

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

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2022

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

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current year quarter 31/12/2022 RM'000	Preceding year corresponding quarter 31/12/2021 RM'000 Restated	Audited Twelve months to 31/12/2022 RM'000	Audited Twelve months to 31/12/2021 RM'000 Restated
Continuing operations				
Operating revenue	396,205	334,844	1,454,834	1,285,482
Operating expenses				
- depreciation and amortisation of property, plant and equipment and right-of-use assets	(39,479)	(34,236)	(149,540)	(132,745)
- other operating expenses	(220,973)	(181,271)	(834,397)	(701,943)
Other operating income (net)*	(12,576)	1,684	31,675	19,881
Profit from operations	123,177	121,021	502,572	470,675
Income from investments	2,314	2,835	9,791	10,168
Finance costs	(3,668)	(5,216)	(18,052)	(20,584)
Share of profit from associates, net of tax	5,705	7,907	22,973	23,897
Profit before tax	127,528	126,547	517,284	484,156
Tax expense	(34,276)	(32,540)	(131,141)	(125,075)
Profit from continuing operations	93,252	94,007	386,143	359,081
Discontinued operations				
Profit from discontinued operations, net of tax	31,051	16,137	67,467	37,697
Profit for the period/year	124,303	110,144	453,610	396,778
Profit attributable to:				
Owners of the Company	122,244	108,592	449,910	393,160
Non-controlling interests	2,059	1,552	3,700	3,618
Profit for the period/year	124,303	110,144	453,610	396,778

* Included in the current quarter other operating income (net) is a net foreign exchange loss of RM13,515,000.

The Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the Annual Audited Financial Statements for the financial year ended 31 December 2021.

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

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

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current year quarter 31/12/2022 RM'000	Preceding year corresponding quarter 31/12/2021 RM'000 Restated	Audited Twelve months to 31/12/2022 RM'000	Audited Twelve months to 31/12/2021 RM'000 Restated
Profit for the period/year	124,303	110,144	453,610	396,778
Other comprehensive (expense)/ income, net of tax:				
<i>Items that may be reclassified subsequently to profit or loss</i>				
- Foreign currency translation differences for foreign operations	(358)	382	680	(7,018)
- Cash flow hedge – associate	18	98	191	490
	<u>(340)</u>	<u>480</u>	<u>871</u>	<u>(6,528)</u>
<i>Items that will not be reclassified subsequently to profit or loss</i>				
- Net change in fair value of equity investments designated at fair value through other comprehensive income ("FVOCI")	7,244	760	13,296	12,669
	<u>7,244</u>	<u>760</u>	<u>13,296</u>	<u>12,669</u>
Total other comprehensive income for the period/year, net of tax	6,904	1,240	14,167	6,141
Total comprehensive income for the period/year	131,207	111,384	467,777	402,919
Total comprehensive income attributable to:				
Owners of the Company	129,148	109,832	464,077	399,301
Non-controlling interests	2,059	1,552	3,700	3,618
Total comprehensive income for the period/year	131,207	111,384	467,777	402,919
Earnings per share (based on weighted average number of ordinary shares)				
- Basic				
from continuing operations	4.97 sen	5.12 sen	20.89 sen	19.56 sen
from discontinued operations	1.69 sen	0.89 sen	3.69 sen	2.07 sen
	<u>6.66 sen</u>	<u>6.01 sen</u>	<u>24.58 sen</u>	<u>21.63 sen</u>
- Diluted				
from continuing operations	4.96 sen	5.12 sen	20.88 sen	19.54 sen
from discontinued operations	1.69 sen	0.89 sen	3.68 sen	2.07 sen
	<u>6.65 sen</u>	<u>6.01 sen</u>	<u>24.56 sen</u>	<u>21.61 sen</u>

The Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the Annual Audited Financial Statements for the financial year ended 31 December 2021.

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

II. CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Audited As at 31/12/2022 RM'000	Audited As at 31/12/2021 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	1,572,331	1,820,753
Investment property	1,445	1,478
Right-of-use assets	95,157	140,469
Intangible assets	140,127	251,989
Investment in associates	486,781	456,976
Other investments	55,027	41,731
Deferred tax assets	27,574	55,790
Trade and other receivables	1,814	6,605
	<u>2,380,256</u>	<u>2,775,791</u>
Current assets		
Tax recoverable	3,789	1,883
Other investments	-	2,000
Trade and other receivables	563,837	541,279
Restricted cash	4,161	4,296
Cash and cash equivalents	484,635	796,090
	<u>1,056,422</u>	<u>1,345,548</u>
Assets classified as held for sale	752,711	-
	<u>1,809,133</u>	<u>1,345,548</u>
Total assets	<u>4,189,389</u>	<u>4,121,339</u>
EQUITY AND LIABILITIES		
Equity		
Share capital	1,418,562	1,379,148
Reserves	1,683,225	1,762,153
Equity attributable to owners of the Company	<u>3,101,787</u>	<u>3,141,301</u>
Non-controlling interests	25,943	22,243
Total equity	<u>3,127,730</u>	<u>3,163,544</u>
Non-current liabilities		
Loans and borrowings	12,665	107,997
Lease liabilities	66,826	103,427
Trade and other payables	327,452	327,823
Deferred tax liabilities	92,338	17,607
	<u>499,281</u>	<u>556,854</u>
Current liabilities		
Loans and borrowings	16,935	22,489
Lease liabilities	9,875	20,221
Trade and other payables	359,476	349,809
Provision for tax	2,868	8,422
	<u>389,154</u>	<u>400,941</u>
Liabilities classified as held for sale	173,224	-
	<u>562,378</u>	<u>400,941</u>
Total liabilities	<u>1,061,659</u>	<u>957,795</u>
Total equity and liabilities	<u>4,189,389</u>	<u>4,121,339</u>
Net assets per share attributable to ordinary owners of the Company	<u>RM1.70</u>	<u>RM1.72</u>

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Annual Audited Financial Statements for the financial year ended 31 December 2021.

