2. Significant accounting policies (continued)

(c) Financial instruments (continued)

(iv) 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 the control of the asset is not retained or substantially all of the risk 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 and the sum of the consideration received (including any new asset obtained less any new liability assumed) and any cumulative gain or loss that had been recognised in equity is recognised in the profit or loss.

A financial liability or a part of it is derecognised when, and only when, the obligation specified in the contract is discharged, cancelled or expires. 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.

(d) Property, plant and equipment

(i) Recognition and measurement

Items of property, plant and equipment are stated at cost less any accumulated depreciation and any accumulated impairment losses.

The telecommunications network includes assets that are acquired or constructed under the telecommunications license. 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 include 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.

2. Significant accounting policies (continued)

(d) Property, plant and equipment (continued)

(i) Recognition and measurement (continued)

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.

(ii) Subsequent costs

The cost of replacing a component of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the component will flow to the Group or the Company, and its cost can be measured reliably. The carrying amount of the replaced component is derecognised to profit or loss. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

(iii) Depreciation

Depreciation is based on the cost of an asset less its residual value. Significant components of individual assets are assessed, and if a component has a useful life that is different from the remainder of that asset, then that component is depreciated separately.

2. Significant accounting policies (continued)

(d) Property, plant and equipment (continued)

(iii) Depreciation (continued)

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. Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Group will obtain ownership by the end of the lease term. 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	5 years
• motor vehicles	5 years
• data centre equipment (excluding project management 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 duration of their respective underlying contracts. For sale of global bandwidth assets that also include the sale of future capacity upgrade entitlements, the proportionate value of the asset's net book value provided shall be taken to profit or loss. Project management equipment, which form part of the Group's data centre equipment are depreciated over the shorter of the duration of their respective underlying contract or its useful lives.

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

2. Significant accounting policies (continued)

(e) Leased assets

(i) Finance lease

Leases in terms of which the Group or the Company assumes substantially all the risks and rewards of ownership are classified as finance leases. Upon initial recognition, the leased asset is measured at an amount equal to the lower of its fair value and the present value of the minimum lease payments. Subsequent to initial recognition, the asset is accounted for in accordance with the accounting policy applicable to that asset.

Minimum lease payments made under finance leases are apportioned between the finance expense and the reduction of the outstanding liability. The finance expense is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability. Contingent lease payments are accounted for by revising the minimum lease payments over the remaining term of the lease when the lease adjustment is confirmed.

Leasehold land which in substance is a finance lease is classified as property, plant and equipment or as investment property if held to earn rental income or for capital appreciation or for both.

(ii) Operating lease

Leases, where the Group or the Company does not assume substantially all the risks and rewards of the ownership are classified as operating leases and, except for property interest held under operating lease, the leased assets are not recognised on the statement of financial position.

Payments made under operating leases are recognised in profit or loss on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed. Lease incentives received are recognised in profit or loss as an integral part of the total lease expense, over the term of the lease. Contingent rentals are charged to profit or loss in the reporting period in which they are incurred.

Leasehold land which in substance is an operating lease is classified as prepaid lease payments.

2. Significant accounting policies (continued)

(f) Intangible assets

Goodwill

Goodwill arises on business combinations is measured at cost less any accumulated impairment losses. In respect of equity-accounted associates and joint ventures, 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 and joint ventures.

(g) Cash and cash equivalents

Cash and cash equivalents consist of cash on hand, balances and deposits with banks and highly liquid investments which have 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. Balances and deposits with banks and highly liquid investments are categorised as loans and receivables.

(h) Impairment

(i) Financial assets

All financial assets (except for financial assets categorised as fair value through profit or loss, investment in subsidiaries and investments in associates and joint venture) are assessed at each reporting date whether there is any objective evidence of impairment as a result of one or more events having an impact on the estimated future cash flows of the asset. Losses expected as a result of future events, no matter how likely, are not recognised. For an investment in an equity instrument, a significant or prolonged decline in the fair value below its cost is an objective evidence of impairment. If any such objective evidence exists, then the impairment loss of the financial asset is estimated.

An impairment loss in respect of loans and receivables and held-to-maturity investments is recognised in profit or loss and is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the asset's original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account.

2. Significant accounting policies (continued)

(h) Impairment (continued)

(i) Financial assets (continued)

An impairment loss in respect of available-for-sale financial assets is recognised in profit or loss and is measured as the difference between the asset's acquisition cost (net of any principal repayment and amortisation) and the asset's current fair value, less any impairment loss previously recognised. Where a decline in the fair value of an available-for-sale financial asset has been recognised in other comprehensive income, the cumulative loss in other comprehensive income is reclassified from equity to profit or loss.

An impairment loss in respect of an unquoted equity instrument that is carried at cost is recognised in profit or loss and is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the current market rate of return for a similar financial asset.

