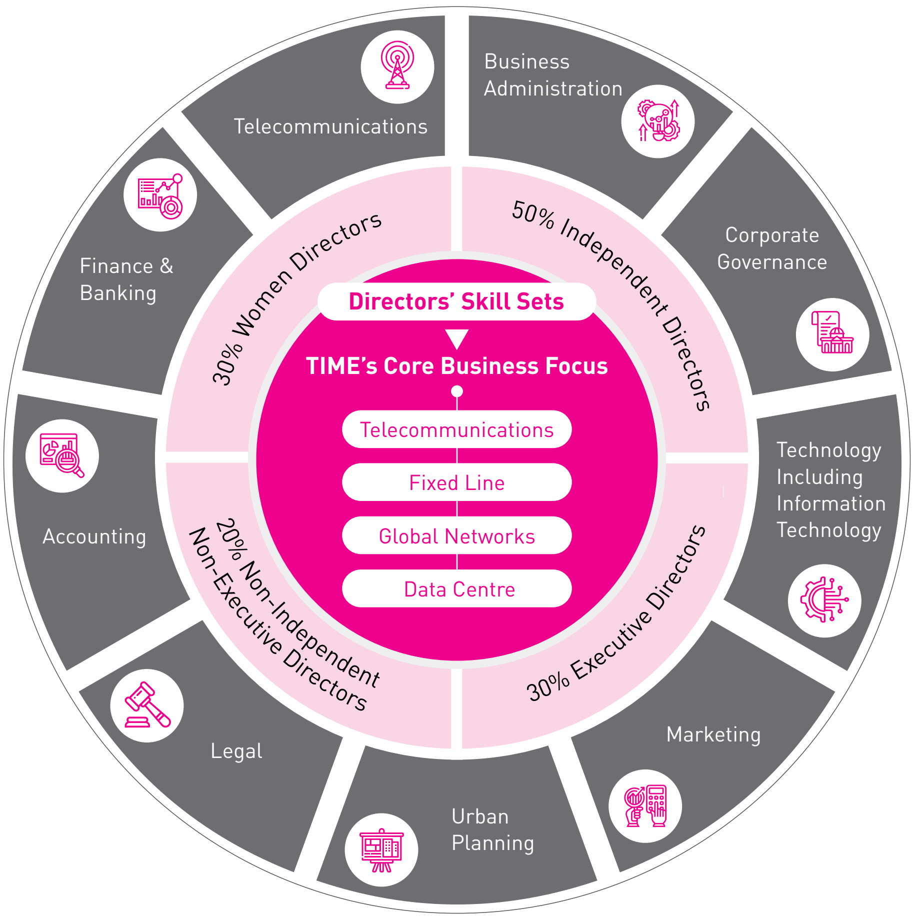
In discharging its responsibilities, the Board is supported by a professionally qualified and competent Company Secretary. The Company Secretary is present for all Board and Board Committee meetings and acts as counsel and resource support on corporate governance matters to the Board whilst also coordinating information flow and meeting proceedings. Directors are provided with complete, adequate and timely 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 also cognisant of its responsibility to set the "tone from the top" and as a result, drive the "tune in middle" and "beat at the feet". A Code of Conduct and Ethics and Whistleblowing Policy have been put in place to foster an ethical culture and 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.

The Directors of TIME channel their combined knowledge and professional experience to provide valuable perspectives on TIME's business operations and strategies. The expertise possessed by Management as well as access of Directors to external professional experts complement the effective functioning of the Board. The composition of the Board comprise ten 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, two Non-Independent Non-Executive Directors and three Executive Directors including the CEO. The higher proportion of Non-Executive Directors present on the Board helps to mitigate any possible conflict of interest between the policy-making process and the day-to-day management of the Group. The composition of the respective Board Committees meet the independence criteria outlined in the Main Market Listing Requirements and there is appropriate cross-memberships to further promote effectiveness.

Practice 5.3 of the MCCG recommends that the tenure of an independent director should not exceed a term limit of nine years. Upon completion of the nine years, 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 at general meetings held after 1 January 2022.

On 1 September 2021, Mr Hong Kean Yong completed his nine-year tenure as the Company's Independent Non-Executive Director and the Board wishes to retain him beyond his nine-year tenure as an Independent Director of the Company. The NRC and the Board, have upon thorough assessment and consideration, concluded that Mr Hong Kean Yong continues to demonstrate conduct and behaviour that are essential indicators of independence as set out in the Main Market Listing Requirements.

The Board is satisfied that following the NRC's review and recommendation, Mr Hong Kean Yong's independence will not be impaired and will continue to bring independent and objective judgement to the Board. Accordingly, the Board has recommended that the approval of the shareholders be sought through a two-tier voting process for Mr Hong Kean Yong to continue in office as an Independent Non-Executive Director of the Company beyond nine years.

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 professional views without fear or favour. The Board is cognisant of the widely held notion that extended tenure leads to entrenchment and as such, the Board remains watchful for such indicators of entrenchment amongst long-serving Independent Directors.

The NRC also reviews the terms of office and performance of the AC and each of its members annually to determine whether the AC and its members have carried out their duties in accordance with 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 three female Directors and the Board is committed to maintain or improve women representation on the Board by casting "a wider net" in its sourcing and nomination process.

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 AGM. Each Directors 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, Puan Elakumari Kantilal, Mr Ronnie Kok Lai Huat and Mr Lee Guan Hong shall retire by rotation at the forthcoming 25th AGM of the Company. Puan Elakumari Kantilal and Mr Lee Guan Hong being eligible, have offered themselves for re-election at the 25th AGM. Mr Ronnie Kok Lai Huat has in a letter dated 14 February 2022 to the Company, indicated that he does not wish to offer himself for re-election as a Director of the Company at the 25th AGM. Accordingly, he will retire as a Director of the Company at the conclusion of the 25th AGM.

Datuk Azailiza Mohd Ahad and Datuk Zainal Amanshah Zainal Arshad who were appointed on 27 August 2021 and 3 January 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 25th AGM.

The Board is satisfied that following the NRC's review and based on the results of the evaluation assessment undertaken by an independent expert, 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 and suitability to stand for re-election at the relevant Board and Committee meetings.

REMUNERATION

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

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

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

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

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

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 abstain from all deliberations and voting on the matter either at the AC or Board levels.

RISK MANAGEMENT AND INTERNAL CONTROL FRAMEWORK

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

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

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

Further information on the Group's risk management and internal control framework is made available on the Directors' Statement on 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 briefing presentations as well as copies of recent notices and minutes of general meetings. The Annual Report meanwhile discloses comprehensive details about the Group's business activities and financial performance for the financial year.

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

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

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

CONDUCT OF GENERAL MEETING

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

At its 24th AGM and EGM held on 22 July 2021, the Company leveraged technology to enable remote shareholders' participation and online remote voting. Both meetings were conducted fully virtual through live streaming from the broadcast venue at the Company's office premises. Shareholders who attended and participated at the 24th AGM and EGM via live webcast were invited to submit their questions which were addressed by the Executive Directors, CEO and Chairman of the meeting.

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

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

> **"As called upon by the 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."**

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 shall be announced after the meeting, on immediate basis, to Bursa Securities via Bursa LINK.

FOCUS AREAS ON CORPORATE GOVERNANCE

During the year, TIME acquired 60% of the equity interest in AVM Cloud Sdn Bhd and its wholly-owned subsidiaries, namely Integrated Global Solutions Sdn Bhd and Zeus Ventures Sdn Bhd to complement the existing services and products offered by TIME. The acquisition was completed on 7 January 2021.

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

The Board has taken and will continue to take steps to close the gap of the three departures from the MCCG and instill governance awareness culture throughout the organisation.

In 2020, the Board established a road map towards becoming an Established Reporter by first enhancing Sustainability Reporting so that the Group has a strong foundation that can later transition to Integrated Reporting.

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

REVIEW OF CORPORATE GOVERNANCE POLICIES AND PROCEDURES

The Board is committed to review the Terms of Reference of each Board Committees 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 the Company's Board Charter and the Terms of Reference of NRC and AC to align with the relevant new and/or enhanced corporate governance practices of the MCCG.

BUSINESS INTEGRITY AND ANTI-CORRUPTION POLICY

The Board has approved the adoption of the ABC Policy for a group-wide implementation on 1 June 2020. This was to comply with Section 17A of the Malaysian Anti-Corruption Commission Act 2009. This policy also reinforces TIME's zero tolerance culture towards bribery and corruption. The Company has launched and communicated 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 will 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 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.

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 approved the amendments to the ABC Policy for greater clarity and to facilitate implementation by the Group.

HUMAN CAPITAL

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

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

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

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

During the year, the Board approved the adoption of the Succession Planning Policy for the Board and Senior Management of the Company in compliance with the MCCG.

RISK MANAGEMENT AND INTERNAL CONTROL FRAMEWORK

The Group recognised that inherent risks are present in the Group's core business, presenting both opportunities and threats. Guided by the Enterprise Risk Management ("ERM") framework, the Group implemented several initiatives in FY2021 to mitigate key risks, which includes operational, supply chain, regulatory and cyber-security related risks. The Group continues to monitor and evaluate the business landscape as well as changes in regulatory requirements in order to achieve its business strategies.

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

In relation to internal audit, any 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.

COVID-19 PANDEMIC

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

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

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

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

PROFESSIONAL DEVELOPMENT OF DIRECTORS

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

All Directors, save for Datuk Zainal Amanshah Zainal Arshad who was appointed on 3 January 2022, have attended and completed the Mandatory Accreditation Programme ("MAP") as prescribed by the Main Market Listing Requirements. Datuk Zainal Amanshah Zainal Arshad will complete the MAP within four months from the date of appointment. The list of training programmes that were attended by the Board members for FY2021 are outlined below:

Name	Programme title	Date
Independent Non-Executive Directors		
Abdul Kadir Md Kassim [1]	Sustainability Awareness Workshop for Board members	7 January 2021
Hong Kean Yong	Sustainability Awareness Workshop for Board members	7 January 2021
	Rethinking Our Approach to Cyber Defence In FIS	11 March 2021
	Board Technology Day	19 May 2021
	BNM-FIDF Forum Dialogue on RMIT Implementation	8 July 2021
Mark Guy Dioguardi	Sustainability Awareness Workshop for Board members	7 January 2021
	Board Committees Part Three – Ensuring a high performing committee	13 October 2021
Koh Cha-Ly	Sustainability Awareness Workshop for Board members	7 January 2021
	Sustainable Reset: The Role of NRC in a Post-Pandemic World	21 to 22 September 2021
	Understanding Board Decision-Making Process	12 to 13 October 2021
	SC's Audit Oversight Board Conversation with Audit Committees	6 December 2021
Datuk Azailiza Mohd Ahad [2]	Housekeeping: Disciplinary Action Against Employees Confirmation	5 August 2021
	Balancing Risk Management with Sustainability Commitment – New Expectations of Investment Community	18 August 2021
	Post Section 17A Malaysian Anti-Corruption Commission (MACC) Implementation	6 October 2021
	The updated Malaysian Code on Corporate Governance April 2021 – Implications to Listed Corporations, Directors & Management	7 October 2021
Non-Independent Non-Executive Directors		
Elakumari Kantilal	Sustainability Awareness Workshop for Board members	7 January 2021
	FIDE Programme – Module B (Insurance)	1 and 3 March 2021
	Security Awareness Programme	19 March 2021
	Personal Data Protection Act, 2010 (PDPA)	26 March 2021
	FCD Module A: Strategy & Risk Management Oversight	7 to 8 September 2021
	Sharing Session by HSBC on Sustainability Linked Funding	1 November 2021
	SC's Audit Oversight Board Conversation with Audit Committees	29 November 2021
	Annual Dialogue with Governor of Bank Negara Malaysia	3 December 2021
Ronnie Kok Lai Huat	Sustainability Awareness Workshop for Board members	7 January 2021

Name	Programme title	Date
Executive Directors		
Afzal Abdul Rahim	Sustainability Awareness Workshop for Board members	7 January 2021
	CGS-CIMB Thoughts Leadership Event – Business from the School of Hard Knocks *(Speaker)*	9 February 2021
	Islamic Finance for Board Directors Programme (IF4BOD)	8 to 9 September 2021
	Briefing on Section 17A of the Malaysian Anti-Corruption Commission (MACC) Act 2009	21 September 2021
	Business Foresight Forum 2021 – Leadership in Times of Certain Uncertainty *(Moderator)*	22 September 2021
	Human Rights Risk Management and Implications for Financial Institutions	21 October 2021
	Net-Zero Banking Alliance	12 November 2021
Patrick Corso	Sustainability Awareness Workshop for Board members	7 January 2021
	Corporate Liability under S17A of the MACC Act 2009 and its mitigation	2 September 2021
	COVID Creates Unique Governance Issues	21 October 2021
	Fraud Risk Management Workshop	10 December 2021
Lee Guan Hong	Sustainability Awareness Workshop for Board members	7 January 2021
	CISCO APJ Service Provider CxO Summit 2021	14 July 2021
	TM Forum Digital Transformation	22 September to 14 October 2021
	Khazanah Megatrends Forums 2021	4 to 6 October 2021

Notes:

[1] *Encik Abdul Kadir Md Kassim resigned as an Independent Non-Executive Director (Chairman) on 22 October 2021.*

[2] *Datuk Azailiza Mohd Ahad was appointed as an Independent Non-Executive Director on 27 August 2021.*

CORPORATE GOVERNANCE PRIORITIES (2021 AND BEYOND)

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

SHORT AND MEDIUM TERM PLAN (ONE TO THREE YEARS)

Evaluation of Board, Board Committees and Individual Directors

The Board aims to undertake an externally facilitated evaluation of its Board, Board Committees and individual Directors once every three years. The Board recognises that independent experts can frequently pinpoint areas for improvement as they would likely have accumulated a database of results from their experience of conducting similar assessments for other Boards, Board Committees and individual Directors.

For FY2021, the Board has 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). The BEE was conducted through evaluation questionnaires and interview sessions and amongst the areas of assessment covered are the review of the overall Board performance, the leadership of the Chairman and the Chief Executive Officer, the boardroom's culture, the composition of the Board and Board Committees, remuneration and continuous development. The individual Board members are also assessed based on each of their independence, contributions, commitment, competency, skills and expertise.

Based on the BEE report, the overall results were generally positive with seven key strengths identified out of the ten areas of assessment. The report also highlighted certain areas for improvement. Having taken that into consideration, the NRC together with the Board, have developed an action plan for improvement.

Boardroom Independence

With the appointment of two additional Independent Directors on 27 August 2021 and 3 January 2022 and the resignation of Encik Abdul Kadir Md Kassim as the Independent Non-Executive Director (Chairman) of the Company on 22 October 2021, the total Independent Directors is now five. The Board believes that equipped with the critical mass, Independent Directors will be able to encourage, support and drive each other in the value creation process of the Group. In the course of making this change, TIME will not compromise on the business imperative and make unwieldy changes to its Board composition. In order to create a more conducive environment for insightful deliberations, the Board will consider enlisting Independent Directors with strong business acumen and a broad range of industry experience.

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 Hong Kean Yong, the Senior Independent Non-Executive Director, as the conduit to address minority shareholders issues and to whom minority shareholders' concerns may be conveyed.

Boardroom Diversity

The Board of TIME will focus its efforts to constitute a diverse Board which bears a variety in the dimensions of skills, experience, age, cultural background and gender. With the appointment of Datuk Azailiza Mohd Ahad as an Independent Non-Executive Director of the Company to the Board during the year, the percentage of the Company's women directors has increased to 30%.

The Board is committed to maintain its 30% women directors 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 extend to Senior Management and not just the boardroom.

During the year, the Board approved the adoption of the Gender Diversity Policy for the Board and Senior Management of the Company in compliance with the MCCG.

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

ADDITIONAL COMPLIANCE INFORMATION

1. MATERIAL CONTRACTS INVOLVING DIRECTORS' AND MAJOR SHAREHOLDERS' 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 2021 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 FY2021 are RM180,000 and RM695,000 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 FY2021 are RM330,000 and RM372,000 respectively. During the FY2021, the non-audit fees of RM295,000 incurred was for financial and tax due diligence performed by an affiliate of KPMG PLT for the acquisition of 60% equity interest in AVM Cloud Sdn Bhd and its subsidiaries.

AUDIT COMMITTEE REPORT

The Board of Directors is pleased to present the Report of the Audit Committee ("the Committee") for the financial year ended 31 December 2021.

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 during the financial year ended 31 December 2021 are as follows:

Hong Kean Yong (Chairman)	Senior Independent, Non-Executive Director
Elakumari Kantilal	Non-Independent, Non-Executive Director
Koh Cha-Ly	Independent, Non-Executive Director

The profiles of the Committee members are contained in the "Board of Directors' Profile" set out on pages 42 to 43.

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 64 to 69.

MEETINGS

The Committee convened four meetings during the financial year ended 31 December 2021. The details of attendance are as follows:

Name	Attendance	Percentage of attendance
Ronnie Kok Lai Huat (Chairman)[1]	1/1	100%
Hong Kean Yong (Chairman)[2]	4/4	100%
Elakumari Kantilal	4/4	100%
Koh Cha Ly[3]	3/3	100%

Notes:

[1] *Resignation of Mr Ronnie Kok Lai Huat as Audit Committee Chairman effective 15 March 2021.*

[2] *Apppoinment of Mr Hong Kean Yong as Audit Committee Chairman replacing Mr Ronnie Kok Lai Huat effective 15 March 2021.*

[3] *Apppoinment of Ms Koh Cha-Ly as Audit Committee Member replacing Mr Ronnie Kok Lai Huat effective 15 March 2021.*

The Chief Executive Officer, other Senior Management members and the external auditors attended these meetings upon invitation to brief the Committee on specific issues. The Company Secretary being the secretary of the Committee was present at all the meetings. The Committee had also met with the external auditors without the presence of Management.

Minutes of meetings of the Committee are circulated to all members of the Board and significant issues are discussed at the Board meetings.

PRINCIPAL ACTIVITIES IN THIS FINANCIAL YEAR

The Committee carried out its' duties in accordance with its terms of reference during the year. The principal activities of the Committee were as follows:

(a) FINANCIAL STATEMENTS

(i) The Committee reviewed the audited statutory financial statements, quarterly financial results of the Group for 2021 and discussed significant issues before recommending them to the Board of Directors for approval prior to the announcement to Bursa Malaysia.