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

III. CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	Audited Twelve months to 31/12/2022 RM'000	Audited Twelve months to 31/12/2021 RM'000
Operating Activities		
Cash receipts from customers	1,599,317	1,413,934
Transfer to restricted cash	(176)	(258)
Cash payments to suppliers	(485,103)	(408,336)
Cash payments to employees and for administrative expenses	(316,465)	(309,526)
Cash generated from operations	797,573	695,814
Tax paid	(41,813)	(23,861)
Tax refunded	24	-
Net cash generated from operating activities	755,784	671,953
Investing Activities		
Acquisition of property, plant and equipment	(451,979)	(300,456)
Proceeds from disposal of property, plant and equipment	636	136
Acquisition of subsidiary, net of cash and cash equivalents acquired	-	(44,682)
Proceeds from maturity of other investment	2,000	-
Additional investment in associate	(12,890)	-
Investment income received	19,306	11,618
Net cash used in investing activities	(442,927)	(333,384)
Financing Activities		
Drawdown from loans and borrowings	15,100	104,043
Repayment of loans and borrowings	(26,414)	(27,248)
Finance charges paid	(6,881)	(5,426)
Payment of lease liabilities	(33,586)	(39,978)
Proceeds from issuance of additional shares	-	15,367
Proceeds from subscription of shares in a subsidiary by non-controlling interest	-	3,000
Shareholder loan from an associate	3,107	4,955
Repayment from previous associate	769	-
Dividend paid	(540,167)	(350,077)
Net cash used in financing activities	(588,072)	(295,364)
Net change in cash and cash equivalents	(275,215)	43,205
Effect of exchange rate fluctuations on cash held	4,115	4,089
Cash and cash equivalents as at beginning of financial year	796,090	748,796
Transfer to asset held for sale	(40,355)	-
Cash and cash equivalents as at end of financial year	Note (a) 484,635	796,090
Note:		
(a) Cash and cash equivalents comprise the following amounts:		
Cash and bank balances	181,704	193,719
Deposits with licensed banks	307,092	606,667
	488,796	800,386
Restricted cash	(4,161)	(4,296)
Cash and cash equivalents in the statement of financial position	484,635	796,090

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Annual Audited Financial Statements for the financial year ended 31 December 2021.

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

IV. CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	← Attributable to the owners of the Company →								Total Equity RM'000
	← Non-distributable →				Distributable				
Twelve months to 31 December 2022 (Audited)	Share Capital RM'000	FVOCI Reserve RM'000	Foreign Currency Translation Reserve RM'000	Share Grant/ Option Reserves RM'000	Hedging Reserve RM'000	Retained Earnings RM'000	Equity attributable to owners of the Company RM'000	Non- controlling Interest RM'000	
Balance as at 1 January 2022	1,379,148	25,800	28,930	33,288	(275)	1,674,410	3,141,301	22,243	3,163,544
Dividend paid	-	-	-	-	-	(540,167)	(540,167)	-	(540,167)
Employee share grant plan/option scheme	-	-	-	36,576	-	-	36,576	-	36,576
Issuance of shares pursuant to the share grant/option granted	39,414	-	-	(39,414)	-	-	-	-	-
Expiry of employee share grant which have yet to be vested	-	-	-	(27,336)	-	27,336	-	-	-
Profit for the year	-	-	-	-	-	449,910	449,910	3,700	453,610
Fair value gain on equity investments designated at fair value through other comprehensive income ("FVOCI")	-	13,296	-	-	-	-	13,296	-	13,296
Exchange differences recognised directly in equity	-	-	680	-	-	-	680	-	680
Cash flow hedge - associate	-	-	-	-	191	-	191	-	191
Total comprehensive income for the year	-	13,296	680	-	191	449,910	464,077	3,700	467,777
Balance as at 31 December 2022	1,418,562	39,096	29,610	3,114	(84)	1,611,489	3,101,787	25,943	3,127,730

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Annual Audited Financial Statements for the financial year ended 31 December 2021.

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

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

	← Attributable to the owners of the Company →								Total Equity RM'000
	← Non-distributable →				Distributable				
Twelve months to 31 December 2021 (Audited)	Share Capital RM'000	FVOCI Reserve RM'000	Foreign Currency Translation Reserve RM'000	Share Grant/ Option Reserves RM'000	Hedging Reserve RM'000	Retained Earnings RM'000	Equity attributable to owners of the Company RM'000	Non- controlling Interest RM'000	
Balance as 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
Dividend paid	-	-	-	-	-	(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/option granted	38,673	-	-	(23,306)	-	-	15,367	-	15,367
Acquisition of subsidiaries	-	-	-	-	-	-	-	13,258	13,258
Profit for the year	-	-	-	-	-	393,160	393,160	3,618	396,778
Fair value gain on equity investments designated at fair value through other comprehensive income ("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 comprehensive income/(expense) for the year	-	12,669	(7,018)	-	490	393,160	399,301	3,618	402,919
Balance as 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

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Annual Audited Financial Statements for the financial year ended 31 December 2021.