Impairment losses recognised in profit or loss for an investment in an equity instrument classified as available-for-sale is not reversed through profit or loss.

If, in a subsequent period, the fair value of a debt instrument increases and the increase can be objectively related to an event occurring after the impairment loss was recognised in profit or loss, the impairment loss is reversed, to the extent that the asset's carrying amount does not exceed what the carrying amount would have been had the impairment not been recognised at the date the impairment is reversed. The amount of the reversal is recognised in profit or loss.

(ii) Other assets

The carrying amounts of other assets (except for deferred tax asset) 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.

2. Significant accounting policies (continued)

(h) Impairment (continued)

(ii) Other assets (continued)

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 unit. 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.

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 has been recognised. Reversals of impairment losses are credited to profit or loss in the financial year in which the reversals are recognised.

2. Significant accounting policies (continued)

(i) 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) Distribution 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 settlement date, with any changes to the carrying amount of the dividend payable is 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.

(j) 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 (continued)

(j) Employee benefits (continued)

(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 Chief Executive Officer ("CEO") 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 CEO 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 (nominal value) and share premium 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.

2. Significant accounting policies (continued)

(j) Employee benefits (continued)

(iv) Termination benefits

Termination benefits are expensed at the earlier of when the Group can no longer withdraw the offer to 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.

(k) 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 the current market assessments of time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance costs.

(l) 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.

(m) Revenue and other income

(i) Revenue

Revenue of the Company consists of management fees. Management fees are recognised when services are rendered.

Revenue of the Group consists of gross billings on telecommunications and information technology related services provided net of discounts and gross invoiced value of goods sold net of discounts and returns.

Revenue for billings is recognised when services are rendered or upon delivery of products and when the risk and rewards have passed. Revenue from global bandwidth agreements which provide access to a specified amount of bandwidth or capacity are accounted for accordingly as a sale of goods or rendering of services.

2. Significant accounting policies (continued)

(m) Revenue and other income (continued)

(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 subleased property is recognised as other income.

(iv) Interest income

Interest income is recognised as it accrues using the effective interest method in profit or loss.

(n) 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 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.

2. Significant accounting policies (continued)

(o) 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 liabilities and assets 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 temporary differences can be utilised. Deferred tax assets are reviewed at 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.

(p) 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.

2. Significant accounting policies (continued)

(p) Earnings per ordinary share (continued)

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.

(q) 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.

(r) Fair value measurement

The fair value of an asset or 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 absence of a principal market, in the most advantageous market.

For a 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 or best use.

When measuring the fair value of an asset or a liability, the Group uses observable market data wherever possible. Fair values are categorised into different levels in a fair value hierarchy based on the input used in the valuation techniques 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 2015	23,467	7,475	30,741	8,367	12,300	91,027	6,665	77,334	1,852,635	2,110,011
Additions	16,879	-	1,554	227	1	4,490	99	11,145	306,210	340,605
Disposals	(1,483)	-	-	-	-	-	-	-	(1,343)	(2,826)
Write offs	-	-	(34)	(2,588)	-	(3,684)	-	-	(95,213)	(101,519)
Effect of movement in exchange rates	-	-	-	-	-	12	-	30	79,018	79,060
At 31 December 2015/ 1 January 2016	38,863	7,475	32,261	6,006	12,301	91,845	6,764	88,509	2,141,307	2,425,331
Additions	224	-	3,247	243	-	3,694	84	40,546	314,923	362,961
Disposals	-	-	-	-	-	(1)	-	-	(162,039)	(162,040)
Write offs	-	-	(341)	(71)	-	-	-	(5)	(16,914)	(17,331)
Effect of movement in exchange rates	-	-	-	-	-	3	-	5	19,976	19,984
At 31 December 2016	39,087	7,475	35,167	6,178	12,301	95,541	6,848	129,055	2,297,253	2,628,905

3. Property, plant and equipment (continued)

Group	Freehold land RM'000	Leasehold land RM'000	Building and improvements RM'000	Office equipment, furniture and fittings RM'000	Loose tools RM'000	Computer systems RM'000	Motor vehicles RM'000	Data centre equipment RM'000	Tele communi-cation network RM'000	Total RM'000
Depreciation and impairment loss										
At 1 January 2015										
Accumulated depreciation	-	7,121	11,627	6,601	12,271	78,339	4,057	35,876	874,108	1,030,000
Accumulated impairment losses	2,101	-	-	-	-	-	-	-	112,217	114,318
	2,101	7,121	11,627	6,601	12,271	78,339	4,057	35,876	986,325	1,144,318
Depreciation for the year	-	284	4,480	636	14	4,305	1,041	6,667	75,791	93,218
Disposals	-	-	-	-	-	-	-	-	(1,339)	(1,339)
Global bandwidth assets charged out	-	-	-	-	-	-	-	-	21,460	21,460
Impairment write offs	-	-	-	-	-	-	-	-	(42,971)	(42,971)
Write offs	-	-	(10)	(2,570)	-	(1,072)	-	-	(50,455)	(54,107)
Effect of movement in exchange rates	-	-	-	-	-	11	-	2	13,992	14,005
At 31 December 2015/ 1 January 2016										
Accumulated depreciation	-	7,405	16,097	4,667	12,285	81,583	5,098	42,545	933,557	1,103,237
Accumulated impairment losses	2,101	-	-	-	-	-	-	-	69,246	71,347
	2,101	7,405	16,097	4,667	12,285	81,583	5,098	42,545	1,002,803	1,174,584