(ii) Additionally, the Committee also reviewed the annual, interim and any other related financial statements and announcements of the Group for quality of disclosure, and compliance with the Listing Requirements of Bursa Malaysia, approved accounting standards and other relevant legal and regulatory requirements.

(b) INTERNAL AUDIT

(i) The Group Internal Audit & Compliance Division conducted audit activities as per the 2021 Audit Plan approved by the Committee on 26 November 2020. The Head of Internal Audit & Compliance 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 2021.

(ii) The 2021 Audit Plan was reviewed on a quarterly basis or as required, which required inclusion of unplanned audit assignments to be carried out on an ad-hoc basis upon Management's request or arising from corporate significant events. A total of 33 audit assignments were completed in 2021, categorised as follows:

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

b) Strategic and Operational Audits: Audits of core operations within the Group such as SO Project Rollout and Global Sales Management, and support services such as Management of Treasury Function and Corporate Office Affairs;

c) Regional Audit: Support service audit of Symphony Communication Public Company Limited, which includes Internal Control Sufficiency and Customer Complaints;

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) Appraisal and approval of the appointment and termination of Head of Internal Audit & Compliance.

PRINCIPAL ACTIVITIES IN THIS FINANCIAL YEAR (cont'd)

(c) RELATED PARTY TRANSACTIONS

The Committee reviewed the related party transactions presented by Management to ensure that the transactions were not more favourable to the related parties than those generally available to the public and not detrimental to minority shareholders.

(d) RISK MANAGEMENT

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

(ii) Statement on Risk Management and Internal Control for inclusion in the 2021 Annual Report.

(e) EXTERNAL AUDIT

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

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

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

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

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

(ii) The Committee also held private meetings with the external auditors without Management to ensure there were no restrictions on the scope of their audit and to discuss any items that the auditors did not wish to raise in the presence of Management.

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

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

TRAINING

The training attended by the Committee members during the financial year is reported under the Corporate Governance Statement on pages 57 to 58.

INTERNAL AUDIT FUNCTION

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

INTERNAL AUDIT FUNCTION (cont'd)

The internal audit function is performed in-house by a group of 13 internal auditors that are free from any relationships or conflicts of interest, which could impair their objectivity and independence. The function is headed by Syed Abdul Qader bin Mohd Ansari, who has more than 15 years of internal auditing experience in telecommunications, airlines and banking industry. All the internal auditors have tertiary qualifications and the level of expertise and professionalism as at the end of 2021 is as follows:

Expertise Category	Percentage of total auditors
Bachelor's Degree	77%
Professional (ACCA, CISA, CA, CIA, ISMS, CFE and CRMA)	46%
Professional Membership (ACCA, MIA, IIA & ISACA)	54%

The total costs incurred for the internal audit function for the financial year ended 31 December 2021 amounted to RM2,361,156.86.

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 2021, Internal Audit executed a range of audit reviews covering financial, operational, fraud investigation and information systems audit. Other reviews were also performed to ensure that the Group's resources are utilised effectively and efficiently. The Internal Audit reports were issued for the audited division's comments and for their response on the action plans and implementation date. Internal Audit also coordinated the follow up reviews on the resolutions of internal audit issues and reported the status to the Committee.

Findings and recommendations for improvements were communicated to Senior Management and the Committee. The Internal Audit function adopts a risk-based approach in the review of internal controls based on an annual audit plan approved by the Committee. The Internal Audit function also adopts the COSO framework in assessing internal controls related to areas of review.

TERMS OF REFERENCE OF THE AUDIT COMMITTEE

(a) MEMBERSHIP

- There should be a minimum of three non-executive directors, of which a majority must be independent directors.
- The Chairman of the Audit Committee shall be an independent non-executive director who is not the Chairman of the Board.
- There should be at least 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.

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

(a) MEMBERSHIP (cont'd)

- 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.

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

- Alternate directors cannot be a member of the Audit Committee.

- All members of the Audit Committee, including the Chairman, will hold office only so long as they serve as Directors of the Company.

- Members of the Audit Committee may relinquish their membership in the Committee with prior written notice to the Company Secretary and may continue to serve as Director of the Company.

- All Audit Committee Members should be financial literate, competent and are able to understand matters under the purview of the Audit Committee including the financial reporting process.

- All Audit Committee Members including the Chairman should be persons of good social standing and possess relevant skills and a good track record in the corporate or business field. They must have the required skills to engage with Management and the auditors and be prepared to ask key and probing questions about the Company's financial position, operational risks and internal controls, compliance with applicable approved accounting standards and other related requirements. The Audit Committee's effectiveness is dependent on its members' broad business experience, knowledge and competence in business matters, financial reporting, internal controls and auditing.

- No former partners 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.

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

(b) FUNCTIONS OF THE AUDIT COMMITTEE

(i) To determine that established policies, procedures and guidelines, operating and internal accounting controls are adequate, functioning, effective, and are complied with in promoting efficiency and proper conduct of the Company's business.

(ii) To act as an independent and objective party in reviewing the financial information of the Company presented by Senior Management.

(iii) To review the quarterly and year-end financial statements of the Company for recommendation to the Board for approval, focusing particularly on:

- any changes in or implementation of major accounting policies and practices;
- significant matters highlighted including financial reporting issues, significant judgments made by Senior Management, significant and unusual events or transactions, and how these matters are addressed; and
- compliance with accounting standards and other legal requirements.

(iv) To consider and recommend the nominations, appointment and reappointment of the external 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 do the following where an internal audit function exists:

- Review the adequacy of the scope, functions, competency and resources of the internal audit function according to the standards set by recognised professional bodies, and that it has the necessary authority to carry out its work;
- To ensure the internal audit function is effective and able to function independently.
- 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;
- Review any appraisal or assessment of the performance of members of the internal audit function;
- Approve any appointment or termination of senior staff members of the internal audit function; and
- Inform itself of resignations of internal audit staff members and provide the resigning staff to submit his/her reasons for resigning.

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

(b) FUNCTIONS OF THE AUDIT COMMITTEE (cont'd)

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

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

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

(xiv) To monitor operational performance against targets set in the Annual Operating Plan in relation to the Group's quarterly financial performance and quarterly announcement to Bursa.

(xv) To assess risk and control environment by:

- 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

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

(xvi) To consider other topics as defined or functions as delegated by the Board.

(c) RIGHTS OF THE AUDIT COMMITTEE

To enhance the effectiveness of the Audit Committee in the discharge of its duties, the Listing Requirements provides the Audit Committee with the following rights:

- authority to investigate any matter within its terms of reference;
- right to resources to perform its duties;
- full and unrestricted access to any information pertaining to the Company, including access to resources;
- have direct communication channels with the external auditors and person(s) carrying out the internal audit function or activity;
- right to obtain external independent professional advice and secure the attendance of outsiders with relevant experience and expertise if it considers this necessary; and
- right to convene meetings with the external auditors, the internal auditors or both, excluding the attendance of other directors and employees of the Company, whenever deemed necessary.

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

(d) AUDIT COMMITTEE MEETINGS

- The Audit Committee should meet regularly, at least once in every quarter, with due notices of issues to be discussed and should record its conclusions in discharging its duties and responsibilities. The quorum should comprise a majority of independent directors.

- The Audit Committee shall aim to reach a consensus on issues discussed, failing which a poll shall be taken through a show of hands.

- The Chairman of the Audit Committee should report on each meeting to the Board. Minutes of each meeting should be kept and distributed to each member of the Committee and of the Board. The Secretary to the Committee should be the Company Secretary of the Company.

- The Chief Executive Officer ("CEO") or/and Chief Financial Officer (or a person of similar capacity), Head of Internal Audit and a representative of the external auditors shall normally be entitled to attend any meeting of the 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.

- The Audit Committee must ensure that other directors and employees attend any particular Audit Committee meeting only at the Audit Committee's invitation, specific to the relevant meeting.

- The Audit Committee should meet with the external auditors without executive board members present at least twice a year for the following purposes:

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

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

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

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

- The Audit Committee may deal with matters by way of circular reports and resolution in lieu of convening a formal meeting.

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

(e) AUDIT COMMITTEE REPORT

The Board of Directors of a listed issuer must publish an Audit Committee Report in its annual report and shall include the following therein:

- membership of the Audit Committee of which the minimum details are specified in the Listing Requirements;
- the number of Audit Committee meetings held and details of attendance of each Audit Committee member;
- summary of the work of the Audit Committee in the discharge of its functions and duties for that financial year of the Company and how it has met its responsibilities; and
- summary of the work of the internal audit function.

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

- a statement explaining the Board of Directors' responsibility for preparing the annual audited financial statements; and
- a statement about the risk management and internal controls of the Company as a group (after the same is reviewed by the external auditors and the results thereof reported).

(f) REPORTING OF BREACHES

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

(g) SUPPORT

The Company Secretary shall provide the necessary support to enable members of the Audit Committee to discharge their functions effectively.

(h) REVIEW OF TERMS OF REFERENCE

The Terms of Reference should be assessed, reviewed and updated periodically, at least when there are changes to the Malaysian Code on Corporate Governance 2021, Listing Requirements or any other regulatory requirements. It should also be reviewed and updated when there are changes to the direction or strategies of the Company that may affect the Audit Committee's role.

DIRECTORS' STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

The Malaysian Code on Corporate Governance 2021 ("the Code") sets out the Principles, Practices and Guidance for the Board of a company listed on the Bursa Malaysia Securities Berhad ("Bursa Securities") to establish a proper risk management framework and internal control system in order to assist the Company in making informed decisions on the level of risk tolerance and necessary controls to pursue the Company's objectives.

The Board of Directors ("the Board") is committed to establish a sound framework to manage risks and is pleased to provide the following statement in accordance with paragraph 15.26 (b) of the Main Market Listing Requirements, Practice Note 9 issued by Bursa Securities, Statement on Risk Management & Internal Control (Guidelines For Directors of Listed Issuers) and guided by Principle B and Practice and Guidance 10.1 and 10.2 of the Code on recognising and managing risks within the Group.

BOARD RESPONSIBILITY

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

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

The Board has established a process for identifying, evaluating, monitoring and managing the significant risks that may materially affect the achievement of its corporate objectives. This process has been in place throughout the year under review up to the date of this report.

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

CONTROL ENVIRONMENT AND STRUCTURE

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

(a) CONTROL ENVIRONMENT

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

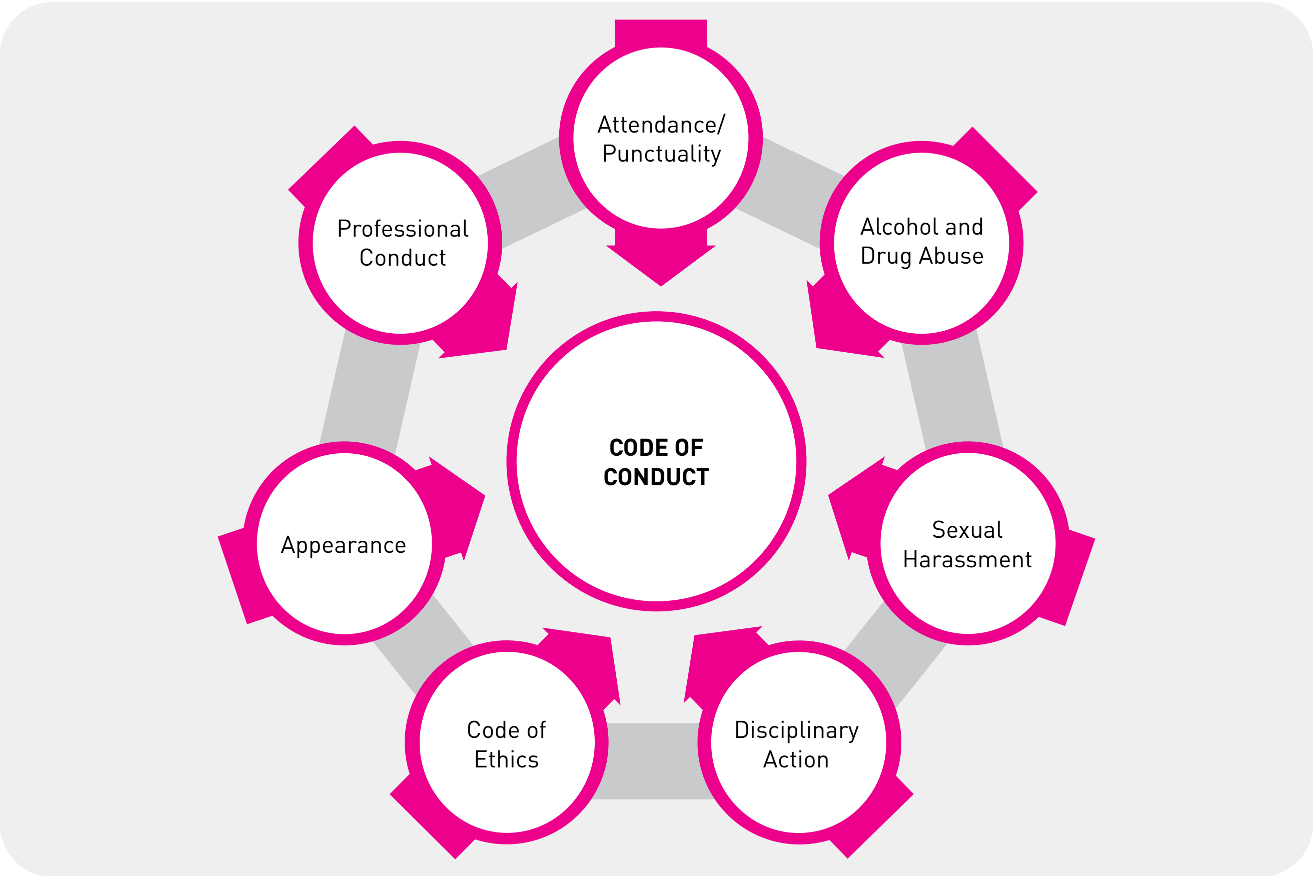
(ii) **Board Committees** are set up by the Company to uphold corporate governance and transparency with its specific terms of reference and authority. The Board Committees comprise of the Audit Committee, Nomination and Remuneration Committee and Tender Committee. These Committees report to the Board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

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

CONTROL ENVIRONMENT AND STRUCTURE (cont'd)

(a) CONTROL ENVIRONMENT (cont'd)

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



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

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

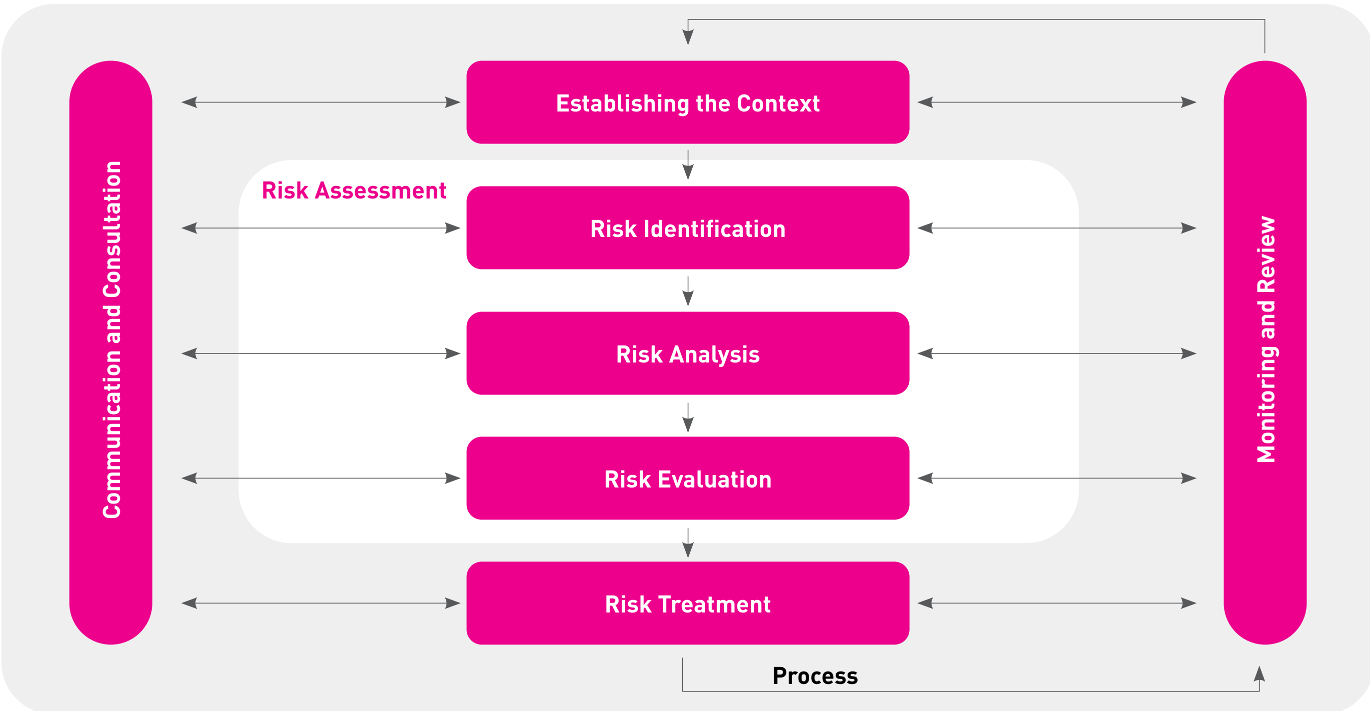
(vi) **Supplier Conduct Principles** have been established which outlines the standard for ethical and business conduct expected from contractors and suppliers in their relationship with the Group. These principles are incorporated in vendor code of conduct documents.

CONTROL ENVIRONMENT AND STRUCTURE (cont'd)

(b) RISK ASSESSMENT

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 Enterprise Risk Management ("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:



(i) **The Risk Management Steering Committee ("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 implementation and monitoring of risk treatment plans. The risks in TIME and its related entities are identified based on quarterly environmental scans and potential impact of internal (within TIME) and external factors (political, economic, social, technological, industry and 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 its statuses are identified and reported to the Board on a quarterly basis.

A summary of the key risks faced by the Group are listed in Appendix One of this statement.

CONTROL ENVIRONMENT AND STRUCTURE (cont'd)

(c) CONTROL ACTIVITIES

(i) **Operational and Accounting Manuals** are in place to provide guidelines and standard operating procedures over the Group's key business processes. In addition, TIME's Credit 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, staff, contractors and consultants can anonymously voice concerns or complaints.