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

V. NOTES TO THE CONDENSED FINANCIAL STATEMENTS

1. Basis of Preparation

The interim financial statements are prepared in accordance with MFRS 134, *Interim Financial Reporting* and paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Securities”). The interim financial statements also comply with IAS 34, *Interim Financial Reporting* issued by the International Accounting Standards Board and requirements of the Companies Act 2016, where applicable.

The interim financial statements should be read in conjunction with the annual audited financial statements for the financial year ended 31 December 2021. The explanatory notes attached to the interim financial statements provide an explanation of events and transactions that are significant to an understanding of changes in the financial position and performance of the Group since the financial year ended 31 December 2021.

2. Significant accounting policies

The accounting policies and presentation adopted for this interim financial report are consistent with those adopted in the audited financial statements of the Group for the financial year ended 31 December 2021, except for the adoption of the following amendments to MFRSs with a date of initial application on 1 April 2021 and 1 January 2022:

Description	
Amendments to MFRS 16	<i>Leases – Covid-19-Related Rent Concessions beyond 30 June 2021</i>
Amendments to MFRS 1, 9, 141	<i>First-time Adoption of Malaysian Financial Reporting Standards, Financial Instruments and Agriculture - Annual Improvements to MFRS Standards 2018–2020</i>
Amendments to MFRS 3	<i>Business Combinations – Reference to the Conceptual Framework</i>
Amendments to MFRS 116	<i>Property, Plant and Equipment - Proceeds before Intended Use</i>
Amendments to Illustrative Examples accompanying MFRS 16	<i>Leases (Annual Improvements to MFRS Standards 2018–2020)</i>
Amendments to MFRS 137	<i>Provisions, Contingent Liabilities and Contingent Assets - Onerous Contracts - Cost of Fulfilling a Contract</i>

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

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

Description		Effective for annual period/years beginning on or after
MFRS 17	<i>Insurance Contracts</i>	1 January 2023
Amendments to MFRS 17	<i>Insurance Contracts – Initial application of MFRS 17 and MFRS 9 – Comparative Information</i>	1 January 2023
Amendments to MFRS 101	<i>Presentation of Financial Statements - Disclosures of Accounting Policies</i>	1 January 2023
Amendments to MFRS 108	<i>Accounting Policies, Changes in Accounting Estimates and Errors - Definition of Accounting Estimates</i>	1 January 2023
Amendments to MFRS 112	<i>Income Taxes – Deferred Tax related to Assets and Liabilities arising from a Single Transaction</i>	1 January 2023
Amendments to MFRS 16	<i>Leases – Lease Liability in a Sale and Leaseback</i>	1 January 2024
Amendments to MFRS 101	<i>Presentation of Financial Statements – Non-current Liabilities with Covenants and Classification of Liabilities as Current or Non-current</i>	1 January 2024
Amendments to MFRS 10 and MFRS 128	<i>Consolidated Financial Statements and Investments in Associates and Joint Ventures – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i>	Date yet to be confirmed by MASB

The Group plans to apply the abovementioned accounting standards and amendments where applicable, when they become effective in the respective financial periods.

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

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

3. Audit report in respect of the 2021 financial statements

The audit report on the Group's audited financial statements for the financial year ended 31 December 2021 was not qualified.

4. Seasonal or cyclical factors

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

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

There were no items affecting assets, liabilities, equity, net income or cash flows that were unusual because of their nature, size or incidence in the current quarter and year-to-date ended 31 December 2022.

6. Material changes in estimates used

There were no changes in estimates of amounts reported in prior financial years that have material effects in the current quarter and year-to-date ended 31 December 2022.

7. Debt and equity securities

The option exercise price for the share option to subscribe for the remaining 3,960,000 new ordinary shares of the Company ("Option Shares") to be granted to Mr Patrick Corso, was adjusted from the previous adjusted option exercise price of RM2.540 per Option Share to RM2.526 per Option Share, following the payment of a special interim dividend by the Company on 23 March 2022.

On 21 July 2022 and 27 July 2022, the Company issued 9,060,075 new ordinary shares and 1,907,140 new ordinary shares ("Award Shares") respectively and granted the Award Shares to eligible employees in respect of 2019, 2020 and 2021 performance pursuant to the Annual Restricted Share Plan and Annual Performance Share Plan under the Company's Share Grant Plan ("SGP"). The closing share price on the respective vesting dates of 29 July 2022 and 8 August 2022 was RM4.59 per share and RM4.54 per share respectively. The vesting of the shares under the SGP were subject to the Group achieving certain financial targets and upon the eligible employees meeting the minimum grading criteria in accordance with the performance management system adopted by the Group.

Pursuant to the special interim tax exempt (single tier) dividend of 16.34 sen per ordinary share for the financial year ended 31 December 2022 paid by the Company on 27 September 2022, the option exercise price for Mr Patrick Corso's remaining Option Shares was adjusted from the previous adjusted option exercise price of RM2.526 per Option Share to RM2.438 per Option Share.

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

The Group did not undertake any other issuance and/or repayment of debt and equity securities, share buy-backs, share cancellations, shares held as treasury shares and resale of treasury shares during the current period/financial year ended 31 December 2022.