3. Property, plant and equipment (continued)

Group	Freehold land RM'000	Leasehold land RM'000	Building and improvements RM'000	Office equipment, furniture and fittings RM'000	Loose tools RM'000	Computer systems RM'000	Motor vehicles RM'000	Data centre equipment RM'000	Tele communi-cation network RM'000	Total RM'000
Depreciation and impairment loss (continued)										
Depreciation for the year	-	54	4,708	646	14	3,918	737	8,313	75,072	93,462
Disposals	-	-	-	-	-	-	-	-	(2,228)	(2,228)
Global bandwidth assets charged out	-	-	-	-	-	-	-	-	9,826	9,826
Impairment	-	-	-	-	-	-	-	5,771	-	5,771
Impairment write offs	-	-	-	-	-	-	-	-	(15,469)	(15,469)
Write offs	-	-	(260)	(62)	-	-	-	(1)	(1,125)	(1,448)
Effect of movement in exchange rates	-	-	-	-	-	2	-	2	4,042	4,046
At 31 December 2016										
Accumulated depreciation	-	7,459	20,545	5,251	12,299	85,503	5,835	50,859	1,019,144	1,206,895
Accumulated impairment losses	2,101	-	-	-	-	-	-	5,771	53,777	61,649
	2,101	7,459	20,545	5,251	12,299	85,503	5,835	56,630	1,072,921	1,268,544
Carrying amounts										
At 1 January 2015	21,366	354	19,114	1,766	29	12,688	2,608	41,458	866,310	965,693
At 31 December 2015/ 1 January 2016	36,762	70	16,164	1,339	16	10,262	1,666	45,964	1,138,504	1,250,747
At 31 December 2016	36,986	16	14,622	927	2	10,038	1,013	72,425	1,224,332	1,360,361

3. Property, plant and equipment (continued)

3.1 *Telecommunication network*

	2016 RM'000	2015 RM'000
Network cost:		
Commissioned network	2,055,340	1,686,887
Network-in-progress	241,913	454,420
	2,297,253	2,141,307
Less: Accumulated impairment losses	(53,777)	(69,246)
Less: Accumulated depreciation	(1,019,144)	(933,557)
Net book value	1,224,332	1,138,504

Included in cost of commissioned network are global bandwidth assets with a fixed monetary value of RM107,461,000 (2015: RM96,153,000). The carrying amount for the said global bandwidth assets at the reporting date was RM63,306,000 (2015: RM61,870,000).

3.2 *Write offs*

During the financial year, the Group wrote off certain items within property, plant and equipment with costs totalling RM17,331,000 (2015: RM101,519,000) of which RM15,469,000 (2015: RM42,971,000) and RM1,448,000 (2015: RM54,107,000) was written off against accumulated impairment losses and accumulated depreciation, respectively. The remaining amount of RM414,000 (2015: RM4,441,000) was charged to statement of profit or loss and other comprehensive income.

3.3 *Leasehold land*

Included in the carrying amounts of leasehold land are:

	Group	
	2016 RM'000	2015 RM'000
Leasehold land with unexpired lease period of		
- less than 50 years	16	58
- more than 50 years	-	12
	16	70

3. Property, plant and equipment (continued)

3.4 Leased plant and equipment

Included in plant and equipment at the end of reporting period were the following assets acquired under leased terms:

	Group	
	2016	**2015**
	RM'000	**RM'000**
Net carrying amount		
- Telecommunication networks	5,671	9,240

3.5 Buildings and improvements

Included in buildings and improvements in the current financial year was a portion under construction with a cost amounting to RM1,659,000 (2015: RM995,000).