(iii) **Business Continuity Management ("BCM") Framework** has been established in 2011 as a guide to develop and maintain the Group's BCM programme based on management's evaluation of the requirements/definitions/guidelines in reference to Malaysia/International standards i.e. ISO 22301. The implementation of Group's BCM programme will facilitate the following:

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

(iv) **Financial and Operational Information** is prepared and presented to the Board on a quarterly basis. Annual budgets and business plans are prepared by all business units and consolidated for the Board's review and approval. Operating results are monitored against budget on a monthly basis and presented to the Board at least on a quarterly basis. The Audit Committee and Board review the results on a quarterly basis to enable it to track the Group's achievement against its annual targets.

(v) **Board Meetings** are scheduled at least quarterly. Board papers are distributed to the Board members ahead of meetings and the members have access to all relevant information. Decisions are made by the Board only after the required information is presented and deliberated to facilitate appropriate oversight and responsibility on the direction of the Group by the Board.

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

(d) MONITORING

(i) **Internal Audit Function** reports to the Audit Committee at least quarterly and is guided by the Audit Charter. Findings and recommendations for improvements are communicated to the Senior Management and the Audit Committee with relevant follow up on the implementation status of action plans. The Internal Audit function adopts a risk-based approach in the review of internal control based on an annual audit plan approved by the Audit Committee. The Internal Audit function examines the adequacy and effectiveness of the verification, recording and disclosure procedures for related party transactions, recurrent or otherwise, in conformance with Bursa Securities Listing Requirements on related party transactions on a biennial basis.

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

CONTROL ENVIRONMENT AND STRUCTURE (cont'd)

(d) MONITORING (cont'd)

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

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

(iv) **Revenue Assurance** function monitors potential revenue leakages that may arise from daily operations. Identified revenue leakage issues with recommendations for mitigation are circulated to the relevant departments for action. Action plans and status are reported to the 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 SORMIC for inclusion in the 2021 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 ("Guidelines") issued by the Malaysian Institute of Accountants ("MIA"), and reported to the Board that nothing has come to their attention that causes them to believe that the Statement is not prepared, in all material aspects, in accordance with the disclosures required by paragraphs 41 and 42 of the Guidelines, nor is the Statement factually inaccurate.

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

CONCLUSION

The Board had received assurance from the CEO 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.

APPENDIX ONE – KEY RISKS FACED BY THE GROUP

1. OPERATIONAL RISK

With the revolution of how organisations work across the world due to the COVID-19 pandemic, 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 ("SLG") and exceed customers' expectations. Even with all proper controls in place, the risks of network failure and disruption due to external factors rising from incidents which are not within TIME's control such as sabotage, improper external works along TIME's network route, natural disasters, among others, will always remain.

APPENDIX ONE – KEY RISKS FACED BY THE GROUP (cont'd)

1. OPERATIONAL RISK (cont'd)

To mitigate these risks, continuous initiatives and various projects were implemented to provide stronger network and operations resiliency. Investments towards improving its infrastructure were continuously made to meet TIME's increasing customer base. Operational process and procedures were continuously improved to emphasise the need to provide 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.

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

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

3. CYBER-THREAT RISK

As cyber threats have escalated over the years, it has 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 operation 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 process/policies, 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 standard. TIME also adopts information confidentiality policies and procedures to further mitigate the risk and exposure towards the cyber security risks. TIME is also certified in Information Security Management Systems (ISO/IEC 27001).

4. EXTERNAL RISK

External risk emerges when there are external events that occur beyond the control of the organisation. In the increasingly connected world, developments in other countries may have an adverse impact to TIME's business. TIME continue to stay updated of any development and happenings around the world that may directly and/or indirectly impact the company and its key partners. This allows us to be more prepared in leveraging on any opportunities or in mitigating any potential risks that may impact our business.

5. REGULATORY RISK

Regulatory risk arises when there is 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 strive to be agile in adapting to regulatory changes by actively engaging with related regulatory bodies and keep 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.

GROUP FINANCIAL HIGHLIGHTS

	FY2017	FY2018	FY2019	FY2020	FY2021
Revenue (RM'000)	860,696	983,435	1,113,873	1,223,169	**1,396,362**
Revenue Growth (%)	12	14	13	10	**14**
EBITDA (RM'000)	297,191	427,436	479,797	567,059	**689,220**
Operating Profit (RM'000)	183,091	302,441	330,302	415,182	**526,003**
Profit After Tax (RM'000)	175,362	288,670	314,036	326,904	**396,778**
Return on Equity (%)	8	11	11	11	**13**
Basic Earnings per Ordinary Share (sen) [N1]	10.08	16.52	17.91	18.27	**21.63**
Financial Position					
Total Shareholders' Equity (RM'000)	2,266,024	2,519,715	2,766,857	3,050,292	**3,163,544**
Total Assets (RM'000)	3,078,050	3,177,651	3,520,734	3,900,583	**4,121,339**
NTA per Share (RM) [N1]	1.18	1.32	1.45	1.56	**1.59**
Return on Assets (%)	6	9	9	8	**10**

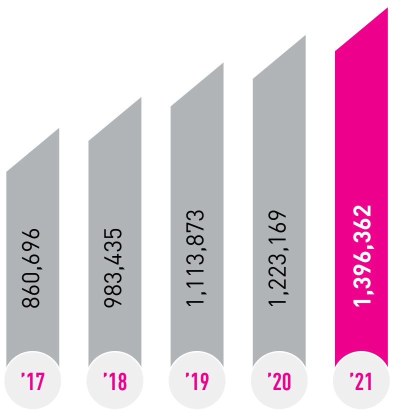
Notes:

Figures for FY2018 onwards are shown post-MFRS15. Figures for FY2019 onwards are shown post MFRS 16.

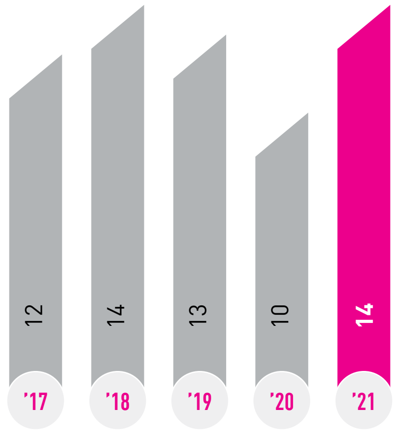
[1] *For comparison purposes, FY2017 to FY2020 Basic Earnings per Ordinary Shares and NTA per Share have been adjusted to reflect the impact of bonus issue exercise on the basis of two bonus shares for every one existing ordinary share held which was completed on 6 August 2021.*

Group Financial Highlights

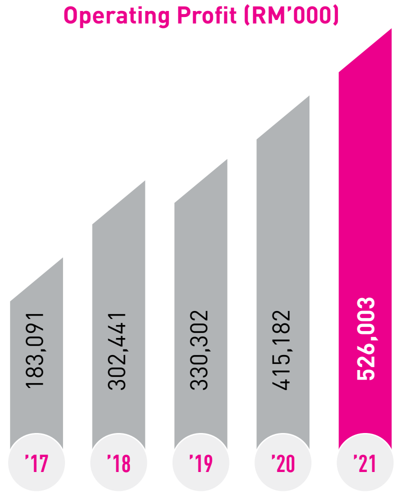
Revenue (RM'000)



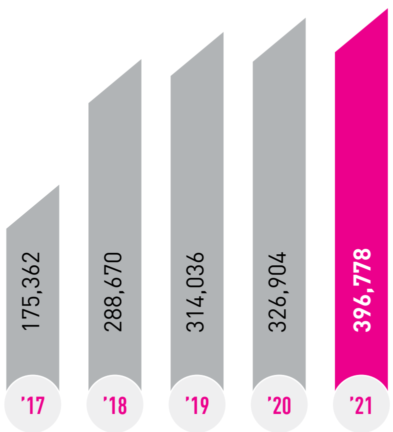
Revenue Growth (%)



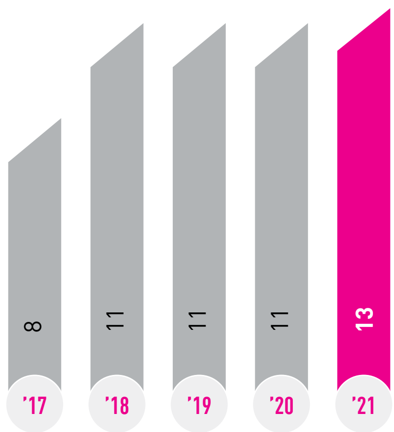
Operating Profit (RM'000)



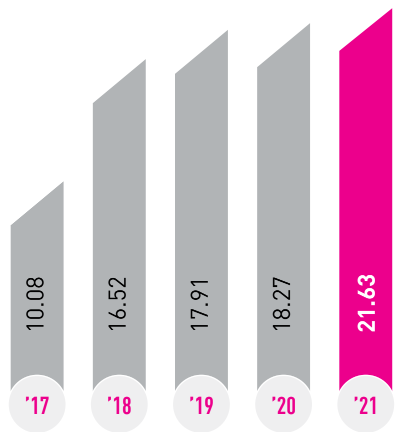
Profit After Tax (RM'000)



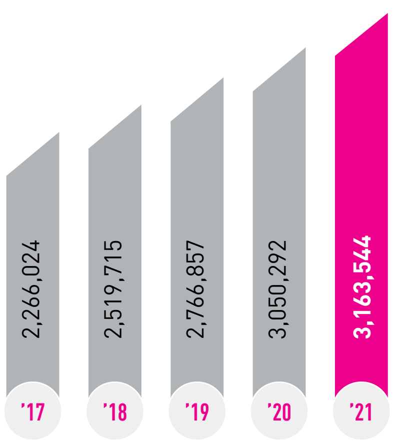
Return on Equity (%)



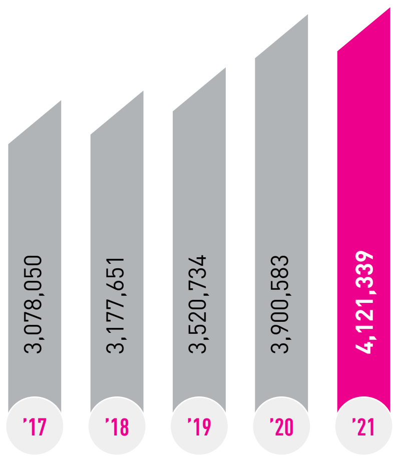
Basic Earnings per Ordinary Share (Sen)



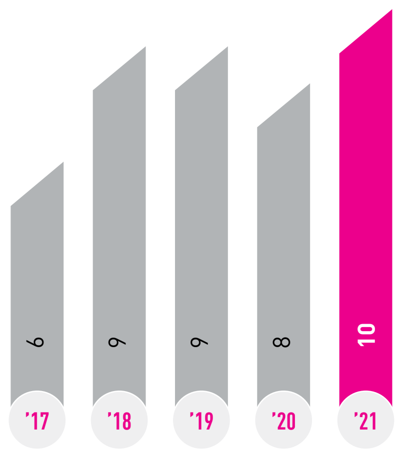
Total Shareholders' Equity (RM'000)



Total Assets (RM'000)

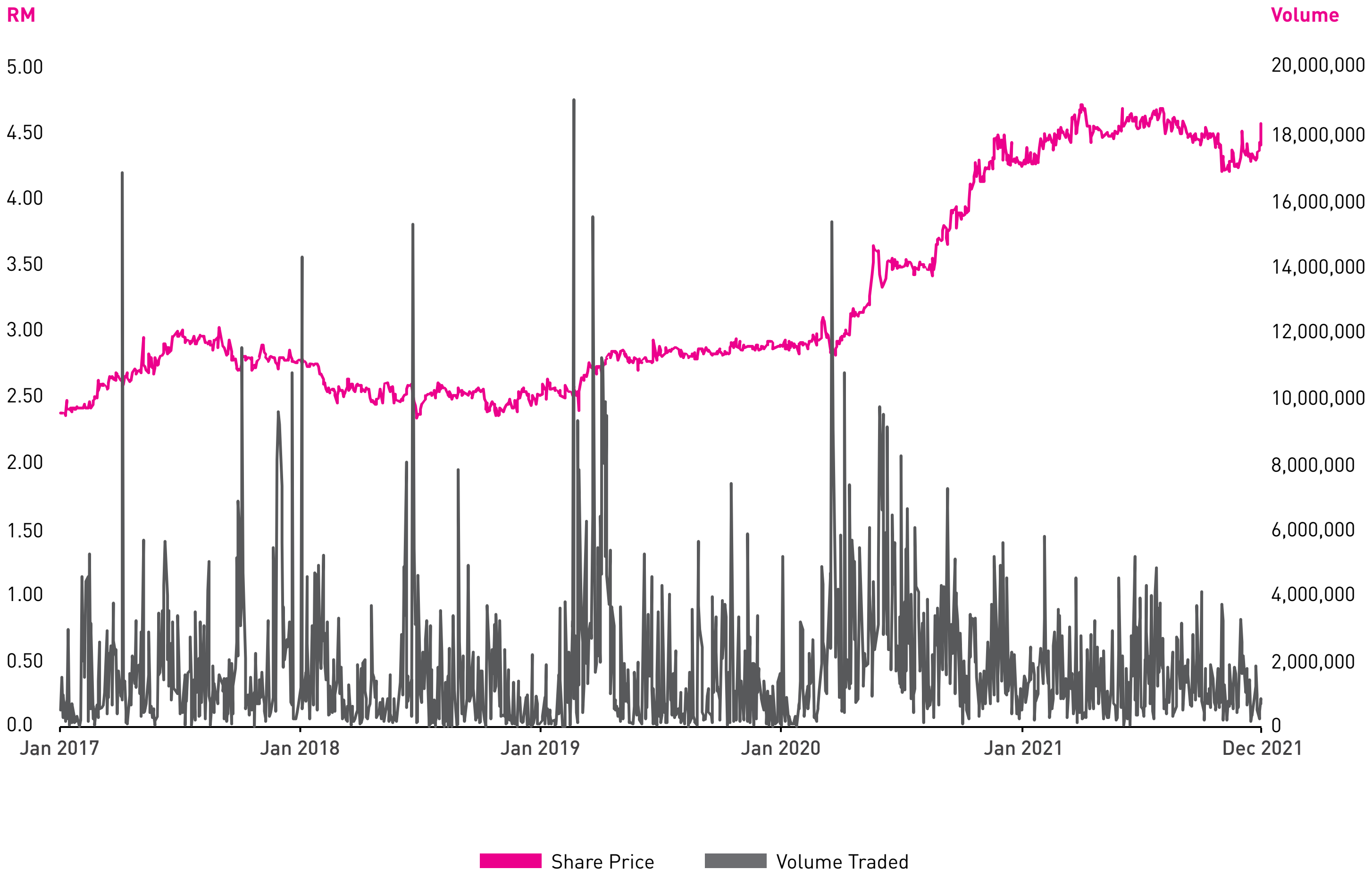


Return on Assets (%)



5-YEAR SHARE PRICE MOVEMENT

as at 31 December 2021



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

FINANCIAL STATEMENTS

DIRECTORS' REPORT

for the year ended 31 December 2021

The Directors have pleasure in submitting their report and the audited financial statements of the Group and of the Company for the financial year ended 31 December 2021.

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. 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	393,160	316,125
Non-controlling interests	3,618	-
	396,778	316,125

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:

a) an ordinary interim and a special interim (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;

b) an additional special interim (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.

The Directors declared on 25 February 2022, an ordinary interim and a special interim (single tier) dividend of 10.86 sen and 2.29 sen per ordinary share respectively for the financial year ended 31 December 2021, which will be paid on 23 March 2022.

Directors of the Company

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

Abdul Kadir Md. Kassim (Chairman) (resigned on 22 October 2021)
Afzal Abdul Rahim (Chief Executive Officer)
Patrick Corso (Executive Director)
Lee Guan Hong (Executive Director)
Ronnie Kok Lai Huat
Elakumari Kantilal
Hong Kean Yong
Mark Guy Dioguardi
Koh Cha-Ly
Datuk Azailiza Binti Mohd Ahad (appointed on 27 August 2021)
Datuk Zainal Amanshah Bin Zainal Arshad (appointed on 3 January 2022)

Directors of the Company (cont'd)

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

Directors' interests in shares

The interests and deemed interests in the shares of the Company and of its related corporations (other than wholly-owned subsidiaries) of those who were Directors at financial year end (including the interests of the spouses or children of the Directors who themselves are not Directors of the Company) as recorded in the Register of Directors' Shareholdings are as follows:

	Number of ordinary shares				
	At 1.1.2021	Shares vested under Share Grant Plan/ Share options	Bonus issue	Sold	At 31.12.2021
Deemed interest in the Company:					
Afzal Abdul Rahim - own*	178,608,690	-	357,217,380	-	535,826,070
Patrick Corso - own*	178,608,690	-	357,217,380	-	535,826,070
Interest in the Company:					
Afzal Abdul Rahim - own	6,215,907	-	9,431,814	(1,500,000)	14,147,721
Patrick Corso - own	221,800	5,040,000	88,800	(1,167,000)	4,183,600
Lee Guan Hong - own	1,019,002	1,085,717	1,278,004	(1,164,000)	2,218,723
Ronnie Kok Lai Huat - own	5,000	-	10,000	-	15,000

	Number of share options over ordinary shares			
	At 1.1.2021	Bonus Issue	Exercised	At 31.12.2021
Interest in the Company:				
Patrick Corso - own	3,300,000	5,700,000	(5,040,000)	3,960,000

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

By virtue of Afzal Abdul Rahim and Patrick Corso's interest in the shares of the Company, they are also deemed interested in the shares of subsidiaries during the financial year to the extent that TIME dotCom Berhad has an interest.

None of the other Directors holding office as at 31 December 2021 had any interest in the shares of the Company and of its related corporations during the financial year.

Directors' benefits

Since the end of the previous financial year, no Director of the Company has received nor become entitled to receive any benefit (other than those fees and other benefits included in the aggregate amount of remuneration received or due and receivable by Directors as shown in the financial statements or the fixed salary of a full time employee of the Company or of related corporations) by reason of a contract made by the Company or a related corporation with the Director or with a firm of which the Director is a member, or with a company in which the Director has a substantial financial interest other than certain Directors who have substantial financial interests in companies which traded with certain companies in the Group in the ordinary course of business in which the Directors are the members as disclosed in Note 29 to the financial statements.

Directors' benefits (cont'd)

There were no arrangements during and at the end of the financial year, to which the Company is a party and had the object of enabling Directors of the Company to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate other than from the grant of a share option to Patrick Corso, an Executive Director of the Company and the Company's share grant plan in which only Lee Guan Hong, an Executive Director of the Company is eligible to participate.