8. Dividend

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

On 27 September 2022, the Company paid a special interim tax exempt (single tier) dividend of 16.34 sen per ordinary share for the financial year ended 31 December 2022.

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

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

9. Segmental Reporting

Group	Individual Quarter		Cumulative Quarter	
	Current quarter 31/12/2022 RM'000	Preceding year corresponding quarter 31/12/2021 RM'000 Restated	Twelve months to 31/12/2022 RM'000	Twelve months to 31/12/2021 RM'000 Restated
Continuing Operations				
Operating Revenue				
Voice	13,438	14,049	53,547	66,523
Data	322,478	269,237	1,189,823	1,042,869
Data centre	59,333	50,746	209,040	174,101
Others	956	812	2,424	1,989
	396,205	334,844	1,454,834	1,285,482
Operating Expenses:				
Depreciation and amortisation of property, plant and equipment and right-of-use assets	(39,479)	(34,236)	(149,540)	(132,745)
Other operating expenses	(220,973)	(181,271)	(834,397)	(701,943)
Other operating income (net)*	(12,576)	1,684	31,675	19,881
Profit from operations	123,177	121,021	502,572	470,675
Income from investments	2,314	2,835	9,791	10,168
Finance costs	(3,668)	(5,216)	(18,052)	(20,584)
Share of profit from associates, net of tax	5,705	7,907	22,973	23,897
Profit before tax	127,528	126,547	517,284	484,156
Tax expense	(34,276)	(32,540)	(131,141)	(125,075)
Profit from continuing operations	93,252	94,007	386,143	359,081
Profit from discontinued operations, net of tax	31,051	16,137	67,467	37,697
Profit for the period/year	124,303	110,144	453,610	396,778
* Included in the current quarter other operating income (net) is a net foreign exchange loss of RM13,515,000.				
Geographical locations				
Operating Revenue				
Within Malaysia	381,500	319,752	1,395,596	1,215,135
Outside Malaysia	14,705	15,092	59,238	70,347
	396,205	334,844	1,454,834	1,285,482
Timing of revenue recognition				
Over time	362,629	304,805	1,354,538	1,170,600
At a point in time	33,576	30,039	100,296	114,882
	396,205	334,844	1,454,834	1,285,482

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

10. Valuation of Property, Plant and Equipment

There were no material changes to the valuation of property, plant and equipment since the financial year ended 31 December 2021.

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

On 16 January 2023, Mr Patrick Corso partially exercised 1,980,000 Option Shares granted to him at the adjusted option exercise price of RM2.438 per Option Share. The Group received proceeds totaling RM4,827,240 as a result of the said exercise.

Other than the above and status update of corporate proposals in Note 17, there were no items, transactions or events of a material and unusual nature from 31 December 2022 to 17 February 2023 (being the latest practicable date) that would have a substantial effect on the financial results of the Group.

12. Changes in the composition of the Group during the financial year ended 31 December 2022

On 20 July 2022, AVM Cloud Sdn Bhd, a 60%-owned subsidiary of the Company, together with its wholly-owned subsidiaries, i.e; Integrated Global Solutions Sdn Bhd and Zeus Ventures Sdn Bhd jointly incorporated a new subsidiary, namely AVM Cloud (Thailand) Limited. The principal activity of AVM Cloud (Thailand) Limited is the provision of cloud services, developing and selling computer software and hardware and the provision of information technology services.

On 26 August 2022, the Company incorporated a new wholly-owned subsidiary, AIMS Data Centre Holding Sdn Bhd ("AIMS"). The principal activities of AIMS Data Centre Holding Sdn Bhd are investment holding and, provision of value added network services, information services, system integration services, operation of data networks and network-based applications for corporations and building management.

Pursuant to an internal reorganisation exercise, AIMS had acquired the entire equity interests in AIMS Data Centre Sdn Bhd, AIMS Cyberjaya Sdn Bhd, and AIMS Data Centre Pte Ltd (collectively, referred to as "AIMS Companies") from the Company for a total consideration of RM233 million. The internal reorganisation exercise completed on 13 September 2022 and consequently, the AIMS Companies became wholly-owned subsidiaries of AIMS.

Other than as stated above, there were no changes in the composition of the Group during the financial year ended 31 December 2022.

13. Contingent liabilities/assets

There were no changes in the contingent liabilities or contingent assets since 31 December 2021.

14. Capital commitments

	As at 31/12/2022 RM'000
Property, plant and equipment	
Authorised but not contracted for	501,589
Contracted but not provided for	249,143

15. Fair value information

The carrying amounts of cash and cash equivalents, receivables and payables reasonably approximate fair values due to the relatively short-term nature of these financial instruments. Accordingly, the fair values and level of the fair value hierarchy have not been presented for these financial instruments.

Fair values are categorised into different levels in a fair value hierarchy based on the input used in the valuation technique as follows:

- Level 1 – Quoted prices (unadjusted) in active markets for identical financial assets or liabilities that the Group can access at the measurement date.
- Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the financial assets or liabilities, either directly or indirectly.
- Level 3 – Unobservable inputs for the asset or liability.