3. Property, plant and equipment (continued)

Company	Freehold land RM'000	Building and improve-ments RM'000	Office equipment, furniture and fittings RM'000	Computer systems RM'000	Network -in-progress RM'000	Total RM'000
Cost						
At 1 January 2015	8,113	390	320	8,014	21,557	38,394
Additions	-	13	2	-	-	15
Transfer to a subsidiary	-	-	-	-	(21,557)	(21,557)
At 31 December 2015/ 1 January 2016/ 31 December 2016	8,113	403	322	8,014	-	16,852
Depreciation						
At 1 January 2015	-	206	314	8,014	-	8,534
Depreciation for the year	-	78	7	-	-	85
At 31 December 2015/ 1 January 2016	-	284	321	8,014	-	8,619
Depreciation for the year	-	81	-	-	-	81
At 31 December 2016	-	365	321	8,014	-	8,700
Carrying amounts						
At 1 January 2015	8,113	184	6	-	21,557	29,860
At 31 December 2015	8,113	119	1	-	-	8,233
At 31 December 2016	8,113	38	1	-	-	8,152

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 RM749,199,000 (2015: RM724,168,000) and RM8,376,000 (2015: RM8,333,000) respectively.

4. Intangible assets

	Goodwill
Group	**RM'000**
Cost/Carrying amount	
At 1 January 2015/31 December 2015/31 December 2016	213,959

4.1 Impairment testing for cash-generating units containing goodwill

For the purpose of annual 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 aggregate carrying amounts of goodwill allocated to each cash generating unit are as follows:

	Group	
	2016	**2015**
	RM'000	**RM'000**
International wholesale and global bandwidth business	102,101	102,101
Data centre business	111,858	111,858
	213,959	213,959

International wholesale and global bandwidth business

The recoverable amount of the international wholesale and global bandwidth business was based on its value in use. The recoverable amount of the business was determined to be higher than its carrying amount.

Value in use was determined by discounting the future cash flows expected to be generated from the continuing use of the unit. Cash flow projections used in this calculation were based on approved financial plans for five years and were estimated by management based on their best estimates. Cash flows beyond the five-year period were based on useful life of the underlying assets or projected to perpetuity using an estimated growth rate.

Key assumptions used in the value in use calculation for the international wholesale and global bandwidth business during the current financial year include an estimated long term growth rate of 5.00% (2015: 5.00%) and weighted average cost of capital ("WACC") of 8.24% (2015: 9.24%). 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 in the international wholesale and global bandwidth business and are based on both external and internal sources (historical data).

A 3% change in the either the estimated long term growth rate or WACC based on a reasonable possible change in these assumptions used will not result in the carrying amount exceeding the recoverable amount.

4. Intangible assets (continued)

4.1 Impairment testing for cash-generating units containing goodwill (continued)

Data centre business

The recoverable amount of the data centre business was based on its value in use. The recoverable amount of the unit was determined to be higher than its carrying amount.

Value in use was determined by discounting the future cash flows expected to be generated from the continuing use of the unit. Cash flow projections used in this calculation were based on approved financial plans for five years and were estimated by management based on their best estimates. 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 data centre business during the current financial year include an estimated long term growth rate of 5.00% (2015: 5.00%) and WACC of 9.39% (2015: 8.94%). 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 in the data centre business and are based on both external and internal sources (historical data).

A 3% change in the either the estimated long term growth rate or WACC based on a reasonable possible change in the assumptions used will not result in the carrying amount exceeding the recoverable amount.

5. Investments in subsidiaries

	Company	
	2016	**2015**
	RM'000	**RM'000**
Unquoted shares, at cost	444,645	444,645

5. Investments in subsidiaries (continued)

Name of subsidiary	Country of incorporation	Principal activities	Effective ownership interest 2016 %	Effective ownership interest 2015 %
TT dotCom Sdn. Bhd. ("TTdC")	Malaysia	Provision of voice, data, video and image communication services through its domestic and international network	100	100
TIME dotNet Bhd. ("TdN")^	Malaysia	Dormant	100	100
Fantastic Fiesta Sdn. Bhd.^	Malaysia	Dormant	70	70
Planet Tapir Sdn. Bhd.	Malaysia	Investment holding	100	100
TIME dotCom International Sdn. Bhd.	Malaysia	Investment holding	100	100
Global Transit Communications Sdn. Bhd.	Malaysia	Provision of telecommunication and related services	100	100
Global Transit Limited	Malaysia, Labuan	Engaged in the business of telecommunication services and trading bandwidth capacity	100	100
Global Transit (Hong Kong) Limited*	Hong Kong	Provision of management services	100	100

5. Investments in subsidiaries (continued)

Name of subsidiary	Country of incorporation	Principal activities	Effective ownership interest 2016 %	Effective ownership interest 2015 %
Global Transit Singapore Pte. Ltd.*	Singapore	Wholesale of telecommunication equipment and related services	100	100
Global Transit 2 Limited	Malaysia, Labuan	Engaged in the business of telecommunication services and trading bandwidth capacity	100	100
Global Transit 3 Limited	Malaysia, Labuan	Engaged in the business of telecommunication services and trading bandwidth capacity	100	100
Global Transit 5 Limited	Malaysia, Labuan	Engaged in the business of telecommunication services and trading bandwidth capacity	100	100
The AIMS Asia Group Sdn. Bhd. ("TAAG")^	Malaysia	Dormant	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
AIMS Data Centre 2 Sdn. Bhd.^	Malaysia	Dormant	100	100
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