Issue of shares and debentures

During the financial year, the issued and paid-up capital of the Company was increased from 604,261,833 ordinary shares to 1,825,618,888 ordinary shares by

(i) the issuance of 1,209,423,666 bonus shares on the basis of two bonus shares for every one existing shares held;

(ii) the issuance of 5,040,000 new ordinary shares pursuant to the Company's share option and;

(iii) the issuance of 6,893,389 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.

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.

Share options to an Executive Director (cont'd)

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.

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.

Share grant plan to employees

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

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

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

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

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

Share grant plan to employees (cont'd)

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

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

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

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

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

f) On 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.

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 2021 was RM40,926 (2020: RM38,965).

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

Other statutory information (cont'd)

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

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 twelve 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 2021 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 33 to the financial statements.

Subsequent event

The details of such event is disclosed in Note 34 to the financial statements.

Auditors

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

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

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

....
Afzal Abdul Rahim
Director

....
Patrick Corso
Director

Date: 25 February 2022

STATEMENTS OF FINANCIAL POSITION

as at 31 December 2021

		Group		Company	
	Note	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Assets					
Property, plant and equipment	3	1,820,753	1,689,670	8,113	8,113
Investment property	4	1,478	-	-	-
Right-of-use assets	5	140,469	154,568	-	-
Intangible assets	6	251,989	213,959	-	-
Investments in subsidiaries	7	-	-	509,539	451,633
Investments in associates	8	456,976	441,360	-	-
Other investments	9	41,731	31,271	-	2,000
Deferred tax assets	10	55,790	165,310	4,106	5,916
Trade and other receivables	11	6,605	2,112	64,510	74,390
Total non-current assets		2,775,791	2,698,250	586,268	542,052
Tax recoverable		1,883	812	-	-
Other investments	9	2,000	-	2,000	-
Trade and other receivables	11	541,279	452,393	913,132	1,021,923
Restricted cash	12	4,296	332	35	34
Cash and cash equivalents	12	796,090	748,796	190,456	110,925
Total current assets		1,345,548	1,202,333	1,105,623	1,132,882
Total assets		4,121,339	3,900,583	1,691,891	1,674,934
Equity					
Share capital	13	1,379,148	1,340,475	1,379,148	1,340,475
Reserves	14	1,762,153	1,704,450	301,422	326,895
Equity attributable to owners of the Company		3,141,301	3,044,925	1,680,570	1,667,370
Non-controlling interests		22,243	5,367	-	-
Total equity		3,163,544	3,050,292	1,680,570	1,667,370
Liabilities					
Loans and borrowings	15	107,997	28,675	-	-
Lease liabilities		103,427	118,373	-	-
Trade and other payables	16	327,823	301,616	-	-
Deferred tax liabilities	10	17,607	15,171	-	-
Total non-current liabilities		556,854	463,835	-	-
Loans and borrowings	15	22,489	18,122	-	4,166
Lease liabilities		20,221	18,851	-	-
Trade and other payables	16	349,809	344,335	10,986	3,087
Provision for tax		8,422	5,148	335	311
Total current liabilities		400,941	386,456	11,321	7,564
Total liabilities		957,795	850,291	11,321	7,564
Total equity and liabilities		4,121,339	3,900,583	1,691,891	1,674,934

The notes on pages 94 to 168 are an integral part of these financial statements.

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

for the year ended 31 December 2021

		Group		Company	
	Note	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Revenue	17	1,396,362	1,223,169	341,500	266,089
Cost of sales	18	(548,426)	(490,614)	-	-
Gross profit		847,936	732,555	341,500	266,089
Other income		20,133	578	3,076	11
Operating expenses		(327,992)	(284,603)	(20,822)	(22,206)
Net loss on impairment of financial instruments and contract assets	21	(8,348)	(15,276)	-	-
Other expenses		(5,726)	(18,072)	(10,105)	(4,187)
Results from operating activities		526,003	415,182	313,649	239,707
Income from investments	19	10,687	11,396	5,943	5,601
Finance costs	20	(27,863)	(21,520)	(255)	(513)
Share of profit from associates, net of tax		23,897	18,040	-	-
Profit before tax	21	532,724	423,098	319,337	244,795
Tax expense	22	(135,946)	(96,194)	(3,212)	(2,999)
Profit for the year		396,778	326,904	316,125	241,796
Profit attributable to:					
Owners of the Company		393,160	328,047	316,125	241,796
Non-controlling interests		3,618	(1,143)	-	-
Profit for the year		396,778	326,904	316,125	241,796

	Note	Group 2021 RM'000	Group 2020 RM'000	Company 2021 RM'000	Company 2020 RM'000
Other comprehensive (expense)/income, net of tax					
Items that may be reclassified subsequently to profit or loss					
Foreign currency translation differences for foreign operations		(7,018)	(4,330)	-	-
Cash flow hedge – associate		490	(765)	-	-
		(6,528)	(5,095)	-	-
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")	14.1	12,669	2,106	-	-
Remeasurement of defined benefit plan		-	585	-	-
		12,669	2,691	-	-
Other comprehensive income/(expense) for the year, net of tax		6,141	(2,404)	-	-
Total comprehensive income for the year		402,919	324,500	316,125	241,796
Total comprehensive income/(expense) attributable to:					
Owners of the Company		399,301	325,643	316,125	241,796
Non-controlling interests		3,618	(1,143)	-	-
Total comprehensive income for the year		402,919	324,500	316,125	241,796
Earnings per ordinary share (sen)	23				
- Basic		21.63	18.27		
- Diluted		21.61	18.24		

The notes on pages 94 to 168 are an integral part of these financial statements.

STATEMENTS OF CHANGES IN EQUITY

for the year ended 31 December 2021

Group	Share capital RM'000	FVOCI reserve RM'000	Foreign currency translation reserve RM'000	Share grant/ option reserves RM'000	Hedging reserve RM'000	Retained earnings RM'000	Total RM'000	Non-controlling interests RM'000	Total equity RM'000
	← Attributable to owners of the Company →								
	← Non-distributable →					Distributable			
At 1 January 2020	1,200,135	11,025	40,278	42,749	-	1,472,670	2,766,857	-	2,766,857
Fair value gain on equity investments designated at FVOCI	-	2,106	-	-	-	-	2,106	-	2,106
Exchange differences recognised directly in equity	-	-	(4,330)	-	-	-	(4,330)	-	(4,330)
Cash flow hedge - associate	-	-	-	-	(765)	-	(765)	-	(765)
Remeasurement of defined benefit plan	-	-	-	-	-	585	585	-	585
Total other comprehensive income/(expense) for the year	-	2,106	(4,330)	-	(765)	585	(2,404)	-	(2,404)
Profit/(Loss) for the year	-	-	-	-	-	328,047	328,047	(1,143)	326,904
Total comprehensive income/(expense) for the year	-	2,106	(4,330)	-	(765)	328,632	325,643	(1,143)	324,500
Contributions by and distributions to owners of the Company									
- Dividend to owners of the Company (Note 24)	-	-	-	-	-	(169,982)	(169,982)	-	(169,982)
- Employee share grant plan/option scheme	-	-	-	26,421	-	-	26,421	-	26,421
- Issuance of shares pursuant to the share grant plan/option scheme	140,340	-	-	(44,361)	-	-	95,979	-	95,979
- Subscription of shares in a subsidiary by an associate	-	-	-	-	-	-	-	2,920	2,920
- Disposal of investment in a subsidiary to an associate	-	-	-	-	-	7	7	3,590	3,597
Total transactions with owners of the Company	140,340	-	-	(17,940)	-	(169,975)	(47,575)	6,510	(41,065)
At 31 December 2020	1,340,475	13,131	35,948	24,809	(765)	1,631,327	3,044,925	5,367	3,050,292

Group	Share capital RM'000	FVOCI reserve RM'000	Foreign currency translation reserve RM'000	Share grant/ option reserves RM'000	Hedging reserve RM'000	Retained earnings RM'000	Total RM'000	Non-controlling interests RM'000	Total equity RM'000
	Attributable to owners of the Company								
	Non-distributable					Distributable			
At 1 January 2021	1,340,475	13,131	35,948	24,809	(765)	1,631,327	3,044,925	5,367	3,050,292
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
Profit for the year	-	-	-	-	-	393,160	393,160	3,618	396,778
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 24)	-	-	-	-	-	(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 32)	-	-	-	-	-	-	-	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

Company	Non-distributable Share capital RM'000	Non-distributable Share grant/ option reserves RM'000	Distributable Retained earnings RM'000	Total equity RM'000
At 1 January 2020	1,200,135	42,749	230,272	1,473,156
Profit for the year	-	-	241,796	241,796
Contributions by and distributions to owners of the Company				
- Dividend to owners of the Company (Note 24)	-	-	(169,982)	(169,982)
- Employee share grant plan/option scheme	-	26,421	-	26,421
- Issuance of shares pursuant to the share grant plan/option scheme	140,340	(44,361)	-	95,979
Total transactions with owners of the Company	140,340	(17,940)	(169,982)	(47,582)
At 31 December 2020/1 January 2021	1,340,475	24,809	302,086	1,667,370
Profit for the year	-	-	316,125	316,125
Contributions by and distributions to owners of the Company				
- Dividend to owners of the Company (Note 24)	-	-	(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	1,379,148	33,288	268,134	1,680,570

The notes on pages 94 to 168 are an integral part of these financial statements.

STATEMENTS OF CASH FLOWS

for the year ended 31 December 2021

	Note	Group 2021 RM'000	Group 2020 RM'000	Company 2021 RM'000	Company 2020 RM'000
Cash flows from operating activities					
Cash receipts from customers		1,413,934	1,340,905	-	-
Transfer to restricted cash		(258)	(166)	(1)	(1)
Cash payments to suppliers		(408,336)	(360,751)	-	(121)
Cash payments to employees and for administrative expenses		(309,526)	(295,144)	(9,064)	(11,350)
Cash payments (to)/from subsidiaries		-	-	(9,004)	34,905
Payment of lease liabilities		(39,978)	(28,837)	-	-
Cash generated from/(used in) operations		655,836	656,007	(18,069)	23,433
Tax paid		(23,861)	(14,774)	(1,378)	(1,174)
Net cash generated from/(used in) operating activities		631,975	641,233	(19,447)	22,259
Cash flows from investing activities					
Acquisition of property, plant and equipment	(i)	(300,456)	(282,609)	-	-
Acquisition of other investments		-	(2,583)	-	(2,000)
Acquisition of subsidiary, net of cash and cash equivalents acquired	32	(44,682)	-	(58,680)	-
Investment in a subsidiary		-	-	-	(6,965)
Investment income received		11,618	17,250	458,863	168,947
Proceeds from disposal of property, plant and equipment		136	197	-	-
Proceeds from disposal of interest in a subsidiary to an associate		-	3,597	-	-
Net cash (used in)/generated from investing activities		(333,384)	(264,148)	400,183	159,982

	Note	Group 2021 RM'000	Group 2020 RM'000	Company 2021 RM'000	Company 2020 RM'000
Cash flows from financing activities					
Advances to subsidiary companies		-	-	38,016	24,857
Proceeds from term loans and other borrowings		104,043	16,678	4,043	16,678
Repayment of term loans and borrowings		(27,248)	(84,005)	(8,081)	(69,335)
Finance charges paid		(5,426)	(4,154)	(384)	(1,025)
Proceeds from issuance of additional shares		15,367	95,979	15,367	95,979
Proceeds from subscription of shares in a subsidiary by non-controlling interest		3,000	-	-	-
Proceeds from subscription of shares in a subsidiary by an associate		-	2,920	-	-
Shareholder loan from an associate		4,955	11,129	-	-
Dividend paid	24	(350,077)	(169,982)	(350,077)	(169,982)
Cash flows used in financing activities		(255,386)	(131,435)	(301,116)	(102,828)
Net change in cash and cash equivalents		43,205	245,650	79,620	79,413
Effect of exchange rate fluctuations on cash held		4,089	(3,808)	(89)	(354)
Cash and cash equivalents at 1 January		748,796	506,954	110,925	31,866
Cash and cash equivalents at 31 December	12	796,090	748,796	190,456	110,925

Cash outflows for leases as a lessee

	Note	Group 2021 RM'000	Group 2020 RM'000	Company 2021 RM'000	Company 2020 RM'000
Included in net cash from operating activities:					
Payment relating to short-term leases	21	(12,312)	(11,961)	-	-
Payment of lease liabilities		(33,810)	(23,045)	-	-
Included in net cash from financing activities:					
Interest paid in relation to lease liabilities	20	(6,168)	(5,792)	-	-
Total cash outflows for leases		(52,290)	(40,798)	-	-

(i) Acquisition of property, plant and equipment

During the financial year, the Group acquired property, plant and equipment with an aggregate cost of RM245,826,000 (2020: RM261,488,000) and paid RM300,456,000 (2020: RM282,609,000) 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 94 to 168 are an integral part of these 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 2021 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. 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 25 February 2022.

1. Basis of preparation

(a) Statement of compliance

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

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

MFRSs, interpretations and amendments effective for annual periods beginning on or after 1 April 2021
- Amendment to MFRS 16, *Leases – COVID-19-Related Rent Concessions beyond 30 June 2021*

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

MFRSs, interpretations and amendments effective for annual periods beginning on or after 1 January 2023
- MFRS 17, *Insurance Contracts*
- Amendments to MFRS 17, *Insurance Contracts – Initial application of MFRS 17 and MFRS 9 – Comparative Information*
- Amendments to MFRS 101, *Presentation of Financial Statements – Classification of Liabilities as Current or Non-current and 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 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*

1. Basis of preparation (cont'd)

(a) Statement of compliance (cont'd)

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

The Group and the Company do not plan to apply MFRS 1, *First-time Adoption of Malaysian Financial Reporting Standards* and MFRS 141, *Agriculture* that are effective for annual periods beginning on or after 1 January 2022 as they are not applicable to the Group and the Company.

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.

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.

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

(ii) Business combinations

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

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

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

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

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

(iii) Acquisitions of non-controlling interests

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

2. Significant accounting policies (cont'd)

(a) Basis of consolidation (cont'd)

(iv) Loss of control

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

(v) Associates

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

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

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

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

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

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

(vi) 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.

2. Significant accounting policies (cont'd)

(a) Basis of consolidation (cont'd)

(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.

(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 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.

2. Significant accounting policies (cont'd)

(c) Financial instruments

(i) Recognition and initial measurement

A financial asset or a financial liability is recognised in the statement of financial position when, and only when, the Group or the Company becomes a party to the contractual provisions of the instrument.

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

An embedded derivative is recognised separately from the host contract where the host contract is not a financial asset, and accounted for separately if, and only if, the derivative is not closely related to the economic characteristics and risks of the host contract and the host contract is not measured at fair value through profit or loss. The host contract, in the event an embedded derivative is recognised separately, is accounted for in accordance with policy applicable to the nature of the host contract.

(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(k)(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.

2. Significant accounting policies (cont'd)

(c) Financial instruments (cont'd)

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

Financial assets (cont'd)

(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(k)(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.

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.

2. Significant accounting policies (cont'd)

(c) Financial instruments (cont'd)

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

Financial liabilities (cont'd)

(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.

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.

2. Significant accounting policies (cont'd)

(c) Financial instruments (cont'd)

(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.

(a) Cash flow hedge

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

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

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

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

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

(vi) Derecognition

A financial asset or part of it is derecognised when, and only when, the contractual rights to the cash flows from the financial asset expire or are transferred, or control of the asset is not retained or substantially all of the risks and rewards of ownership of the financial asset are transferred to another party. On derecognition of a financial asset, the difference between the carrying amount of the financial asset and the sum of the consideration received (including any new asset obtained less any new liability assumed) is recognised in profit or loss.

2. Significant accounting policies (cont'd)

(c) Financial instruments (cont'd)

(vi) Derecognition (cont'd)

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.

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.

2. Significant accounting policies (cont'd)

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

(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.

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.

(iii) Depreciation

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.

(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.

2. Significant accounting policies (cont'd)

(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.

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.

2. Significant accounting policies (cont'd)

(f) Leases (cont'd)

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

(a) As a lessee (cont'd)

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.

(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.

2. Significant accounting policies (cont'd)

(f) Leases (cont'd)

(iii) Subsequent measurement (cont'd)

(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(k)(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 infinite useful lives are measured at cost less any accumulated amortisation and any impairment losses.

(iii) Amortisation

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

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	ten years
• development expenditure	ten years

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

(h) Contract asset/Contract liability

A contract asset is recognised when the Group's or the Company's right to considerations is conditional on something other than the passage of time. A contract asset is subject to impairment in accordance to MFRS 9, *Financial Instruments* (see Note 2(k)(i)).

2. Significant accounting policies (cont'd)

(h) Contract asset/Contract liability (cont'd)

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.

(i) Contract cost

(i) Incremental cost of obtaining a contract

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

(ii) Cost to fulfil a contract

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

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

(j) 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.

(k) 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.

2. Significant accounting policies (cont'd)

(k) Impairment (cont'd)

(i) Financial assets (cont'd)

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

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

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

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

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

(ii) Other assets

The carrying amounts of other assets (except for contract assets and deferred tax assets) are reviewed at the end of each reporting period to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. For goodwill and intangible assets that have indefinite useful lives or that are not yet available for use, the recoverable amount is estimated each period at the same time.

For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or cash-generating units.

Subject to an operating segment ceiling test, for the purpose of goodwill impairment testing, cash-generating units to which goodwill has been allocated are aggregated so that the level at which impairment testing is performed reflects the lowest level at which goodwill is monitored for internal reporting purpose. The goodwill acquired in a business combination, for the purpose of impairment testing, is allocated to the group of cash-generating units that are expected to benefit from the synergies of the combination.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs of disposal. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or cash-generating unit.

An impairment loss is recognised if the carrying amount of an asset or its related cash-generating unit exceeds its estimated recoverable amount.

2. Significant accounting policies (cont'd)

(k) Impairment (cont'd)

(ii) Other assets (cont'd)

Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the cash-generating units (group of cash-generating units) and then to reduce the carrying amounts of the other assets in the cash-generating unit (groups of cash-generating units) on a *pro rata* basis.

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognised in prior periods are assessed at the end of each reporting period for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount since the last impairment loss was recognised. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised. Reversals of impairment losses are credited to profit or loss in the financial year in which the reversals are recognised.