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

15. Fair value information (continued)

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

	←-----Total fair value-----→				Carrying value Total RM'000
	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000	
31 December 2022					
Financial instruments carried at fair value:					
Financial assets					
Other investments	-	-	55,027	55,027	55,027
Financial instruments not carried at fair value:					
Financial liabilities					
Term loans	-	-	17,121	17,121	17,675
Revolving Credit	-	-	11,925	11,925	11,925
	-	-	29,046	29,046	29,600

16. Tax expense

The income tax expense for the Group for the current quarter and financial year ended 31 December 2022 were made up as follows:

	Individual Quarter		Cumulative Quarter	
	Current quarter 31/12/2022 RM'000	Preceding year corresponding quarter 31/12/2021 RM'000	Twelve months to 31/12/2022 RM'000	Twelve months to 31/12/2021 RM'000
Group				
Tax expense on continuing operations	34,276	32,540	131,141	125,075
Tax (income)/expense on discontinued operations	(21,973)	2,007	(7,643)	10,871
Total tax expense	12,303	34,547	123,498	135,946
Tax expense:				
- Current year	14,609	6,500	31,656	23,588
- Under provision in prior year	5	10	4,010	564
	14,614	6,510	35,666	24,152
Deferred tax expense:				
- Origination of temporary differences	(1,995)	29,573	91,674	110,993
- (Over)/Under provision in prior years	(316)	(1,378)	(3,842)	959
- Recognition of previously unrecognized temporary differences	-	(158)	-	(158)
	(2,311)	28,037	87,832	111,794
Total tax expense	12,303	34,547	123,498	135,946

The lower tax expense mainly due to the Group's recognition of deferred tax assets arising from the approved investment tax allowance in certain subsidiary.

The effective tax rate of the Group for the current quarter and financial year ended 31 December 2022 is lower than the statutory tax rate of 24% principally due to non-taxable income and recognition of deferred tax assets.

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

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

On 22 November 2022, the Company announced the proposed strategic partnership for the AIMS data centre business via the partial divestment by the Company of shares in AIMS and AIMS Data Centre (Thailand) Limited ("AIMS TH") to DB Arrow Pte Limited ("DBAPL"), part of DigitalBridge Group, Inc. ("DigitalBridge"), by entering into the following agreements on 21 November 2022:

- (i) a conditional share sale and purchase agreement with DBAPL ("SPA 1") for the proposed divestment of 49% of the issued ordinary shares ("OS") and 100% of the irredeemable convertible preference shares ("ICPS") of AIMS for a provisional equity purchase price of RM2,005.51 million ("Proposed Transaction 1"); and
- (ii) a conditional share sale and purchase agreement with DBAPL (as the purchaser) and Symphony Communication Public Company Limited ("SYMC") (being an associate of the Company, and the other seller) ("SPA 2"), for the proposed divestment of the Company's 21% of the issued shares of AIMS TH for a provisional equity purchase price of THB27.30 million (equivalent to RM3.47 million) ("Proposed Transaction 2"),

collectively, the "Proposed Transactions".

The Company and DBAPL have also agreed to enter into a shareholders' agreement ("SHA") with a view to jointly drive the future business direction of AIMS and AIMS TH as well as establish a long-term relationship between the Company and DBAPL as shareholders of AIMS and AIMS TH. The SHA takes effect on the completion of the Proposed Transaction 1 with respect to AIMS, and on the completion of Proposed Transaction 2 with respect to AIMS TH.

On 15 February 2023, the Company announced that the shareholders had at the Extraordinary General Meeting of the Company ("EGM") held on 15 February 2023, among others, approved the Company to undertake the Proposed Transactions involving the disposal of the following to DBAPL:

- (i) 490,000 ordinary shares in AIMS representing 49% of the issued and paid-up ordinary share capital of AIMS and 699,850 ICPS in AIMS representing 100% of the ICPS in issue in AIMS for a cash consideration to be determined based on a 100% enterprise value ("EV") of AIMS of RM3,146.10 million and subject to adjustments as set out in the SPA 1; and
- (ii) 210,000 ordinary shares in AIMS TH representing 21% of the issued and paid-up share capital of AIMS TH for a cash consideration to be determined based on a 100% EV of AIMS TH of THB436.00 million and subject to adjustments as set out in the SPA 2.

There were no other corporate proposals which have been announced but not completed as at 17 February 2023, being the latest practicable date.

18. Loans and borrowings

The loans and borrowings as at 31 December 2022 and 31 December 2021 are as follows:

	Amount repayable in one year or on demand RM'000	Amount repayable after one year RM'000	Total RM'000
31 December 2022			
Loans and borrowings			
<u>Secured:</u>			
- Denominated in RM	10,558	12,665	23,223
- Denominated in USD	6,377	-	6,377
As at 31 December 2022	<u>16,935</u>	<u>12,665</u>	<u>29,600</u>
31 December 2021			
Loans and borrowings			
<u>Secured:</u>			
- Denominated in RM	10,397	101,916	112,313
- Denominated in USD	12,092	6,081	18,173
As at 31 December 2021	<u>22,489</u>	<u>107,997</u>	<u>130,486</u>

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

18. Loans and borrowings (continued)

The Group's loans and borrowings were mainly used to fund the Group's working capital requirements, foreign investments and investments in its international submarine cable systems. The Group's loans and borrowings comprise both fixed and floating rate facilities and bear interest at rates ranging from 3.50% to 7.20% per annum.