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5. Investments in subsidiaries (continued)

Name of subsidiary	Country of incorporation	Principal activities	Effective ownership interest 2016 %	Effective ownership interest 2015 %
AIMS Data Centre Pte. Ltd.*	Singapore	Provision of telecommunication related services	100	100

* Not audited by KPMG.

^ These subsidiaries are in the process of being struck-off from the register of Companies Commission of Malaysia under Section 308(1) of the Companies Act 1965 as at 31 December 2016 and have been consolidated based on unaudited management accounts.

6. Investments in equity-accounted investments

	Note	Group 2016 RM'000	Group 2015 RM'000
Unquoted shares at cost outside Malaysia			
Investment in associates	6.1	108,744	57,420
Share of post-acquisition reserves		2,505	1,183
		111,249	58,603
Investment in joint venture	6.2	-	3,591
Share of post-acquisition reserves		-	(1,158)
		-	2,433
		111,249	61,036

6.1 Details of associates are as follows:

Name of entity	Country of incorporation	Nature of relationship	Effective ownership and voting interest 2016 %	2015 %	Financial year end
CMC Telecommunication Infrastructure Corporation ("CMC") +	Vietnam	Provision of telecommunication and related services in Vietnam	45.3	25.4	31 March
KIRZ Co., Ltd+	Thailand	Provision of telecommunication services in Thailand	49.0	49.0	31 December
KIRZ Holdings Co., Ltd+	Thailand	Investment holding	49.0	49.0	31 December

+ The Group's share of profit and loss is based on the latest unaudited financial statements for the period/year ended 31 December 2016.

6. Investments in equity-accounted investments (continued)

6.1 Details of associates are as follows: (continued)

The following table summarises the information of the Group's material investments in associates, adjusted for any differences in accounting policies and reconciles the information to the carrying amount of the Group's interest.

Group		**2016**	
Summarised financial information	**CMC**	**Others**	**Total**
As at 31 December	**RM'000**	**RM'000**	**RM'000**
Non-current assets	121,955	23,370	145,325
Current assets	115,407	5,644	121,051
Non-current liabilities	(24,724)	(13,151)	(37,875)
Current liabilities	(102,500)	(11,988)	(114,488)
Net assets	110,138	3,875	114,013
Period/Year ended 31 December			
Revenue	187,020	15,233	202,253
Profit/(loss) and comprehensive income/(expense) for the period/year	13,452	(5,598)	7,854
Reconciliation of net assets to carrying amount as at 31 December			
Group's share of net assets	49,859	1,899	51,758
Goodwill	53,529	5,962	59,491
Carrying amount in the statement of financial position	103,388	7,861	111,249
Group's share of results for the year ended 31 December			
Group's share of profit/(loss) and comprehensive income	5,712	(2,743)	2,969
Other information			
Dividend received by the Group	1,647	-	1,647

6. Investments in equity-accounted investments (continued)

6.1 Details of associates are as follows: (continued)

Group Summarised financial information As at 31 December	CMC RM'000	2015 Others RM'000	Total RM'000
Non-current assets	95,174	24,177	119,351
Current assets	102,929	5,955	108,884
Non-current liabilities	(25,655)	(14,528)	(40,183)
Current liabilities	(74,718)	(6,307)	(81,025)
Net assets	97,730	9,297	107,027
Period/Year ended 31 December			
Revenue	77,983	4,679	82,662
Profit/(loss) and comprehensive income/(expense) for the period	7,305	(1,367)	5,938
Reconciliation of net assets to carrying amount as at 31 December			
Group's share of net assets	24,831	4,555	29,349
Goodwill	22,979	6,238	29,254
Carrying amount in the statement of financial position	47,810	10,793	58,603
Group's share of results for the year ended 31 December			
Group's share of profit/(loss) and comprehensive income	1,853	(670)	1,183

No dividend has been received by the Group from its investments in associates in the previous financial year.

6.2 Details of the joint venture is as follows:

Name of entity	Country of incorporation	Nature of relationship	Effective ownership and voting interest 2016 %	2015 %	Financial year end
Campana Group Pte. Ltd.+ ("Campana")	Singapore	Dormant	-	25.0	31 December

+ The Group's share of profit or loss in the previous financial year was based on the latest unaudited financial statements for the period ended 31 December 2015.