(l) 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 differences, if any, between the carrying amount of the assets distributed and the carrying amount of the liability in profit or loss.

(m) 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.

2. Significant accounting policies (cont'd)

(m) Employee benefits (cont'd)

(iii) Share-based payment transactions

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

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

The fair value of the employee share grant and share option granted to the 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.

(n) 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".

(o) 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.

2. Significant accounting policies (cont'd)

(p) Revenue and other income

(i) Revenue

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

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

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

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

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

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

For variable price contracts, the revenue is recognised at point in time based on 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 are recognised when the customer simultaneously receives and consumes the benefits provided as the Group performs. The revenue is recognised point over time.

Revenue from voice is recognised when the control of the product or service are transferred or rendered to the customers. 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".

2. Significant accounting policies (cont'd)

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

(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.

(q) 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.

(r) 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.

2. Significant accounting policies (cont'd)

(s) 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.

(t) 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.

(u) 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.

3. Property, plant and equipment

Group	Freehold land RM'000	Leasehold land RM'000	Building and improvements RM'000	Office equipment, furniture and fittings RM'000	Loose tools RM'000	Computer systems RM'000	Motor vehicles RM'000	Data centre equipment RM'000	Tele-communi-cation network RM'000	Total RM'000
Cost										
At 1 January 2020	100,339	7,475	93,388	6,485	12,320	112,266	6,179	202,908	2,571,097	3,112,457
Additions	2,130	-	7,826	348	2	10,572	683	97,981	141,946	261,488
Disposals	-	-	-	-	-	-	(383)	(689)	-	(1,072)
Write offs	-	-	-	-	-	-	-	(164)	(5,690)	(5,854)
Effect of movements in exchange rates	-	-	-	-	-	(2)	-	(1)	(16,564)	(16,567)
At 31 December 2020/ 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 32)	-	-	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	102,469	7,475	185,152	7,303	12,324	158,980	6,728	292,188	2,822,892	3,595,511

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

Group	Freehold land RM'000	Leasehold land RM'000	Building and improvements RM'000	Office equipment, furniture and fittings RM'000	Loose tools RM'000	Computer systems RM'000	Motor vehicles RM'000	Data centre equipment RM'000	Tele-communi-cation network RM'000	Total RM'000
Depreciation and impairment loss										
At 1 January 2020										
Accumulated depreciation	-	7,465	30,010	5,903	12,300	95,196	5,620	89,226	1,277,710	1,523,430
Accumulated impairment losses	2,101	-	-	-	-	-	-	-	-	2,101
	2,101	7,465	30,010	5,903	12,300	95,196	5,620	89,226	1,277,710	1,525,531
Depreciation for the year	-	2	2,812	229	4	3,167	260	16,718	109,870	133,062
Global bandwidth assets charged out	-	-	-	-	-	-	-	-	12,469	12,469
Disposal	-	-	-	-	-	-	(383)	(565)	-	(948)
Write offs	-	-	-	-	-	-	-	(162)	(3,796)	(3,958)
Effect of movements in exchange rates	-	-	-	2	-	(2)	-	3	(5,377)	(5,374)
At 31 December 2020/ 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

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

Group	Freehold land RM'000	Leasehold land RM'000	Building and improvements RM'000	Office equipment, furniture and fittings RM'000	Loose tools RM'000	Computer systems RM'000	Motor vehicles RM'000	Data centre equipment RM'000	Tele-communi-cation network RM'000	Total RM'000
Depreciation and impairment loss										
Depreciation for the year	-	2	5,364	320	5	9,662	623	17,882	109,570	143,428
Global bandwidth assets charged out	-	-	-	-	-	-	-	-	10,326	10,326
Disposal	-	-	-	-	-	(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										
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
Carrying amounts										
At 1 January 2020	98,238	10	63,378	582	20	17,070	559	113,682	1,293,387	1,586,926
At 31 December 2020/ 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	100,368	6	146,966	849	15	51,413	808	169,195	1,351,133	1,820,753

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

3.1 Telecommunication network

	2021 RM'000	2020 RM'000
Network cost:		
Commissioned network	2,695,916	2,570,047
Network-in-progress	126,976	120,742
	2,822,892	2,690,789
Less: Accumulated depreciation	(1,471,759)	(1,390,876)
Net book value	1,351,133	1,299,913

Included in cost of commissioned network is global bandwidth assets of RM160,933,000 (2020: RM158,131,000). The carrying amount for the said global bandwidth assets at the reporting date was RM61,149,000 (2020: RM69,316,000).

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 RM48,756,000 (2020: RM5,854,000) of which RM48,521,000 (2020: RM3,958,000) was written off against accumulated depreciation. The remaining amount of RM235,000 (2020: RM1,896,000) 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 RM6,000 (2020: RM8,000).

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 RM221,000 (2020: RM7,353,000).

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 RM49,154,000 (2020: RM69,516,000) and borrowing costs of RM1,948,000 (2020: NIL).

3.6 Computer systems

Included in computer systems in the current financial year was a portion under construction with a cost amounting to RM21,453,000 (2020: RM17,638,000).

3.7 Security

Included in property, plant and equipment a total carrying amount of RM145,420,000 (2020: RM143,456,000) were charged to the banks as security for banking facilities granted to the Group (Note 15.1(ii) and Note 15.1 (iv)).

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

Company	Freehold land RM'000	Building and improvements RM'000	Office equipment, furniture and fittings RM'000	Computer systems RM'000	Total RM'000
Cost					
At 1 January 2020/31 December 2020/ 1 January 2021/31 December 2021	8,113	357	60	7,656	16,186
Depreciation					
At 1 January 2020	-	355	60	7,656	8,071
Depreciation for the year	-	2	-	-	2
At 31 December 2020/1 January 2021/31 December 2021	-	357	60	7,656	8,073
Carrying amounts					
At 1 January 2020	8,113	2	-	-	8,115
At 31 December 2020/1 January 2021/31 December 2021	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 RM931,052,000 (2020: RM872,843,000) and RM8,073,000 (2020: RM8,073,000) respectively.

4. Investment property

Group	Note	2021 RM'000
Cost		
At 1 January 2021		-
Acquisitions through business combinations	32	1,512
At 31 December 2021		1,512
Depreciation		
At 1 January 2021		-
Depreciation for the year		34
At 31 December 2021		205
Carrying amounts		
At 1 January 2021		-
At 31 December 2021		1,478

4. Investment property (cont'd)

The investment property has been pledged for collateral and charged to the banks as security for banking facilities granted to the Group (Note 15.1(iv)).

The following are recognised in profit or loss:

	Group 2021 RM'000
Lease income	90
Direct operating expenses arising from investment property	-
The operating lease payments to be received are as follows:	
Less than one year	90
One to two years	60
Total undiscounted lease payments	150

Fair value information

Level 3 fair value

The fair value of the building was determined at RM1,478,000 as at 31 December 2021 based on valuation report issued on 13 January 2022. 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	Note	Wayleave RM'000	Others* RM'000	Total RM'000
At 1 January 2020		93,608	16,586	110,194
Additions		3,211	62,711	65,922
Derecognition		-	(3,030)	(3,030)
Depreciation		(5,319)	(13,496)	(18,815)
Effect of movements in exchange rates		-	297	297
At 31 December 2020/1 January 2021		91,500	63,068	154,568
Additions		3,394	5,320	8,714
Acquisition through business combinations	32	-	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		89,939	50,530	140,469

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

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 two to 20 years

5.2 Significant judgements and assumptions in relation to lease

The Group assesses at lease commencement by applying significant judgement whether it is reasonably certain to exercise the extension options. Group entities consider all facts and circumstances including their past practice and any cost that will be incurred to change the asset if an option to extend is not taken, to help them determine the lease term. 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	Note	Computer software RM'000	Development expenditure RM'000	Goodwill RM'000	Total RM'000
Cost					
At 1 January 2020/31 December 2020/ 1 January 2021		-	-	213,959	213,959
Acquisitions through business combinations	32	6	8	38,019	38,033
At 31 December 2021		6	8	251,978	251,992
Amortisation					
At 1 January 2020/31 December 2020/ 1 January 2021		-	-	-	-
Amortisation for the year		1	2	-	3
At 31 December 2021		1	2	-	3
Carrying amounts					
At 1 January 2020/31 December 2020/ 1 January 2021		-	-	213,959	213,959
At 31 December 2021		5	6	251,978	251,989

During the year, the Group acquired 600,000 ordinary shares representing 60% of the equity interest in AVM Cloud. 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 Cloud by the Group (Note 32).

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 the newly acquired goodwill for Cloud Business ("Cloud Business").

	Group	
	2021 RM'000	2020 RM'000
CGU	213,959	213,959
Cloud business	38,019	-
	251,978	213,959

6. Intangible assets (cont'd)

6.1 Impairment testing for cash-generating unit containing goodwill (cont'd)

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% (2020: 3%) and Weighted Average Cost of Capital ("WACC") of 6.35% (2020: 7.80%). 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.

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% and WACC of 7.5%. 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

	Company 2021 RM'000	Company 2020 RM'000
Unquoted shares, at cost		
At 1 January	451,633	444,668
Addition	68,011	6,965
Write-off	(10,105)	-
At 31 December	509,539	451,633

Details of subsidiaries are as follows:

Name of subsidiary	Principal place of business/ Country of incorporation	Principal activities	Effective ownership interest 2021 %	Effective ownership interest 2020 %
TT dotCom Sdn. Bhd. ("TTdC")	Malaysia	Provision of voice, data, video and image communication services through its domestic and international network	100	100
Planet Tapir Sdn. Bhd.	Malaysia	Investment holding	100	100
TIME dotCom Japan K.K.*	Japan	Provision of telecommunication services, co-location and other related services	100	100
TIME dotCom Global Services Sdn. Bhd.	Malaysia	Provision of telecommunication and related services	100	100
Global Transit (Hong Kong) Limited*	Hong Kong	Provision of management services	100	100
Global Transit Singapore Pte. Ltd.*	Singapore	Wholesale of telecommunication equipment and related services	100	100
Global Transit Limited	Labuan Malaysia	Engaged in the business of telecommunication services and trading bandwidth capacity	100	100
Global Transit 2 Limited	Labuan Malaysia	Engaged in the business of telecommunication services and trading bandwidth capacity	100	100
Global Transit 3 Limited	Labuan Malaysia	Engaged in the business of telecommunication services and trading bandwidth capacity	100	100
Global Transit 5 Limited	Labuan Malaysia	Engaged in the business of telecommunication services and trading bandwidth capacity	100	100
AIMS Cyberjaya Sdn. Bhd.	Malaysia	Provision of value-added network services, information services, system integration services, operations of data networks and network-based applications for corporations	100	100

7. Investments in subsidiaries (cont'd)

Details of subsidiaries are as follows: (cont'd)

Name of subsidiary	Principal place of business/ Country of incorporation	Principal activities	Effective ownership interest 2021 %	2020 %
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**
TIME dotCom International Sdn. Bhd.	Malaysia	Investment holding	100	100
Subsidiary of TIME dotCom International Sdn. Bhd.				
TIME dotCom (Cambodia) Co., Ltd.+	Cambodia	Provision of telecommunication services	100	100
AVM Cloud Sdn. Bhd.* ##	Malaysia	Development and sale of computer software and provision of information technology services	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	-
Zeus Ventures Sdn. Bhd.* ##	Malaysia	Yet to commence business	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 Cloud"). The remaining 40% effective ownership interest was held by the founding shareholders of AVM Cloud. The Company had an effective ownership interests in both Integrated Global Solutions Sdn. Bhd. and Zeus Ventures Sdn. Bhd. via 100% ownership held by AVM Cloud.

7. Investments in subsidiaries (cont'd)

The financial information of TIME dotCom Japan K.K., Global Transit (Hong Kong) Limited, Global Transit Singapore Pte. Ltd., AIMS Data Centre Pte. Ltd., AIMS Data Centre (Thailand) Limited and TIME dotCom (Cambodia) Co., Ltd. which 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.

During the 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 11 August 2020, the Group disposed of its 49% shareholding in AIMS Data Centre (Thailand) Limited ("ADC Thai") to Symphony Communication Public Company Limited ("SYMC").

On 7 January 2021, the Group acquired 60% shareholding in AVM Cloud from the founding shareholders of AVM Cloud (collectively, "Founder Shareholders", and each a "Founder Shareholder"). The details of the acquisition is disclosed in Note 32 and Note 33 to the financial statements.

7.1 Non-controlling interests in subsidiaries

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

2021	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	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 operating activities	(2,388)	10,017	
Cash flows used in 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	-	-	

7. Investments in subsidiaries (cont'd)

7.1 Non-controlling interests in subsidiaries (cont'd)

2020	AIMS Data Centre (Thailand) Limited RM'000
NCI percentage of ownership interest and voting interest	49%
Carrying amount of NCI	5,367
Loss allocated to NCI	(1,143)
Summarised financial information before intra-group elimination	
As at 31 December	
Non-current assets	59,515
Current assets	3,221
Non-current liabilities	(17,836)
Current liabilities	(33,757)
Net assets	11,143
Year ended 31 December	
Revenue	342
Loss for the year	(2,379)
Total comprehensive expense	(2,379)
Cash flows used in operating activities	(8,963)
Cash flows used in investing activities	(24,910)
Cash flows from financing activities	35,999
Net change in cash and cash equivalents	2,126
Dividends paid to NCI	-

8. Investments in associates

	Note	Group 2021 RM'000	Group 2020 RM'000
At cost			
Unquoted shares outside Malaysia	8.1	98,919	108,744
Quoted shares outside Malaysia	8.1	290,730	290,730
		389,649	399,474
Share of post-acquisition at cost reserves		67,327	45,879
Less: Impairment loss	8.4	-	(3,993)
Total investment in associates		456,976	441,360
Market value of quoted shares outside Malaysia		190,582	118,301

8.1 Details of associates are as follows:

Name of entity	Principal place of business/ Country of incorporation	Nature of the relationship	Effective ownership and voting interest 2021 %	Effective ownership and voting interest 2020 %	Financial year end
Symphony Communication Public Company Limited ("SYMC")	Thailand	Provision of telecommunication services and related services in Thailand	46.8	46.8	31 December
CMC Telecommunication Infrastructure Corporation ("CMC") +#	Vietnam	Provision of telecommunication and related services in Vietnam	45.3	45.3	31 March
KIRZ Co., Ltd. *	Thailand	Provision of telecommunication services and related services in Thailand	-	49.0	31 December
KIRZ Holdings Co., Ltd.*	Thailand	Investment holding	-	49.0	31 December

\+ The Group's share of profit and loss is based on the latest unaudited financial statements for the year ended 31 December 2021.

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 3 September 2021, TIME dotCom International Sdn. Bhd., a wholly-owned subsidiary of the Company had entered into a Departure Agreement with the other shareholders ("Thailand shareholders") of KIRZ Co. Ltd and KIRZ Holdings Co. Ltd. (collectively known as KIRZ) to exit its investment in KIRZ. On 14 October 2021, the subsidiary transferred all its shareholding in KIRZ to the Thailand shareholders at nominal value and derecognised all its investment in KIRZ.

8. Investments in associates (cont'd)

8.1 Details of associates are as follows: (cont'd)

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	2021		
Summarised financial information As at 31 December	**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
Impairment loss	-	-	-
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	10,223	13,685	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

8. Investments in associates (cont'd)

8.1 Details of associates are as follows: (cont'd)

Group Summarised financial information As at 31 December	2020 SYMC RM'000	 CMC RM'000	 Others RM'000	 Total RM'000
Non-current assets	445,734	203,146	19,938	668,818
Current assets	100,128	143,741	5,017	248,886
Non-current liabilities	(104,768)	(71,875)	(16,622)	(193,265)
Current liabilities	(111,989)	(131,728)	(19,710)	(263,427)
Net assets/(liabilities)	329,105	143,284	(11,377)	461,012
Year ended 31 December				
Revenue	176,507	283,145	14,267	473,919
Profit/(Loss) for the year	14,165	25,192	(3,839)	35,518
Other comprehensive expense for the year	(180)	-	-	(180)
Reconciliation of net assets to carrying amount as at 31 December				
Group's share of net assets	154,153	64,864	(5,574)	213,443
Goodwill	159,335	56,749	6,640	222,724
Impairment loss	-	-	(3,993)	(3,993)
Effect of foreign exchange	1,047	5,212	2,927	9,186
Carrying amount in the statement of financial position	314,535	126,825	-	441,360
Group's share of results for the year ended 31 December				
Group's share of profit	6,635	11,405	-	18,040
Group's share of other comprehensive expense	(2,163)	(1,729)	-	(3,892)
Group's share of total comprehensive income	4,472	9,676	-	14,148
Other information				
Dividend received by the Group	584	5,499	-	6,083

8. Investments in associates (cont'd)

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% (2020: 3.00%) and WACC of 6.04% (2020: 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% (2020: 3.00%) and WACC of 7.06% (2020: 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).

8.4 Impairment assessment on investment in KIRZ Co., Ltd. and KIRZ Holdings Co., Ltd. (Collectively "KIRZ")

The Group reviewed the financial performance of their investment in KIRZ in the financial year 2018. The operations of the investment were deemed to be not favourable and the Group had recognised an impairment loss of RM3,993,000 to profit or loss resulting in full impairment of the carrying amount of KIRZ in the financial year 2018.

During the year, the Group disposed and exited the investment in KIRZ because they are no longer in line with the Group's strategy.

9. Other investments

Group	2021 RM'000	2020 RM'000
Non-current		
Fair value through other comprehensive income ("FVOCI")		
At 1 January	31,271	26,582
(Reversal)/Additions	(209)	2,583
Fair value gain	12,669	2,106
Reclassification	(2,000)	-
At 31 December	41,731	31,271
Current		
FVOCI		
At 1 January	-	-
Reclassification	2,000	-
At 31 December	2,000	-
Total unquoted equity securities at FVOCI	43,731	31,271
Company		
Non-current		
FVOCI		
At 1 January	2,000	-
Additions	-	2,000
Reclassification	(2,000)	-
At 31 December	-	2,000
Current		
FVOCI		
At 1 January	-	-
Reclassification	2,000	-
At 31 December	2,000	-

The Group and the Company designated the investments shown above as equity securities at fair value through other comprehensive income because these equity securities represent investments that the Group and the Company intend to hold for long-term strategic purposes.

The fair value of other investments are disclosed in Note 30.6.

Dividend income recognised in profit of loss of the Group during the year is RM450,000 (2020: RM3,067,000).