19. Off-balance sheet financial instruments

The cash and cash equivalents of the Group, as at 31 December 2022, do not include bank balances amounting to RM5,660,000 (31.12.2021: RM10,415,000) held by the Group in trust for consortium members of the Asia Pacific Gateway submarine cable project to pay the suppliers under the terms of a supply contract.

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

20. Material litigation

The Company and its subsidiaries have no outstanding material litigation as at 17 February 2023, being the latest practicable date.

21. Discontinued Operations

As stated in Note 17, the Proposed Transactions had been approved by the shareholders at the Company's EGM held on 15 February 2023.

Proposed Transactions have yet to be completed as at the end of the financial period/year under review.

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

Profit attributable to the discontinued operations was as follows:

Results of discontinued operations

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

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

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

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

21. Discontinued Operations (continued)

	2022 RM'000
Assets classified as held for sale	
Property, plant and equipment	500,598
Right-of-use assets	27,630
Intangible assets	111,858
Trade and other receivables	56,447
Deferred tax assets	15,115
Tax recoverable	397
Restricted cash	311
Cash and cash equivalents	40,355
	752,711
Liabilities classified as held for sale	
Loans and borrowings	90,615
Lease liabilities	24,900
Trade and other payables	55,877
Provision for tax	1,832
	173,224

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

22. Comparison between the current quarter (“Q4 2022”) and the immediately preceding quarter (“Q3 2022”)

	Q4 2022	Q3 2022	Increase/(decrease)	
	RM'000	RM'000	RM'000	%
		Restated		
Revenue by product:				
Voice	13,438	12,417	1,021	8.2
Data	322,478	298,801	23,677	7.9
Data centre	88,335	95,933	(7,598)	(7.9)
Others	1,062	417	645	>100
Total revenue	425,313	407,568	17,745	4.4
Revenue from discontinued operations	(29,108)	(46,916)	(17,808)	(38.0)
Revenue from continuing operations	396,205	360,652	35,553	9.9
Profit before tax from continuing operations	127,528	138,723	(11,195)	(8.1)
Profit before tax from discontinued operations	9,078	21,288	(12,210)	(57.4)
Profit before tax	136,606	160,011	(23,405)	(14.6)

The Group reported a consolidated revenue of RM425.3 million in Q4 2022, which is RM17.7 million or 4.4% higher compared to RM407.6 million consolidated revenue recorded in Q3 2022. One-off non-recurring revenue and adjustments of RM10.6 million and RM9.9 million was recorded from data and data centre in Q4 2022, as compared to RM1.3 million and RM20.9 million recorded from data and data centre respectively in Q3 2022. Excluding one-off non-recurring revenue and adjustments for better comparability, consolidated revenue increased by RM19.3 million or 5.0% in the current quarter. This growth in revenue was mainly attributable to increases in data and data centre sales, across wholesale and retail customers.

The Group's consolidated profit before tax in Q4 2022 amounted to RM136.6 million, which is RM23.4 million or 14.6% lower than the consolidated profit of RM160.0 million in Q3 2022. The decrease in Q4 2022 consolidated profit before tax was mainly due to the following:

- a) net loss on foreign exchange of RM13.6 million in Q4 2022 as compared to net gain of RM19.3 million in Q3 2022;
- b) higher depreciation and amortisation charged for property, plant and equipment and right-of-use assets of RM6.5 million;
- c) higher staff costs of RM3.7 million;
- d) higher advertising expenses of RM3.3 million;
- e) lower income from investments of RM0.4 million;
- f) lower share of profit from associates of RM1.0 million; and
- g) higher professional fee of RM6.9 million;

mitigated by higher revenue, lower finance costs and lower provision for doubtful debts.

Revenue from discontinued operations of RM29.1 million was recorded in Q4 2022 which is RM17.8 million or 38.0% lower compared to RM46.9 million recorded in Q3 2022. Excluding one-off non-recurring revenue and adjustments of RM1.9 million in Q4 2022 as compared to RM20.9 million in Q3 2022 for better comparability, revenue from discontinued operations increased by RM1.2 million or 4.6% in the current quarter.

Profit before tax from discontinued operations of RM9.1 million was recorded in Q4 2022, which is RM12.2 million lower than profit from discontinued operations of RM21.3 million in Q3 2022. This is mainly due to lower revenue, higher staff costs and higher depreciation for property, plant and equipment in Q4 2022.

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

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

(a) Comparison between the current quarter (“Q4 2022”) versus three months period ended 31 December 2021 (“Q4 2021”)

	Q4 2022	Q4 2021	Increase/(decrease)	
	RM'000	RM'000	RM'000	%
Revenue by product:				
Voice	13,438	14,049	(611)	(4.3)
Data	322,478	269,237	53,241	19.8
Data centre	88,335	86,877	1,458	1.7
Others	1,062	917	145	15.8
Total revenue	425,313	371,080	54,233	14.6
Revenue from discontinued operations	(29,108)	(36,236)	(7,128)	(19.7)
Revenue from continuing operations	396,205	334,844	61,361	18.3
Profit before tax from continuing operations	127,528	126,547	981	0.8
Profit before tax from discontinued operations	9,078	18,144	(9,066)	(50.0)
Profit before tax	136,606	144,691	(8,085)	(5.6)

The Group reported consolidated revenue of RM425.3 million in Q4 2022, which is RM54.2 million or 14.6% higher compared to RM371.1 million of consolidated revenue recorded in Q4 2021. One-off non-recurring revenue and adjustments of RM10.6 million and RM9.9 million was recorded from data and data centre in Q4 2022 as compared to RM13.4 million recorded from data centre in Q4 2021. Excluding one-off non-recurring revenue and adjustments for better comparability, consolidated revenue increased by RM47.0 million or 13.1% in the current quarter. This was mainly due to higher recurring data revenue, which grew RM42.7 million or 15.9% and data centre revenue, which grew RM4.8 million or 6.5%. All core customer groups also registered solid year-on-year (“YoY”) recurring revenue growth with the largest growth contributions coming from retail followed by wholesale customers.