6. Investments in equity-accounted investments (continued)

On 29 April 2016, the Group disposed its entire equity stake in Campana for a cash consideration of USD999,750. The said disposal resulted in a gain of RM2,477,000 in the current financial year.

The following table summarises the information of the Group's investment in joint venture in the previous year, adjusted for any differences in accounting policies and reconciles the information to the carrying amount of the Group's interest.

Group **Summarised financial information** **As at 31 December**	**2015** **Total** **RM'000**
Non-current assets	399
Current assets	1,340
Non-current liabilities	(59)
Current liabilities	(635)
Net assets	1,045
Period ended 31 December	
Loss and comprehensive expenses for the period	(4,633)
Reconciliation of net assets to carrying amount as at 31 December	
Group's share of net assets	261
Goodwill	2,172
Carrying amount in the statement of financial position	2,433
Group's share of results for the year ended 31 December	
Group's share of loss and comprehensive income	(1,158)

No dividend has been received by the Group from its investments in the joint venture.

7. Other investments

	Group 2016 RM'000	Group 2015 RM'000	Company 2016 RM'000	Company 2015 RM'000
Non-current				
Quoted shares in Malaysia				
At 1 January	371,140	848,122	371,140	848,122
Disposal	(307,221)	(423,854)	(307,221)	(423,854)
Fair value loss of available-for-sale financial assets	(63,919)	(53,128)	(63,919)	(53,128)
At 31 December	-	371,140	-	371,140
Unquoted shares in Malaysia				
At 1 January/31 December	100	100	-	-
Other unquoted investments outside Malaysia				
At 1 January	6,219	-	-	-
Addition	2,928	6,219	-	-
At 31 December	9,147	6,219	-	-
Total unquoted investments	9,247	6,319	-	-
Total other investments	9,247	377,459	-	371,140

The above quoted and unquoted other investments are categorised as available-for-sale financial instruments.

Included in the quoted share balance of the Group and of the Company is RMNil (2015: RM75,487,000) pledged for bank facilities granted to subsidiary companies.

8. Deferred tax assets/(liabilities)

The recognised tax benefit of unabsorbed capital allowances, unutilised tax losses and other deductible temporary difference 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 judgments and assumptions are subject to significant risks 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.

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

Deferred tax assets and liabilities are attributable to the following:

	Assets		Liabilities		Net	
Group	**2016 RM'000**	**2015 RM'000**	**2016 RM'000**	**2015 RM'000**	**2016 RM'000**	**2015 RM'000**
Property, plant and equipment	-	534	(86,907)	(71,411)	(86,907)	(70,877)
Other deductible/ (taxable) temporary difference	17,606	2,322	(179)	(1,964)	17,427	358
Unabsorbed capital allowances	298,868	269,553	-	-	298,868	269,553
Unutilised tax losses	19,762	7,035	-	-	19,762	7,035
Tax assets/ (liabilities)	336,236	279,444	(87,086)	(73,375)	249,150	206,069
Set-off of tax	(76,877)	(67,436)	76,877	67,436	-	-
Net tax assets/ (liabilities)	259,359	212,008	(10,209)	(5,939)	249,150	206,069

Recognised deferred tax assets and liabilities, net

	Group		Company	
	2016 RM'000	**2015 RM'000**	**2016 RM'000**	**2015 RM'000**
Property, plant and equipment	(86,907)	(70,877)	(8)	(5)
Other deductible temporary difference	17,427	358	337	-
Unabsorbed capital allowances	298,868	269,553	-	-
Unutilised tax losses	19,762	7,035	17,271	5,750
Total	249,150	206,069	17,600	5,745

Unrecognised deferred tax assets

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

	Group		Company	
	2016 RM'000	**2015 RM'000**	**2016 RM'000**	**2015 RM'000**
Property, plant and equipment	3,242	1,759	-	-
Unabsorbed capital allowances	467,738	813,753	-	-
Unutilised investment allowance	65,596	65,596		
Unutilised tax losses	486,904	549,476	2,168	66,701
Total	1,023,480	1,430,584	2,168	66,701

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

Unrecognised deferred tax assets (continued)

In 2013, a subsidiary of the Group was granted investment allowance incentive for Last Mile Network Facilities Provider under Section 127(3A) of the Income Tax Act, 1967. The tax incentive is equivalent to 100% on the qualifying capital incurred for broadband infrastructure to provide broadband services for last mile network project for a period of five years of which qualifying expenditure shall be limited to 70% of its statutory income for each year of assessment. The qualifying period ended on 26 April 2015.

The unabsorbed capital allowances, unutilised investment allowance, unutilised tax losses and other deductible temporary difference do not expire under the current tax legislation. 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 Company can utilise the benefits therefrom. During the year, the Group and the Company have utilised unabsorbed capital allowances, unutilised tax losses and other deductible temporary differences of RM407,104,000 and RM64,533,000 respectively.