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:

	Assets		Liabilities		Net	
Group	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Property, plant and equipment	2,566	-	(211,742)	(162,749)	(209,176)	(162,749)
Right-of-use assets	-	-	(28,262)	(30,045)	(28,262)	(30,045)
Other deductible temporary differences	92,419	98,797	-	-	92,419	98,797
Lease liabilities	25,098	28,093	-	-	25,098	28,093
Unabsorbed capital allowances	50,074	96,354	-	-	50,074	96,354
Unutilised tax losses	108,425	119,689	(395)	-	108,030	119,689
Tax assets/ (liabilities)	278,582	342,933	(240,399)	(192,794)	38,183	150,139
Set-off of tax	(222,792)	(177,623)	222,792	177,623	-	-
Net tax assets/ (liabilities)	55,790	165,310	(17,607)	(15,171)	38,183	150,139

	Net Assets/(Liabilities)	
Company	2021 RM'000	2020 RM'000
Other deductible temporary differences	518	1,190
Unutilised tax losses	3,588	4,726
	4,106	5,916

10. Deferred tax assets/(liabilities) (cont'd)

Unrecognised deferred tax assets

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

	Group	
	2021 RM'000	2020 RM'000
Property, plant and equipment	274	270
Other deductible temporary differences	6,938	9,942
Unabsorbed capital allowances	45,205	38,466
Unutilised investment allowances	65,596	65,596
Unutilised tax losses	119,334	104,821
	237,347	219,095

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.

	2021 RM'000	2020 RM'000
2023	4,367	4,170
2024	5,034	8,060
2025	9,424	5,700
2026	8,153	75,551
2027	2,947	7,785
2028	-	1,311
2029	77,408	-
2030	4,838	-
2031	4,230	-
2032	657	-
No expiry	2,276	2,244
	119,334	104,821

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.

10. Deferred tax assets/(liabilities) (cont'd)

Movement in temporary differences during the year

Group	At 1.1.2020 RM'000	Recognised in profit or loss (Note 22) RM'000	At 31.12.2021/ 1.1.2021 RM'000	Recognised in profit or loss (Note 22) RM'000	Acquisitions through business combinations RM'000	At 31.12.2021 RM'000
Property, plant and equipment	(111,586)	(51,163)	(162,749)	(46,265)	(162)	(209,176)
Right-of-use assets	(26,447)	(3,598)	(30,045)	1,783	-	(28,262)
Other deductible temporary differences	58,333	40,464	98,797	(6,378)	-	92,419
Lease liabilities	24,082	4,011	28,093	(2,995)	-	25,098
Unabsorbed capital allowances	166,299	(69,945)	96,354	(46,280)	-	50,074
Unutilised tax losses	119,433	256	119,689	(11,659)	-	108,030
	230,114	(79,975)	150,139	(111,794)	(162)	38,183

Company	At 1.1.2020 RM'000	Recognised in profit or loss (Note 22) RM'000	At 31.12.2021/ 1.1.2021 RM'000	Recognised in profit or loss (Note 22) RM'000	At 31.12.2021 RM'000
Property, plant and equipment	(1)	1	-	-	-
Other deductible temporary differences	884	306	1,190	(672)	518
Unutilised tax losses	6,703	(1,977)	4,726	(1,138)	3,588
	7,586	(1,670)	5,916	(1,810)	4,106

11. Trade and other receivables

		Group		Company	
	Note	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Non-current					
Trade					
Prepayments		6,605	2,112	-	-
Non-trade					
Amount due from subsidiaries	11.1	-	-	64,510	74,390
		6,605	2,112	64,510	74,390
Current					
Trade					
Trade receivables	11.2	213,697	187,121	-	-
Contract costs	11.3	74,180	66,378	-	-
Amount due from associates	11.2	-	4,268	-	-
Amount due from related parties	11.2	36,440	33,333	-	-
		324,317	291,100	-	-
Less: Allowance for impairment losses	11.4	(20,142)	(20,611)	-	-
		304,175	270,489	-	-
Accrued revenue	11.5	16,493	1,292	-	-
Deposits		6,057	4,025	-	-
Prepayments		9,851	7,210	-	-
		336,576	283,016	-	-
Non-trade					
Amount due from subsidiaries	11.1	-	-	904,793	1,021,493
Amount due from associates	11.6	2,513	13,955	-	-
Less: Allowance for impairment losses		(2,122)	(13,748)	-	-
		391	207	-	-
Amount due from related parties	11.7	31	-	-	-
Other receivables	11.8	171,124	150,157	157	143
Deposits		7,939	1,307	91	91
Prepayments	11.9	25,218	17,706	8,091	196
		204,703	169,377	913,132	1,021,923
		541,279	452,393	913,132	1,021,923

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

11. Trade and other receivables (cont'd)

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% (2020: 3.50% to 4.48%) per annum. The amount is repayable after 12 months.

Included in the current amount due from subsidiaries are advances amounting to RM68,256,000 (2020: RM68,256,000) which are unsecured, subject to interest rate of 1.55% (2020: 1.55% to 3.30%) per annum and are repayable on demand. The remaining amount due from subsidiaries are unsecured, interest free and repayable on demand. During the 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 year. The said amount has 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, amount due from associates and amount due from related parties

The credit period granted for sales/services rendered ranges from 30 to 90 days (2020: 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 RM65,459,000 (2020: RM 63,248,000).

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

11.6 Amount due from associates (non-trade)

Included in the amount due from associate are shareholder advances amounting to RM2,212,000 (2020: RM13,748,000). The remaining amount due from associate is interest-free, unsecured and repayable on demand.

11.7 Non-trade amount due from related parties

The amount due from related parties is unsecured, interest-free and repayable on demand.

11.8 Other receivables

Included in the Group other receivables are construction deposits paid amounting to RM146,045,000 (2020: RM133,623,000) for the construction of telecommunications network assets.

11.9 Prepayment

Included in the Group and the Company prepayment are escrow account of RM8,000,000 for deferred consideration held in trust by a trustee for the acquisition of AVM Cloud.

12. Cash and cash equivalents

		Group		Company	
	Note	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Cash and bank balances		189,423	225,661	11,143	70,001
Deposits placed with licensed banks		606,667	523,135	179,313	40,924
Restricted cash	12.1	4,296	332	35	34
		800,386	749,128	190,491	110,959

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 (Note 30.3).

The cash and cash equivalents of the Group do not include bank balances amounting to RM10,415,000 (2020: RM23,679,000) 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. Share capital

	Group and Company			
	Amount 2021 RM'000	Number of shares 2021 '000	Amount 2020 RM'000	Number of shares 2020 '000
Issued and fully paid shares with no par value classified as equity instruments:				
Ordinary shares				
At 1 January	1,340,475	604,262	1,200,135	585,535
Issuance of new ordinary shares pursuant to the share grant plan and share option plan	38,673	11,933	140,340	18,727
Issuance of new ordinary shares pursuant to the bonus issue	-	1,209,424	-	-
At 31 December	1,379,148	1,825,619	1,340,475	604,262

During the financial year, the issued and paid-up capital of the Company was increased from 604,261,833 (2020: 585,534,587) ordinary shares to 1,825,618,888 (2020: 604,261,833) ordinary shares by:

(i) the issuance of 1,209,423,666 bonus shares (2020: NIL) on the basis of two bonus shares for every one existing shares held;
(ii) the issuance of 5,040,000 (2020: 17,215,907) new ordinary shares pursuant to the Company's share options and
(iii) the issuance of 6,893,389 (2020: 1,511,339) new ordinary shares pursuant to the Company's share grant plan.

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

14. Reserves

		Group		Company	
	Note	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
FVOCI reserve	14.1	25,800	13,131	-	-
Foreign currency translation reserve	14.2	28,930	35,948	-	-
Share grant reserve	14.3	31,075	22,286	31,075	22,286
Share option reserve	14.4	2,213	2,523	2,213	2,523
Hedging reserve		(275)	(765)	-	-
Retained earnings		1,674,410	1,631,327	268,134	302,086
		1,762,153	1,704,450	301,422	326,895

14.1 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 RM12,669,000 (2020: RM2,106,000).

14.2 Foreign currency translation reserve

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

14.3 Share grant reserve

The share grant reserve represents the cumulative value of share based payments granted to eligible employees of the Group. When shares, pursuant to the share grant, are issued to the eligible employees, the value of such shares are transferred from share grant reserve to share capital.

Details of the share grant plan are as follows:

			Number of ordinary shares					
	Fair value at grant date	Adjusted FV at Grant Date	At 1 January 2021	Granted but not vested during the year	Bonus issue	Vested and issued	Adjusted	At 31 December 2021
2018 Awards	RM7.74	RM2.58	770,867	-	1,541,734	(2,140,008)	(172,593)	-
2019 Awards	RM7.55	RM2.52	1,604,363	-	3,208,726	(2,418,972)	(354,648)	2,039,469
2020 Awards	RM8.46	RM2.82	2,648,502	-	5,297,004	(2,334,409)	(720,331)	4,890,766
2021 Awards	RM4.17	RM4.17	-	8,307,801	-	-	-	8,307,801
2021 Awards – Special Award	RM4.19	RM4.19	-	1,552,445	-	-	-	1,552,445
Total			5,023,732	9,860,246	10,047,464	(6,893,389)	(1,247,572)	16,790,481

14. Reserves (cont'd)

14.3 Share grant reserve (cont'd)

The outstanding 2019, 2020 and 2021 share grant awards at the end of the financial year are to be vested on specific dates in the following periods:

(i) The 2019 grant to be vested within the next year in July 2022;

(ii) The 2020 grant to be vested within the next two years in July 2022 and July 2023; and

(iii) The 2021 grant to be vested within the next three years in July 2022, July 2023 and July 2024.

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 fair value of the share grant is determined using the Monte Carlo simulation model, taking into consideration terms and conditions under which the shares were granted. The key inputs in the model are as follows:

	Closing market price at grant date	Dilution rate
Granted on:		
2 January 2019 for 2018 Awards	RM8.10	0.439%
2 January 2019 for 2019 Awards	RM8.10	0.443%
2 January 2020 for 2020 Awards	RM9.22	0.433%
4 January 2021 for 2021 Awards	RM4.47	0.450%
4 January 2021 for 2021 Awards – Special Award	RM4.47	0.085%

The Group recognised share grant expenses in profit or loss totalling to RM26,981,000 (2020: RM18,908,000) in the current year. The Company recognised share grant expenses of RM4,449,000 (2020: RM3,256,000) in the current year.

14.4 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 five-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 five-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

14. Reserves (cont'd)

14.4 Share option reserve (cont'd)

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	Five 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 RM4,804,000 (2020: RM7,513,000).

15. Loans and borrowings

		Group		Company	
	Note	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Non-current					
Term loans (secured)	15.1	107,997	28,675	-	-
		107,997	28,675	-	-
Current					
Term loans (secured)	15.1	22,489	13,956	-	-
Revolving credit	15.2	-	4,166	-	4,166
		22,489	18,122	-	4,166
		130,486	46,797	-	4,166

Loans and borrowings are categorised as amortised cost.

15. Loans and borrowings (cont'd)

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

	Note	At 1 January 2020 RM'000	Net changes from financing cash flows RM'000	Foreign exchange movement RM'000	Amortisation of transaction cost RM'000	At 31 December 2020/ 1 January 2021 RM'000	Net changes from financing cash flows RM'000	Acquisitions through business combinations RM'000	Foreign exchange movement RM'000	Amortisation of transaction cost RM'000	Transaction cost capitalised RM'000	At 31 December 2021 RM'000
Group												
Term loans	15.1	57,559	(14,670)	(577)	319	42,631	80,834	6,187	509	(275)	600	130,486
Revolving credit	15.2	55,791	(52,657)	1,032	-	4,166	(4,038)	-	(128)	-	-	-
		113,350	(67,327)	455	319	46,797	76,796	6,187	381	(275)	600	130,486

	Note	At 1 January 2020 RM'000	Net changes from financing cash flows RM'000	Foreign exchange movement RM'000	At 31 December 2020/ 1 January 2021 RM'000	Net changes from financing cash flows RM'000	Foreign exchange movement RM'000	At 31 December 2021 RM'000
Company								
Revolving credit	15.2	55,791	(52,657)	1,032	4,166	(4,038)	(128)	-
		55,791	(52,657)	1,032	4,166	(4,038)	(128)	-

15.1 Term loans

The term loan of the Group comprise the following:

(i) USD denominated term loan amounting to RM18,172,000 (2020: RM28,793,000) 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 RM11,327,000 (2020: RM13,838,000) is secured/covered against a legal charge over an office building (Note 3.7).

(iii) Term loan amounting to RM96,513,000 (2020: NIL) 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.

(iv) Term loan amounting to RM609,000 (2020: NIL) is pledged for collateral and charged to the banks as security for banking facilities granted to the Group over a building (Note 3.7 and Note 4).

15. Loans and borrowings (cont'd)

15.1 Term loans (cont'd)

The term loan of the Group comprise the following: (cont'd)

(v) Term loan amounting to RM264,000 (2020: NIL) is pledged for collateral and charged to the banks as security for banking facilities granted to the Group over an investment property (Note 4).

15.2 Revolving credit

This is an unsecured USD denominated revolving credit facility.

16. Trade and other payables

		Group		Company	
	Note	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Non-current					
Trade					
Unearned revenue	16.1	313,713	301,616	-	-
Non-trade					
Amount due to an associate	16.2	14,110	-	-	-
		327,823	301,616	-	-
Current					
Trade					
Trade payables	16.3	76,675	52,270	-	-
Amount due to related parties	16.3	1,988	1,110	-	-
Accrued expenses	16.4	36,932	31,645	-	-
Deposit payables		21,277	19,889	-	-
Unearned revenue	16.1	65,145	64,891	-	-
Payable for Universal Service Provision		58,767	86,749	-	-
Provisions	16.5	149	2,730	-	-
		260,933	259,284	-	-
Non-trade					
Other payables		1,056	237	229	218
Amount due to subsidiaries	16.6	-	-	24	-
Amount due to related parties	16.6	45	-	-	-
Amount due to an associate	16.2	1,008	-	-	-
Accrued expenses	16.7	72,887	67,762	3,669	2,869
Deferred consideration	16.8	7,064	-	7,064	-
Provisions	16.5	6,816	17,052	-	-
		88,876	85,051	10,986	3,087
		349,809	344,335	10,986	3,087

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

16. Trade and other payables (cont'd)

16.1 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 beginning of the period recognised as revenue is amounting to RM64,891,000 (2020: RM59,650,000).

16.2 Amount due to an associate

The amount due to an associate are advances which are unsecured and subject to interest rate at 4.22% (2020: NIL) per annum. The first instalment is repayable at the end of August 2022 of THB2,500,000 per month over 60 instalments.

16.3 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 (2020: 30 to 90 days).

16.4 Trade accrued expenses

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

16.5 Provisions

Provisions relate to obligations arising as a result of past events for certain services received. Included in provisions is an amount for NIL (2020: RM16,081,000) relating to a provision for financial guarantee given to an associate of the Group.

16.6 Amount due to subsidiaries and amount due to related parties

The amount due to subsidiaries and amount due to related parties are advances which are unsecured, interest-free and repayable on demand.

16.7 Non-trade accrued expenses

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

16.8 Deferred consideration

Deferred consideration represents the discounted amount payable in relation to the acquisition of subsidiaries as disclosed in Note 32.

17. Revenue

Group	2021 RM'000	2020 RM'000
Revenue from contracts with customers		
Data	1,042,869	996,490
Data Centre	284,543	152,136
Voice	66,523	70,981
Others	2,427	3,562
	1,396,362	1,223,169
Company		
Revenue from contracts with customers		
Management fee from subsidiary companies	15,084	18,946
Other revenue		
Dividend income from a subsidiary	326,416	247,143
	341,500	266,089

	Group		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Timing of revenue recognition				
At a point in time	130,597	112,542	-	-
Over time	1,265,421	1,106,794	15,084	18,946
Revenue not within the scope of MFRS 15	344	3,833	326,416	247,143
	1,396,362	1,223,169	341,500	266,089

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

The aggregate amount of the transaction price allocated to the performance obligations that are partially unsatisfied at the end of the reporting period is RM1,917,387,000 (2020: RM1,770,183,000). The Group expects to recognise this amount over the remaining contract duration up to 20 years (2020: 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.