The Group recorded a current quarter consolidated profit before tax of RM136.6 million which is RM8.1 million or 5.6% lower than the consolidated profit before tax of RM144.7 million in Q4 2021. The decrease in the Group’s Q4 2022 profit before tax was mainly due to the following:

- a) net loss on foreign exchange of RM13.6 million in Q4 2022 as compared to net gain of RM1.5 million in Q4 2021;
- b) higher depreciation and amortisation charged for property, plant and equipment and right-of-use assets of RM10.9 million;
- c) higher advertising expenses of RM3.6 million;
- d) lower share of profit from associates of RM2.2 million;
- e) higher provision for doubtful debts of RM5.6 million;
- f) higher professional fee of RM6.2 million;
- g) reversal of over-provision for financial guarantee of RM0.9 million provided to an associate in Q4 2021; and
- h) lower income from investments of RM0.6 million;

mitigated by higher revenue and lower finance costs.

Revenue from discontinued operations of RM29.1 million was recorded in Q4 2022, which is RM7.1 million or 19.7% lower compared to RM36.2 million recorded in Q4 2021. Excluding one-off non-recurring revenue and adjustments of RM1.9 million, compared to RM13.4 million in Q4 2021 for better comparability, revenue from discontinued operations increased by RM4.4 million or 19.3% in the current quarter.

Profit before tax from discontinued operations of RM9.1 million was recorded in Q4 2022, which is RM9.1 million lower than profit from discontinued operations of RM18.1 million in Q3 2022. This is mainly due to lower revenue, higher staff costs and higher depreciation for property, plant and equipment in Q4 2022.

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

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

(b) Comparison between the twelve months period ended 31 December 2022 ("12M 2022") versus twelve months period ended 31 December 2021 ("12M 2021")

	12M 2022	12M 2021	Increase/(decrease)	
	RM'000	RM'000	RM'000	%
Revenue by product:				
Voice	53,547	66,523	(12,976)	(19.5)
Data	1,189,823	1,042,869	146,954	14.1
Data centre	329,677	284,543	45,134	15.9
Others	2,779	2,427	352	14.5
Total revenue	<u>1,575,826</u>	<u>1,396,362</u>	<u>179,464</u>	<u>12.9</u>
Revenue from discontinued operations	<u>(120,992)</u>	<u>(110,880)</u>	<u>10,112</u>	<u>9.1</u>
Revenue from continuing operations	<u>1,454,834</u>	<u>1,285,482</u>	<u>169,352</u>	<u>13.2</u>
Profit before tax from continuing operations	517,284	484,156	33,128	6.8
Profit before tax from discontinued operations	<u>59,824</u>	<u>48,568</u>	<u>11,256</u>	<u>23.2</u>
Profit before tax	<u>577,108</u>	<u>532,724</u>	<u>44,384</u>	<u>8.3</u>

The Group reported consolidated revenue of RM1,575.8 million in 12M 2022, which is RM179.5 million or 12.9% higher compared to RM1,396.4 million of consolidated revenue recorded in 12M 2021. One-off non-recurring revenue and adjustments accounted for RM45.2 million out of the total consolidated revenue recognised in 12M 2022 (12M 2021: RM25.3 million). Excluding one-off non-recurring revenue and adjustments, the overall consolidated revenue in the current year increased RM159.5 million or 11.6% when compared to the similarly adjusted revenue for the corresponding period in the preceding year. This increase was mainly due to higher recurring data revenue of RM135.1 million or 13.0% and data centre revenue of RM28.3 million or 10.5%. All core customer groups contributed positively to overall revenue growth in 2022, led by contributions from retail and wholesale, followed by enterprise customers.

The Group recorded a consolidated profit before tax of RM577.1 million in 12M 2022 which is RM44.4 million or 8.3% higher than the consolidated profit before tax of RM532.7 million recorded in 12M 2021. The increase in the Group's 12M 2022 profit before tax was mainly due to the following:

- a) higher overall revenue in the current year; and
- b) higher net gain on foreign exchange of RM28.8 million in 12M 2022 compared to RM19.1 million in 12M 2021;
- c) lower finance costs of RM0.6 million;
- d) higher gain on disposal of property, plant and equipment of RM1.2 million; and
- e) lower net impairment for construction deposits of RM1.7 million;

partially offset by higher staff-related costs, higher advertising expenses, higher allowance for doubtful debts, higher depreciation and amortisation charged for property, plant and equipment and right-of-use assets, lower dividend income, lower income from investments and lower share of profit from associates.

Revenue from discontinued operations of RM121.0 million was recorded in 12M 2022, which is RM10.1 million or 9.1% higher compared to RM110.9 million recorded in 12M 2021. Excluding one-off non-recurring revenue and adjustments of RM24.3 million in 12M 2022 as compared to RM13.4 million in 12M 2021 for better comparability, revenue from discontinued operations decreased by RM0.8 million or 0.8% in 12M 2022.