Movement in temporary differences during the year

Group	At 1.1.2015 RM'000	Recognised in profit or loss RM'000	At 31.12.2015/ 1.1.2016 RM'000	Recognised in profit or loss RM'000	At 31.12.2016 RM'000
Property, plant and equipment	(66,710)	(4,167)	(70,877)	(16,030)	(86,907)
Other deductible temporary difference	1,103	(745)	358	17,069	17,427
Unabsorbed capital allowances	263,085	6,468	269,553	29,315	298,868
Unutilised tax losses	7,438	(403)	7,035	12,727	19,762
Total	204,916	1,153	206,069	43,081	249,150
Company					
Property, plant and equipment	(3)	(2)	(5)	(3)	(8)
Other deductible temporary difference	-	-	-	337	337
Unutilised tax losses	5,748	2	5,750	11,521	17,271
Total	5,745	-	5,745	11,855	17,600

9. Trade and other receivables

		Group		Company	
	Note	2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000
Non-current					
Non-trade					
Prepayments		9,929	10,092	-	-
Amount due from subsidiaries	9.4	-	-	185,957	-
		9,929	10,092	185,957	-
Current					
Trade					
Trade receivables	9.2	180,886	176,789	-	-
Amount due from related parties	9.2	11,661	12,196	-	-
Deposits		3,809	3,766	-	-
Prepayments		9,082	5,122	-	-
		205,438	197,873	-	-
Less: Allowance for impairment losses	9.3	(6,524)	(4,902)	-	-
		198,914	192,971	-	-
Accrual of global bandwidth revenue	9.1	15,287	6,185	-	-
		214,201	199,156	-	-
Non-trade					
Amount due from subsidiaries	9.4	-	-	405,693	429,020
Amount due from an associate	9.5	6,750	-	-	-
Other receivables		35,254	22,475	3,758	83
Prepayments		7,524	6,682	100	22
Deposits		720	820	86	299
		264,449	229,133	409,637	429,424

Other than for prepayments, the above trade and other receivables are categorised as loans and receivables.

9. Trade and other receivables (continued)

9.1 Accrual of global bandwidth revenue

Accrual of global bandwidth revenue relates to the unbilled portion under the global bandwidth contracts entered into by the Group with customers whereby the terms of payment have been mutually agreed to be made over the period of up to 3 years.

9.2 Trade receivables and trade amount due from related parties

The credit period granted for sales/services rendered ranges from 30 to 90 days (2015: 30 to 90 days).

9.3 Allowance for impairment losses

Included in the amount are impairment losses in relation to outstanding balance due from related parties amounting to RM283,000 (2015: RM190,000).

9.4 Amount due from subsidiaries (non-trade)

Included in the amount due from subsidiaries are advances amounting to RM27,998,364 (2015: RM7,509,100) which is unsecured and subject to interest rate 5.65% per annum. The other amounts due from subsidiaries are unsecured and interest free. The balances arise mainly from inter-company advances and expenses paid on behalf.

9.5 Amount due from an associate (non-trade)

The amount due from an associate is unsecured and repayable on demand with an interest rate of 12.5% per annum. The balances arise mainly shareholder advances made during the year.

10. Cash and cash equivalents

		Group		**Company**	
	Note	**2016 RM'000**	**2015 RM'000**	**2016 RM'000**	**2015 RM'000**
Cash and bank balances		117,634	65,638	3,085	647
Deposits placed with licensed banks		397,398	187,615	234,827	36,048
		515,032	253,253	237,912	36,695
Restricted cash	10.1	(8,733)	(10,759)	(1,905)	(4,001)
		506,299	242,494	236,007	32,694

10.1 Restricted cash

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

10. Cash and cash equivalents (continued)

The cash and cash equivalents of the Group and the Company does not include a bank balance amounting to RM12,856,000 (2015: RM10,346,000) held by the Company in trust for consortium members of a submarine cable system to pay the turnkey supplier under the terms of supply contract.

11. Share capital

	Group and Company			
	Amount 2016 RM'000	Number of shares 2016 '000	Amount 2015 RM'000	Number of shares 2015 '000
Authorised:				
Ordinary shares of RM0.50 each	5,000,000	10,000,000	5,000,000	10,000,000
Issued and fully paid:				
At 1 January				
- Ordinary shares of RM0.50 each	287,800	575,600	286,932	573,863
Issuance of new ordinary shares pursuant to the share grant plan	1,347	2,694	868	1,737
At 31 December				
- Ordinary shares of RM0.50 each	289,147	578,294	287,800	575,600

12. Reserves

		Group		Company	
	Note	2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000
Share premium	12.1	865,585	854,611	865,585	854,611
Capital reserve	12.2	8,760	8,760	8,760	8,760
Foreign currency translation reserve	12.3	37,380	30,754	-	-
Available-for-sale reserve	12.4	-	221,309	-	57,046
Share grant reserve	12.5	18,922	13,678	18,922	13,678
CEO share option reserve	12.6	7,938	2,314	7,938	2,314
Retained earnings		955,161	663,321	103,913	64,788
		1,893,746	1,794,747	1,005,118	1,001,197

12.1 Share premium

The share premium of the Group and the Company represents premium arising from the issuance of ordinary shares of the Company at an issue price above par value.