18. Cost of sales

	Group	
	2021 RM'000	2020 RM'000
Interconnect charges	12,607	12,726
Depreciation of property, plant and equipment	134,314	126,588
Depreciation of right-of-use assets	19,755	18,815
Dealer commissions	21,685	20,069
Telecommunications maintenance charges	39,273	36,342
Network and leased line charges	80,364	79,682
Fee for wayleave and right of use pertaining to telecommunications facilities	502	70
Site and customer premises rental	11,352	10,864
Universal service obligation	42,988	57,043
Internet service provider costs	5,459	6,769
Data centre costs	86,908	32,618
Direct installation costs	78,908	72,038
Others	14,311	16,990
	548,426	490,614

19. Income from investments

	Group		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Interest income from financial assets that are not at fair value through profit or loss:				
- Interest income from short term deposit	10,237	8,329	1,789	1,136
- Interest income from advances to a fellow subsidiary	-	-	4,154	4,465
- Dividend income	450	3,067	-	-
	10,687	11,396	5,943	5,601

20. Finance costs

	Group		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Interest expense of financial liabilities that are not at fair value through profit or loss:				
- Interest on borrowings	5,320	3,050	4	513
- Amortisation of borrowing costs	325	319	-	-
Lease liabilities	6,168	5,792	-	-
Other interest expense	16,050	12,359	251	-
	27,863	21,520	255	513

21. Profit before tax

	Group		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Profit before tax is arrived at after charging:				
Auditors' remunerations				
Audit fees:				
- KPMG PLT	620	581	180	163
- Overseas affiliates of KPMG PLT	75	77	-	-
- Other auditors	194	68	-	-
Non-audit fees				
- KPMG PLT	369	77	330	35
- Overseas affiliates of KPMG PLT	3	-	-	-
Material expenses/(income)				
Depreciation of property, plant and equipment	143,428	133,062	-	2
Depreciation of investment property	34	-	-	-
Depreciation of right-of-use assets	19,755	18,815	-	-
Personnel expenses				
- Salaries, allowances and others	213,996	175,554	5,018	5,009
- Contributions to Employees Provident Fund	25,884	21,316	517	520
- Share grant expenses	26,981	18,908	4,449	3,256
- Share option expenses	4,804	7,513	4,804	7,513
Reversal of over-provision for financial guarantee	(960)	-	-	-
Amortisation of intangible assets	3	-	-	-
Write-off of property, plant and equipment	232	1,896	-	-
Net (gain)/loss on foreign exchange	(19,089)	16,179	(3,074)	4,186
Dividend income from subsidiaries	-	-	(326,416)	(247,143)
Gain on disposal of property, plant and equipment	(85)	(73)	-	-
Write-off of investments in subsidiaries	-	-	10,105	-

21. Profit before tax (cont'd)

	Group		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Expenses arising from leases				
Short-term rental of:				
- Offices	801	848	-	-
- Equipment	159	249	-	-
- Site and customer premises	11,352	10,864	-	-
Net loss on impairment of financial instruments and contract assets				
Net impairment/(write-back):				
- Trade receivables	7,163	13,107	-	-
- Construction deposits	3,247	2,392	-	-
Bad debt recovered	(2,062)	(223)	-	-
	8,348	15,276	-	-

22. Tax expense

Recognised in profit or loss

	Group		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Tax expense:				
- Current year	23,588	15,770	1,427	1,344
- Under/(Over) provision in prior year	564	449	(25)	(15)
	24,152	16,219	1,402	1,329
Deferred tax:				
- Origination of temporary differences	110,993	105,666	690	1,555
- Under/(Over) provision in prior year	959	(1,097)	1,120	115
- Recognition of previously unrecognised temporary differences	(158)	(24,594)	-	-
	111,794	79,975	1,810	1,670
	135,946	96,194	3,212	2,999

22. Tax expense (cont'd)

Reconciliation of tax expense

	Group		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Profit before tax	532,724	423,098	319,337	244,795
Tax at statutory tax rate of 24%	127,854	101,543	76,641	58,751
Effect of tax in foreign jurisdictions	258	153	-	-
Non-deductible expenses	13,239	12,278	3,815	3,462
Non-taxable income	(9,616)	(5,072)	(78,339)	(59,314)
Recognition of previously unrecognised temporary differences	(3,876)	(24,594)	-	-
Deferred tax assets not recognised	7,472	10,974	-	-
Exchange differences	(908)	1,560	-	-
Under/(Over) provision in prior year				
- current tax	564	449	(25)	(15)
- deferred tax	959	(1,097)	1,120	115
	135,946	96,194	3,212	2,999

23. 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	
	2021	2020
Basic earnings per share		
Net profit attributable to owners of the Company (RM'000)	393,160	328,047
Weighted average number of ordinary shares in issue ('000)	1,817,726	598,404
Bonus issue subsequent to year end ('000)	-	1,196,808
	1,817,726	1,795,212
Basic earnings per ordinary share (sen)	21.63	18.27#

23. Earnings per ordinary share (cont'd)

The calculation of diluted earnings per ordinary share was based on the net profit attributable to owners of the Company and the weighted average number of ordinary shares outstanding after adjusting for the effects of all dilutive potential ordinary shares, calculated as follows:

	Group	
	2021	2020
Diluted earnings per share		
Net profit attributable to owners of the Company - basic (RM'000)	393,160	328,047
Weighted average number of ordinary shares in issue ('000)	1,817,726	598,404
Effect of ED Share Option, if exercised ('000)	1,789	976
Weighted average number of ordinary shares in issue ('000) (diluted)	1,819,515	599,380
Bonus issue subsequent to year end ('000)	-	1,198,760
	1,819,515	1,798,140
Diluted earnings per ordinary share (sen)	21.61	18.24#

\# Basic and diluted EPS were adjusted to reflect impact of bonus issue exercise of and share options as disclosed on the basis of two bonus shares for every one existing ordinary share held which was completed on 6 August 2021. Basic and diluted EPS previously reported were 54.82 sen and 54.73 sen respectively.

24. Dividends

During the financial year, the Company paid an ordinary interim and a special interim (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.

During the financial year, the Company paid an additional special interim (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.

In the previous financial year, the Company paid an ordinary interim and a special interim (single tier) dividend of 9.95 sen and 19.08 sen per ordinary share respectively for financial year ended 31 December 2019 on 31 March 2020 totalling to RM169,982,000.

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

For the financial year ended 31 December 2021	Sen per share
Ordinary Interim (Single Tier)	10.86
Special Interim (Single Tier)	2.29

25. Directors' remuneration

	Group and Company	
	2021 RM'000	2020 RM'000
Executive directors:		
- Emoluments	4,591	4,869
- Other emoluments and expenses (including share grant and ED share options)	10,123	10,404
Non-executive directors:		
- Fees	871	844
- Other emoluments and expenses	721	386
	16,306	16,503

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 RM14,000 (2020: RM18,000).

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
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

25. Directors' remuneration (cont'd)

Details of Directors' remuneration of the Group and the Company during the financial year are as follows: (cont'd)

	Fee RM'000	Meeting allowance RM'000	Salaries RM'000	Bonus RM'000	Other emoluments RM'000	Benefits-in-kind RM'000
2020						
Non-executive directors						
Abdul Kadir Md.Kassim	180	35	-	-	-	4
Ronnie Kok Lai Huat	156	90	-	-	1	2
Elakumari Kantilal	144	90	-	-	-	2
Hong Kean Yong	144	85	-	-	-	1
Mark Guy Dioguardi	120	55	-	-	-	-
Koh Cha-Ly	100	30	-	-	-	-
Executive directors						
Afzal Abdul Rahim	-	-	1,101	458	6,136	7
Patrick Corso	-	-	964	402	1,734	-
Lee Guan Hong	-	-	1,048	437	2,993	2
	844	385	3,113	1,297	10,864	18

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

26. Key management personnel remuneration

The key management personnel remuneration is as follows:

	Group and Company	
	2021 RM'000	2020 RM'000
Directors:		
Fees	871	844
Other short term benefits (including estimated monetary value of benefits-in-kind, share options and benefits on share grant plan)	15,449	15,677
	16,320	16,521

	Group		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Other key management personnel:				
Employee benefits (including benefits on share grant plan)	20,837	15,423	1,317	1,778
Other key management compensation	874	1,247	3	44
	21,711	16,670	1,320	1,822

Other key management personnel comprise persons other than the Directors of the Company, having authority and responsibility for planning, directing and controlling the activities of the entities within the Group either directly or indirectly.

27. Operating segments

Operating segments are components in which separate financial information is available that is evaluated by the Chief Executive Officer in deciding how to allocate resources and in assessing performance of the Group. The Group has identified the business of telecommunications as its sole operating segment.

Performance is measured based on revenue derived from the various products sold and consolidated profit before income tax of the Group as included in the internal management reports that are reviewed by the Chief Executive Officer. The Group's segment assets and liabilities, as disclosed in the Group's statement of financial position (as represented by total assets and liabilities), is also reviewed by the Chief Executive Officer. Segment capital expenditure is the total cost incurred during the year to acquire property, plant and equipment.

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

	Group	
	2021 RM'000	**2020 RM'000**
Revenue from external customers		
Data	1,042,869	996,490
Data Centre	284,543	152,136
Voice	66,523	70,981
Others	2,427	3,562
	1,396,362	1,223,169
Operating expenses		
Depreciation, impairment and amortisation of property, plant and equipment and right-of-use assets	(163,217)	(151,877)
Other operating expense	(727,275)	(656,688)
Other operating income	20,133	578
Profit from operations	526,003	415,182
Income from investments	10,687	11,396
Finance costs	(27,863)	(21,520)
Share of profits from equity-accounted investments, net of tax	23,897	18,040
Segment profit	532,724	423,098
Additions to property, plant and equipment	245,826	261,488

27. Operating segments (cont'd)

Geographical information

Revenue and non-current assets (excluding financial instruments, equity-accounted investments and deferred tax assets) of the Group by geographical location of the entity are as follows:

	Revenue		Non-current assets	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Malaysia	1,322,663	1,150,144	1,719,086	1,537,282
Outside Malaysia	73,699	73,025	502,208	523,027
	1,396,362	1,223,169	2,221,294	2,060,309

Major customers

There were no significant concentrations on transactions with customers and revenues from transactions with a single external customer (or group of entities known to be under common control which are deemed to be a single customer) that contributed to 10% or more of the Group's revenues.

28. Capital commitments

	Group	
	2021 RM'000	2020 RM'000
Capital expenditure commitments		
Property, plant and equipment		
Authorised but not contracted for	152,804	129,018
Contracted but not provided for	307,920	214,036

29. Related parties

Identity of related parties

For the purposes of these financial statements, parties are considered to be related to the Group if the Group or the Company has the ability, directly or indirectly, to control or jointly control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group or the Company and the parties are subject to common control. Related parties may be individuals or other entities.

Related parties also include key management personnel defined as those persons having authority and responsibility for planning, directing and controlling activities of the Group 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.

29. Related parties (cont'd)

Significant related party transactions

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

	Group		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Subsidiary companies				
Dividend income	-	-	326,416	247,143
Management fees income	-	-	15,084	18,946
Interest income from subsidiaries	-	-	4,154	4,465
Related parties				
Revenue from data, voice and other services	61,988	75,523	-	-
Sales of IT related services	48,529	-	-	-
Interconnect revenue	1,487	1,994	-	-
Fee for wayleave and right-of-use of telecommunications facilities	(10,343)	(10,468)	-	-
Interconnect charges	(1,230)	(2,089)	-	-
Leased line and infrastructure costs	(42,486)	(40,039)	-	-
Network maintenance	(2,180)	(2,492)	-	-
Training expenses	(491)	(238)	-	-
Rental of office	(114)	(114)	-	-
Professional fees on corporate exercise	(96)	(220)	(96)	(220)
Interest on advances	(598)	(108)	-	-
Companies in which Directors have significant financial interests				
Revenue from rental, support services and others	63	69	-	-
Professional legal fees costs	-	(48)	-	(48)

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 16 respectively.

Directors' remuneration and key management personnel remuneration are disclosed in Notes 25 and 26 respectively.

30. Financial instruments

30.1 Net gains and losses arising from financial instruments

	Group		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Net gains/(losses) on:				
Equity instruments designated at fair value through other comprehensive income				
- recognised in other comprehensive income	12,669	2,106	-	-
	12,669	2,106	-	-
Financial assets at amortised cost	21,428	20,059	9,017	1,415
Financial liabilities at amortised cost	(11,813)	(9,161)	(255)	(513)
	22,284	(27,114)	8,762	902

30.2 Financial risk management

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

- Credit risk
- Liquidity risk
- Market risk

30.3 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 and contract assets

Risk management objectives, policies and processes for managing the risk

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

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

The gross carrying amounts of credit impaired trade receivables and contract assets are written off (either partially or fully) when there is no realistic prospect of recovery. This is generally the case when the Group or the Company determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. Nevertheless, trade receivables and contract assets that are written off could still be subject to enforcement activities.

There are no significant changes as compared to previous year.

30. Financial instruments (cont'd)

30.3 Credit risk (cont'd)

Trade receivables and contract assets (cont'd)

Exposure to credit risk, credit quality and collateral

As at the end of the reporting period, the maximum exposure to credit risk arising from trade receivables and contract assets 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 and contract assets of the Group as at the end of the reporting period by geographical region was:

	Group	
	2021 RM'000	2020 RM'000
Malaysia	318,438	252,212
Outside Malaysia	8,287	23,594
	326,725	275,806

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

30. Financial instruments (cont'd)

30.3 Credit risk (cont'd)

Trade receivables and contract assets (cont'd)

Impairment losses

The following table provides information about the exposure to credit risk and expected credit losses 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
2021			
Not past due	94,821	(156)	94,665
Past due one - 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
2020			
Not past due	105,124	(233)	104,891
Past due one - 30 days	46,246	(232)	46,014
Past due 31 - 120 days	63,413	(2,018)	61,395
Past due more than 120 days	81,634	(18,128)	63,506
	296,417	(20,611)	275,806

The allowance account in respect of the trade receivables is used to record impairment losses. Unless the Group is satisfied that recovery of the amount is possible, the amount considered irrecoverable is written off against the receivable directly.

The movement in the loss allowance for trade receivables (including amounts due from related parties) during the financial year were as follows:

	Group	
	2021 RM'000	2020 RM'000
At 1 January	20,611	14,677
Impairment loss written off	(7,673)	(7,161)
Net allowance	7,163	13,107
Exchange translation differences	41	(12)
At 31 December	20,142	20,611

30. Financial instruments (cont'd)

30.3 Credit risk (cont'd)

Deposits with financial institutions and other financial assets

Risk management objectives, policies and processes for managing the risk

The Group's and the Company's cash and cash equivalents are deposited with licensed financial institutions.

Exposure to credit risk, credit quality and collateral

The maximum exposure to credit risk is represented by the carrying amounts of cash and cash equivalents in the statement of financial position. Management does not expect any counterparty to fail to meet its obligations in respect of these deposits.

Impairment losses

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

The Company also provides financial support to certain subsidiaries to enable them to meet their liabilities as and when they fall due.

Exposure to credit risk, credit quality and collateral

The maximum exposure to credit risk of the Group and of the Company amounts to RM24,156,000 (2020: RM36,290,000) and RM115,920,000 (2020: RM29,171,000) respectively, arises principally from bank guarantees given to suppliers and financial guarantees given to banks for credit facilities granted to subsidiaries and an associate (Note 12.1).

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.

30. Financial instruments (cont'd)

30.3 Credit risk (cont'd)

Inter-company balances (cont'd)

Recognition and measurement of 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 RM2,122,000 (2020: RM13,748,000). The Group and the Company determined the impairment loss based on internal information available.

30.4 Liquidity risk

Liquidity risk is the risk that the Group and the Company will not be able to meet its financial obligations as they fall due. The Group's exposure to liquidity risk arises principally from its various payables and other applicable contractual obligations and commitments. The Group reviews and strives to maintain a prudent level of cash and cash equivalents and banking facilities to ensure working capital requirements are met.

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 one year RM'000	One - two years RM'000	Three - five years RM'000	Above five years RM'000
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	-	-	-
2020							
Term loans	42,631	4.70% - 4.85%	46,399	15,841	15,164	14,162	1,232
Revolving credit	4,166	1.14% - 1.23%	4,178	4,178	-	-	-
Lease liabilities	137,224	3.50%	177,447	24,925	62,749	32,346	57,427
Trade and other payables*	172,933	-	172,933	172,933	-	-	-
Financial guarantee	-	-	36,290	36,290	-	-	-

* The contractual cash flows of trade and other payables exclude unearned revenue and provisions.

30. Financial instruments (cont'd)

30.4 Liquidity risk (cont'd)

Maturity analysis (cont'd)

Company	Carrying amount RM'000	Contractual interest rate	Contractual cash flows RM'000	Under one year RM'000
2021				
Trade and other payables	10,986	-	10,986	10,986
Financial guarantee	-	-	115,920	115,920
2020				
Revolving credit	4,166	1.14% - 1.23%	4,178	4,178
Trade and other payables	3,087	-	3,087	3,087
Financial guarantee	-	-	29,171	29,171

30.5 Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and other prices that will affect the Group's financial position or cash flows.

Currency risk

The Group is exposed to foreign currency risk on sales, purchases, receivables and borrowings that are denominated in a currency other than the respective functional currencies of the Group entities. The currency giving rise to this risk is primarily U.S. Dollar ("USD").

Risk management objectives, policies and processes for managing the risk

The Group has a potential currency risk exposure arising from trade transactions entered with companies where the amounts are denominated in currencies other than Ringgit Malaysia. Exposure to foreign currency risk is monitored on an ongoing basis and where considered necessary, the Group may consider using financial instruments to hedge its foreign currency risk. The Company is not significantly exposed to currency risk.

Exposure to foreign currency risk

The Group's exposure to foreign currency risk, based on carrying amounts as at the end of the reporting period was:

	Group		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Denominated in USD				
Trade and other receivables	196,120	188,556	62,403	-
Cash and cash equivalents	110,354	95,880	4,267	6,148
Term loans	(18,173)	(28,792)	-	-
Revolving credit	-	(4,166)	-	(4,166)
Trade and other payables	(131,319)	(152,195)	-	-
Net exposure in the statement of financial position	156,982	99,283	66,670	1,982

30. Financial instruments (cont'd)

30.5 Market risk (cont'd)

Currency risk (cont'd)

Currency risk sensitivity analysis

A 1% strengthening of the Ringgit Malaysia against the U.S. Dollar 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 assume that all other variables, in particular interest rates, remained constant and ignores any impact of forecasted sales and purchases.

	Group		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Profit or (Loss)				
1% strengthening of RM against USD	(1,570)	(993)	(667)	(20)

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.

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	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Fixed rate instruments				
Deposits with financial institutions	606,667	523,135	179,313	40,924
Other investment	2,000	2,000	2,000	2,000
Term loans	(130,486)	(42,631)	-	-
Floating rate instruments				
Revolving credit	-	(4,166)	-	(4,166)
Amount due to an associate	(15,118)	-	-	-

30. Financial instruments (cont'd)

30.5 Market risk (cont'd)

Interest rate risk (cont'd)

Interest rate risk sensitivity analysis

(i) Fair value sensitivity analysis for fixed rate instruments

The Group does not account for any fixed rate financial assets and liabilities at fair value through profit or loss, and the Group does not designate derivatives as hedging instruments under a fair value hedge accounting model. Therefore, a change in interest rates at the end of the reporting period would not affect profit or loss.

(ii) Cash flow sensitivity analysis for variable rate instruments

A change of 100 basis points ("bp") in interest rates at the end of the reporting period would have increased/(decreased) pre-tax profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency rates, remain constant.

	Profit or (loss)			
	Group		Company	
	100bp Increase RM'000	100bp Decrease RM'000	100bp Increase RM'000	100bp Decrease RM'000
2021				
Floating rate instruments	(151)	151	-	-
2020				
Floating rate instruments	(42)	42	(42)	42

30.6 Fair value information

The carrying amounts of cash and cash equivalents, receivables and payables reasonably approximate their fair values due to the relatively short term nature of these financial instruments. Accordingly, the fair values and level of the fair value hierarchy have not been presented for these financial instruments.

30. Financial instruments (cont'd)

30.6 Fair value information (cont'd)

The table below analyses financial instruments carried at fair value and those not carried at fair value for which fair value is disclosed, together with their fair values and carrying amounts shown in the statement of financial position.