Profit before tax from discontinued operations of RM59.8 million was recorded in 12M 2022, which is RM11.3 million higher than profit from discontinued operations of RM48.6 million in 12M 2021. This is mainly due to higher revenue, partially offset by higher staff costs and higher depreciation for property, plant and equipment in 12M 2022.

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

24. Profit for the period/year

Group	Individual Quarter		Cumulative Quarter	
	Current quarter	Preceding year corresponding quarter	Twelve months to	Twelve months to
	31/12/2022	31/12/2021	31/12/2022	31/12/2021
	RM'000	RM'000	RM'000	RM'000
Profit for the period/year is arrived at after (charging)/crediting:				
Depreciation and amortisation of property, plant and equipment and right-of-use assets	(52,893)	(41,982)	(186,731)	(163,217)
Amortisation of borrowing costs	(41)	(73)	(205)	(325)
Interest expense				
- Interest on borrowings	(1,463)	(1,632)	(5,747)	(5,320)
- Other interest expense	(3,340)	(4,076)	(15,735)	(16,050)
- Interest on lease liabilities	(1,332)	(1,546)	(5,558)	(6,168)
Interest income	2,408	2,998	9,842	10,237
Dividend income	-	-	192	450
Net bad debt recovered	888	1,618	1,523	2,062
Net (loss)/gain on foreign currency exchange	(13,593)	1,542	28,846	19,089
Net allowance for doubtful debts	2,775	2,176	(13,367)	(7,163)
Net gain on disposal of property, plant and equipment	228	21	1,530	85
Property, plant and equipment written off	-	(232)	(1,126)	(232)
Net impairment for construction deposit	(1,577)	(3,247)	(1,577)	(3,247)
Reversal of over-provision for financial guarantee*	-	960	-	960

* This is a reversal of an over-provision for financial guarantees of RM16.1 million previously provided for KIRZ Co., Ltd, which was not fully utilised.

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

25. Prospects

The Group remains committed to expanding its network coverage throughout Malaysia and ensuring strong network availability. The Group is cautiously optimistic that demand across all customer segments will remain robust, in particular for data and cloud services in the Retail and Enterprise segments. In addition, the Group will continue to focus on product and service innovation and enhancing overall customer experience and will remain vigilant on mitigating external risks and their impact on operations.

26. Profit forecast and profit guarantee

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

27. Earnings per share ("EPS")

	Individual Quarter		Cumulative Quarter	
	Current quarter 31/12/2022	Preceding year corresponding quarter 31/12/2021 Restated	Twelve months to 31/12/2022	Twelve months to 31/12/2021 Restated
Basic EPS:				
Weighted average number of shares in issue ('000)	1,836,586	1,805,775	1,830,335	1,817,726
Profit for the period/year attributable to owners of the Company (RM'000)				
- Continuing operations	91,193	92,455	382,443	355,463
- Discontinued operations	31,051	16,137	67,467	37,697
	<u>122,244</u>	<u>108,592</u>	<u>449,910</u>	<u>393,160</u>
Basic EPS				
- Continuing operations	4.97 sen	5.12 sen	20.89 sen	19.56 sen
- Discontinued operations	1.69 sen	0.89 sen	3.69 sen	2.07 sen
	<u>6.66 sen</u>	<u>6.01 sen</u>	<u>24.58 sen</u>	<u>21.63 sen</u>
Diluted EPS:				
Weighted average number of shares in issue ('000) (Basic)	1,836,586	1,805,775	1,830,335	1,817,726
Effect of share options	1,939	1,750	1,828	1,789
Weighted average number of shares in issue ('000) (Diluted)	<u>1,838,525</u>	<u>1,807,525</u>	<u>1,832,163</u>	<u>1,819,515</u>
Profit for the period/year attributable to owners of the Company (RM'000)				
- Continuing operations	91,193	92,455	382,443	355,463
- Discontinued operations	31,051	16,137	67,467	37,697
	<u>122,244</u>	<u>108,592</u>	<u>449,910</u>	<u>393,160</u>
Diluted EPS				
- Continuing operations	4.96 sen	5.12 sen	20.88 sen	19.54 sen
- Discontinued operations	1.69 sen	0.89 sen	3.68 sen	2.07 sen
	<u>6.65 sen</u>	<u>6.01 sen</u>	<u>24.56 sen</u>	<u>21.61 sen</u>

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

28. Related party transactions

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

	Cumulative Quarter	
	Twelve months to 31/12/2022 RM'000	Twelve months to 31/12/2021 RM'000
With related parties		
Revenue from data, voice and other services	79,428	61,988
Sales of IT related services	68,959	48,529
Interconnect revenue	1,355	1,487
Fee for wayleave and right of use of telecommunications facilities	(10,149)	(10,343)
Interconnect charges	(955)	(1,230)
Leased line and infrastructure costs	(50,392)	(42,486)
Network maintenance costs	(2,474)	(2,180)
Training expenses	(461)	(491)
Rental of office and utility charges	(117)	(114)
Professional fees	(439)	(96)
Marketing services	(313)	-
Provision of data analytics services	(226)	-
Interest on advances	(706)	(598)
	40	63
With companies in which Directors have significant interest		
Revenue from data, voice and other services	40	63

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

By Order of the Board

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

Selangor Darul Ehsan
28 February 2023