	Fair value of financial instruments carried at fair value				Fair value of financial instruments not carried at fair value					
Group	**Level 1 RM'000**	**Level 2 RM'000**	**Level 3 RM'000**	**Total RM'000**	**Level 1 RM'000**	**Level 2 RM'000**	**Level 3 RM'000**	**Total RM'000**	**Total fair value RM'000**	**Carrying amount RM'000**
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
2020										
Financial assets										
Unquoted investments	-	-	31,271	31,271	-	-	-	-	31,271	31,271
Financial liabilities										
Term loans	-	-	-	-	-	-	41,868	41,868	41,868	42,631
Revolving credit	-	-	-	-	-	-	4,166	4,166	4,166	4,166
	-	-	-	-	-	-	46,034	46,034	46,034	46,797
Company										
2021/2020										
Financial assets										
Unquoted investments	-	-	2,000	2,000	-	-	-	-	2,000	2,000

30. Financial instruments (cont'd)

30.6 Fair value information (cont'd)

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:

	2021	2020
Term loans	3.20% - 6.20%	4.70% - 4.85%
Revolving credit	-	1.14% - 1.23%

31. Capital management

The Group's objectives when managing capital is to maintain an optimal capital structure and to safeguard the Group's ability to continue as a going concern, so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Board of Directors monitors the return on capital, which the Group defines as results from operating activities compared against returns on average invested capital.

The Group also maintains a debt to equity ratio that complies with debt requirements required for its banking facilities 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.

32. Acquisition of subsidiaries

On 7 January 2021, the Group acquired 600,000 ordinary shares representing 60% of the equity interest in AVM Cloud for a total consideration of RM57,906,000. AVM Cloud 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	16.8	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
Rights-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	15	(6,187)
Current tax liabilities		(1,886)
Deferred tax asset/liabilities		(162)
Finance lease liabilities		(7,028)
Trade and other payables		(36,837)
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

32. Acquisition of subsidiaries (cont'd)

The 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 Cloud 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. 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.

33. Significant events during the year

i) On 7 January 2021, the Company completed the acquisition of 600,000 ordinary shares ("AVM Sale Shares") in AVM Cloud, representing 60% of the equity interest in AVM Cloud ("Acquisition of AVM Cloud"), pursuant to a share purchase agreement ("AVM Cloud SPA") entered into by the Company on 3 December 2020 with the founding shareholders of AVM Cloud (collectively, "Founder Shareholders", and each a "Founder Shareholder") for a total consideration of RM57,906,000, and of the RM7,064,000 is expected to be paid out in the coming financial year upon the conditions are met.

In connection with the Acquisition of AVM Cloud, AVM Cloud has also on 7 January 2021 completed the acquisition of 400,002 ordinary shares ("IGS Sale Shares") in Integrated Global Solutions Sdn. Bhd. ("IGS"), an existing subsidiary of AVM Cloud, representing the balance of approximately 40% of the equity interest in IGS which is not already held by AVM Cloud ("Acquisition by AVM Cloud of IGS Shares"). The Acquisition by AVM Cloud of IGS Shares was pursuant to a share purchase agreement ("IGS SPA") entered into by AVM Cloud on 3 December 2020 with the minority shareholders of IGS (collectively, "Additional Shareholders", and each an "Additional Shareholder"). The Acquisition of AVM Cloud was conditional on the Acquisition by AVM Cloud of IGS Shares and vice versa.

In connection with the completion of the Acquisition of AVM Cloud and Acquisition by AVM Cloud of IGS Shares, the capital increase of AVM Cloud by the issuance of new shares to the Company, the Founder Shareholders and the Additional Shareholders, for a total subscription price of approximately RM7.5 million ("Capital Increase of AVM Cloud") was effected on 7 January 2021. The Company subscribed for a 60% portion of the Capital Increase in AVM Cloud.

On completion of the Acquisition of AVM Cloud and Acquisition by AVM Cloud of IGS Shares on 7 January 2021, the Company, the Founder Shareholders, the Additional Shareholders and AVM Cloud entered into a shareholders agreement to regulate their relationship as shareholders in AVM Cloud.

Pursuant to the completion of the Acquisition of AVM Cloud, Acquisition by AVM Cloud of IGS Shares and the Capital Increase in AVM Cloud, the Company owns 60% of the equity interest in AVM Cloud, while the Founder Shareholders and the Additional Shareholders collectively own 40% of the equity interest in AVM Cloud. Pursuant to the completion of the Acquisition by AVM Cloud of IGS Shares, AVM Cloud owns 100% equity interest in IGS.

ii) On 16 March 2021, the Company announced a proposed bonus issue of up to 1,212,483,666 bonus shares on the basis of two bonus shares for every one existing ordinary share held in the Company held on an entitlement date to be determined and announced later ("Bonus Issue").

On 22 July 2021, the ordinary resolution as set out in the Notice of Postponed Extraordinary General Meeting ("EGM") 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 on the basis of two bonus shares for every one existing ordinary share held on 5 August 2021. A total 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.

33. Significant events during the year (cont'd)

iii) On 3 September 2021, a subsidiary of the Company entered into a Departure Agreement with the other shareholders ("Thailand shareholders") of KIRZ Co. Ltd and KIRZ Holdings Co. Ltd. (collectively known as "KIRZ") to exit its investment in KIRZ.

On 14 October 2021, the subsidiary has transferred all its shareholding in KIRZ to the Thailand shareholders at nominal value and derecognised all its investment in KIRZ. All amount due from KIRZ has been written off except for RM2,212,000 which are expected to be recovered.

34. Subsequent event

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 acquisition is expected to be completed within six months from the SPA date.

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 86 to 168 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 2021 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: 25 February 2022

STATUTORY DECLARATION

pursuant to Section 251(1)(b) of the Companies Act 2016

I, **Goh Chiat Woon**, 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 86 to 168 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 Goh Chiat Woon, MIA CA33498, at Kuala Lumpur in Wilayah Persekutuan on 25 February 2022.

....

Goh Chiat Woon

Before me:

Balwant Singh
W857
Commissioner for Oaths
Kuala Lumpur.

INDEPENDENT AUDITORS' REPORT

to the Members of TIME dotCom Berhad (Registration No. 199601040939 (413292-P)) (Incorporated in Malaysia)

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of TIME dotCom Berhad, which comprise the statements of financial position as at 31 December 2021 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 86 to 168.

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 2021 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.

Key Audit Matters (cont'd)

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
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 RM213.9 million as at 31 December 2021. 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. 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.	We performed the following audit procedures, among others: • 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.

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
The Group's investments in associates was RM456.9 million as at 31 December 2021. As of 31 December 2021, 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. 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. 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.	We performed the following audit procedures, among others: • 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.

Responsibilities of the Directors for the Financial Statements

The Directors of the Company are responsible for the preparation of financial statements of the Group and of the Company that give a true and fair view in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia. The Directors are also responsible for such internal control as the Directors determine is necessary to enable the preparation of financial statements of the Group and of the Company that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Group and of the Company, the Directors are responsible for assessing the ability of the Group and of the Company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or the Company or to cease operations, or have no realistic alternative but to do so.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Group and of the Company as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control of the Group and of the Company.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.

- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group or of the Company to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that gives a true and fair view.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements of the Group. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Directors, we determine those matters that were of most significance in the audit of the financial statements of the Group and of the Company for the current year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our auditors' report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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: 25 February 2022

Chew Beng Hong
Approval Number: 02920/02/2024 J
Chartered Accountant

ANALYSIS OF SHAREHOLDINGS

as at 22 March 2022

Type of Securities : **Ordinary Shares**

Issued Shares : **1,825,618,888**

No. of Shareholders : **13,010**

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	576	4.43	19,029	#
100 to 1,000	4,910	37.74	2,874,815	0.16
1,001 to 10,000	5,899	45.34	19,678,281	1.08
10,001 to 100,000	1,157	8.90	34,255,453	1.88
100,001 to less than 5% of issued shares	465	3.57	900,429,087	49.32
5% and above of issued shares	3	0.02	868,362,223	47.56
Total	13,010	100.00	1,825,618,888	100.00

Note:
 # Less than 0.01%.

30 LARGEST SHAREHOLDERS BASED ON THE RECORD OF DEPOSITORS AS AT 22 MARCH 2022

No.	Name of Shareholders	No. of Shares	%
1.	Pulau Kapas Ventures Sdn Bhd	531,373,077	29.11
2.	Khazanah Nasional Berhad	195,896,946	10.73
3.	Citigroup Nominees (Tempatan) Sdn Bhd - Employees Provident Fund Board	141,092,200	7.73
4.	Kumpulan Wang Persaraan (Diperbadankan)	75,270,444	4.12
5.	Citigroup Nominees (Tempatan) Sdn Bhd - Exempt An for AIA Bhd	53,829,800	2.95
6.	Amanahraya Trustees Berhad - Public Ittikal Sequel Fund	28,461,000	1.56
7.	Amanahraya Trustees Berhad - Amanah Saham Bumiputera	28,455,600	1.56
8.	Cartaban Nominees (Tempatan) Sdn Bhd - PAMB for Prulink Equity Fund	27,645,200	1.51
9.	Amanahraya Trustees Berhad - Public Islamic Select Treasures Fund	23,283,120	1.28
10.	Amanahraya Trustees Berhad - Public Smallcap Fund	23,125,680	1.27
11.	Citigroup Nominees (Tempatan) Sdn Bhd - Employees Provident Fund Board (Affin-Hwg)	18,665,200	1.02

30 LARGEST SHAREHOLDERS BASED ON THE RECORD OF DEPOSITORS AS AT 22 MARCH 2022 (cont'd)

No.	Name of Shareholders	No. of Shares	%
12.	Permodalan Nasional Berhad	18,000,000	0.99
13.	Lembaga Tabung Haji	17,276,200	0.95
14.	Citigroup Nominees (Tempatan) Sdn Bhd - Employees Provident Fund Board (Nomura)	16,019,000	0.88
15.	Cimsec Nominees (Tempatan) Sdn Bhd - CIMB for Afzal Bin Abdul Rahim (PB)	14,147,721	0.78
16.	HSBC Nominees (Asing) Sdn Bhd - JPMCB NA for Vanguard Emerging Markets Stock Index Fund	13,922,700	0.76
17.	Cartaban Nominees (Asing) Sdn Bhd - Exempt An for State Street Bank & Trust Company (West CLT OD67)	12,272,600	0.67
18.	Cartaban Nominees (Tempatan) Sdn Bhd - PBTB for Takafulink Dana Ekuiti	12,174,200	0.67
19.	Pertubuhan Keselamatan Sosial	11,811,200	0.65
20.	Indera Permai Sdn Bhd	10,278,060	0.56
21.	HSBC Nominees (Asing) Sdn Bhd - JPMCB NA for Vanguard Total International Stock Index Fund	9,680,484	0.53
22.	Citigroup Nominees (Tempatan) Sdn Bhd - Employees Provident Fund Board (Amundi)	9,505,200	0.52
23.	Citigroup Nominees (Tempatan) Sdn Bhd - Employees Provident Fund Board (AsianIslamic)	9,235,800	0.51
24.	Citigroup Nominees (Asing) Sdn Bhd - Exempt An for Citibank New York (Norges Bank 14)	7,443,800	0.41
25.	Amanahraya Trustees Berhad - PB Growth Fund	7,190,000	0.39
26.	Amanahraya Trustees Berhad - Public Islamic Treasures Growth Fund	6,777,000	0.37
27.	Cartaban Nominees (Tempatan) Sdn Bhd - PAMB for Prulink Dana Unggul	6,039,600	0.33
28.	Maybank Nominees (Tempatan) Sdn Bhd - Affin Hwang Asset Management Berhad for Hong Leong Assurance Berhad (Par-220082)	5,807,100	0.32
29.	Citigroup Nominees (Tempatan) Sdn Bhd - Great Eastern Life Assurance (Malaysia) Berhad (Par 3)	5,775,000	0.32
30.	CIMB Commerce Trustee Berhad - Public Focus Select Fund	5,742,000	0.31

SUBSTANTIAL SHAREHOLDERS BASED ON THE REGISTER OF SUBSTANTIAL SHAREHOLDERS AS AT 22 MARCH 2022

	Direct		Indirect	
Name of Shareholders	**No. of Shares**	**%**	**No. of Shares**	**%**
Pulau Kapas Ventures Sdn Bhd ("PKV")	531,523,077	29.11	-	-
Khazanah Nasional Berhad	195,896,946	10.73	531,523,077[1]	29.11
Employees Provident Fund Board	210,823,300[2]	11.55	-	-
Kumpulan Wang Persaraan (Diperbadankan)	75,270,444	4.12	17,526,501	0.96
Global Transit International Sdn Bhd ("GTI")	-	-	531,523,077[1]	29.11
Megawisra Sdn Bhd ("Megawisra")	4,302,993	0.24	531,523,077[3]	29.11
Megawisra Investments Limited ("Megawisra Investments")	-	-	535,826,070[4]	29.35
Afzal Abdul Rahim	14,147,721	0.77	535,826,070[5]	29.35
Patrick Corso	4,183,600	0.23	535,826,070[5]	29.35

Notes:

[1] *Deemed interested by virtue of its interests held through PKV pursuant to Section 8 of the Companies Act 2016 (the "Act").*
[2] *Including shares held under Citigroup Nominees (Tempatan) Sdn Bhd.*
[3] *Deemed interested by virtue of its interests held through PKV via its shareholdings in GTI pursuant to Section 8 of the Act.*
[4] *Deemed interested by virtue of its interests held through PKV, GTI and Megawisra via its shareholdings in Megawisra pursuant to Section 8 of the Act.*
[5] *Deemed interested by virtue of his interests held through PKV, GTI and Megawisra via his shareholdings in Megawisra Investments pursuant to Section 8 of the Act.*

DIRECTORS' INTERESTS IN SHARES BASED ON THE REGISTER OF DIRECTORS' SHAREHOLDINGS AS AT 22 MARCH 2022

	Direct		Indirect	
Name of Directors	**No. of Shares**	**%**	**No. of Shares**	**%**
Afzal Abdul Rahim	14,147,721	0.77	535,826,070[1]	29.35
Patrick Corso	4,183,600	0.23	535,826,070[1]	29.35
Lee Guan Hong	1,928,723	0.11	-	-
Ronnie Kok Lai Huat	15,000	#	-	-

Notes:

[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.*
\# *Negligible*

LIST OF PROPERTIES
held as at 31 December 2021

TIME DOTCOM BERHAD

Location	Description	Tenure	Area	Existing Use	Approximate Age (Years)	Cost (NBV) (RM)	Date of Acquisition
Lot no. 53, Glenmarie Industrial Park, Shah Alam, Selangor	Land Building	Freehold	4,260 sq.m 3,747 sq.m	Office Building	10	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, P.T No. 45816, Mukim Dengkil, Daerah Sepang, Negeri Selangor Darul Ehsan	Land	Freehold	12,684 sq.m	Data centre	7	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, P.T No 10019, Town of Kuala Lumpur, District of Kuala Lumpur	Land	Freehold	2,446 sq.m	Data centre	3		50,000,000	26/12/2019	
	Building		11,203.9 sq.m			Cost Depreciation Balance (NBV)	45,754,320 1,906,430 43,847,890	26/12/2019	2% Depreciation
H.S.(D) 32428, P.T No. 45816, Mukim Dengkil, Daerah Sepang, Negeri Selangor Darul Ehsan	Building		14,956 sq.m	Data centre	1	Cost Depreciation Balance (NBV)	82,336,248 960,590 81,375,659	30/6/2021	2% Depreciation

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	10		4,200,000	3/12/2012	
Lot no. 43 & 54, Glenmarie Industrial Park Shah Alam, Selangor	Land	Freehold	2.225 acre	Office Building	25	Cost	3,678,963	27/10/1995	
	Building		8,456.64 sq.m			Cost Depreciation Balance (NBV)	14,717,422 14,717,422 0	27/10/1995	
Lot 26 Jln 225 Petaling Jaya 46100 PJ Selangor	Building	Leasehold	1,486.45 sq.m	Operation site	48	Cost Depreciation Balance (NBV)	5,585,840 2,122,619 3,463,221	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	26		1,037,171	29/2/1996	
Lot P.T.D. 3930, Mukim Tebrau, Daerah Johor Bahru, Johor	Land	Freehold	10,940.91 sq.m	Operation site	24	Cost Land impairment Balance (NBV)	4,946,214 2,101,214 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	40	Cost Amortisation Balance (NBV)	1,007,000 1,006,999 1	6/11/1997	60 years from 1981 to 2041
	Building		668.9 sq.m	Office Building		Cost Depreciation Balance (NBV)	200,000 100,000 100,000	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	41	Cost Amortisation Balance (NBV)	1,535,000 1,534,999 1	16/10/1995	66 years from 1980 to 2046
	Building		1,938 sq.m	Office Building		Cost Depreciation Balance (NBV)	1,065,000 575,100 489,900	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	37	Cost Amortisation Balance (NBV)	4,145,000 4,144,999 1	15/4/1996	99 years from 1984 to 2082
	Building		270 sq.m						
P.T. no 2705, Mukim Ulu Kinta, Daerah Ulu Kinta, Perak	Land	Leasehold	2,162.23 sq.m	Operation site	45	Cost Amortisation Balance (NBV)	350,000 349,999 1	22/4/1996	60 years from 1976 to 2036

TT DOTCOM SDN BHD (cont'd)

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	38	Cost Amortisation Balance (NBV)	80,000 79,999 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	46	Cost Amortisation Balance (NBV)	316,703 316,703 0	31/12/1997	99 years 1975 - 2074
Lot PTD 1474, HS (D) 3432, Mukim Jemaluang, Daerah Mersing, Johor	Land	Leasehold	1,237 sq.m	Operation site	20	Cost Amortisation Balance (NBV)	41,320 35,294 6,026	31/12/2004	60 years 2001 - 2061
No. Hakmilik 697, Lot 254, Mukim 07, Daerah Seberang Perai Utara, Negeri Pulau Pinang	Land	Freehold	3,974.0 sq.m	Operation site Cable Landing Station - AAE1	6		1,503,852	6/1/2015	
GRN 215231, Lot 61850 No 12, Jalan Majistret U1/26, HICOM Glenmarie Industrial Park 40150 Shah Alam	Land Building	Freehold	4,251 sq.m	Office building	4	Cost Cost Amortisation Balance (NBV)	11,252,539 7,338,612 475,512 6,863,100	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	2	Cost	2,130,416	16/11/2020	

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GROUP CORPORATE DIRECTORY

TIME

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Website : www.globaltransit.net

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