12. Reserves (continued)

12.2 Capital reserve

In May 2012, pursuant to the Company's capital restructuring exercise, the Company set-off RM834,315,000 from the share premium account against accumulated losses of the Company amounting to RM825,555,126. The set-off resulted in the creation of a distributable capital reserve account of RM8,759,874 for the Company.

12.3 Foreign currency translation reserve

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

12.4 Available-for-sale reserve

The available-for-sale reserve comprises the cumulative net change in the fair value of available-for-sale financial assets until the investments are de-recognised upon sale or impaired.

During the year, the Company disposed 68,729,545 ordinary shares held in DiGi.Com Berhad ("DiGi Shares"). This resulted in the realisation of a fair value gain of RM157,390,000 for the Group and the realisation of a fair value loss of RM6,873,000 for the Company from the available-for-sale reserve to profit and loss.

12.5 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 and share premium respectively.

Details of the share grant plan are as follows:

		Number of ordinary shares of RM0.50 each				
	Fair value at grant date	**At 1 January 2016**	**Granted but not vested during the year**	**Vested and issued**	**Adjusted**	**At 31 December 2016**
2013 Awards	RM4.46	834,150	-	(792,300)	(41,850)	-
2014 Awards	RM4.46	1,850,113	-	(927,270)	(54,113)	868,730
2015 Awards	RM4.78	2,986,875	-	(974,595)	(57,052)	1,955,228
2016 Awards	RM7.06	-	3,178,823	-	-	3,178,823
Total		5,671,138	3,178,823	(2,694,165)	(153,015)	6,002,781

12. Reserves (continued)

12.5 Share grant reserve (continued)

The outstanding share grants at the end of the financial year are to be vested on specific dates in the following periods:

(i) The 2014 grant will be vested within the next year in July 2017.

(ii) The 2015 grant will be vested within the next 2 years in July 2017 and July 2018 respectively.

(iii) The 2016 grant will be vested within the next 3 years in July 2017, July 2018 and July 2019 respectively.

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 11 August 2014	RM4.50	0.916%
Granted on 2 January 2015	RM4.94	0.514%
Granted on 11 January 2016	RM7.27	0.544%

The Group and the Company had recognised share grant costs in profit or loss totalling to RM17,565,000 (2015: RM16,039,415) and RM6,291,350 (2015: RM5,191,000) respectively.

12. Reserves (continued)

12.6 Chief Executive Officer ("CEO") share option reserve

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

No share options were exercised during the financial year.

On 30 September 2016, an adjustment was made to the option exercise price pursuant to a special dividend paid by the Company. The adjustment resulted in a revised option price of RM5.89 per share with no change to the number of option shares granted.

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 21 July 2015
Fair value at grant date	RM1.50
Weighted average share price (adjusted)	RM5.89
Option life	5 years

The Group and the Company had recognised share option costs in profit or loss totalling to RM5,624,000 (2015: RM2,314,000).

13. Loans and borrowings

	Note	Group 2016 RM'000	2015 RM'000
Non-current			
Term loans	13.1	169,658	99,715
Finance lease liabilities	13.2	-	2,250
		169,658	101,965
Current			
Term loans	13.1	3,549	41,465
Finance lease liabilities	13.2	2,250	4,360
		5,799	45,825
		175,457	147,790

13.1 Term loans

(i) Term loans amounting to RMNil (2015: RM60,312,000) are secured/covered against:

a) a legal charge over DiGi.Com Berhad ("DiGi") shares held by the Company giving minimum security cover of 1.25 times based on 100% value of the said shares;

b) a legal charge over any other quoted financial assets acceptable to the lender, including but not limited, in all cases to bonus shares, rights shares and other new share or right entitlements;

c) a legal charge over an escrow account to capture all dividends derived from the pledged securities; and

d) a corporate guarantee from the Company.

(ii) USD denominated term loan amounting to RMNil (2015: RM10,788,000) 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

c) a corporate guarantee by the Company.

13. Loans and borrowings (continued)

13.1 Term loans (continued)

(iii) USD denominated term loan amounting to RM101,519,000 (2015: RM39,830,000) is secured/covered against:

a) a specific legal charge over the land and building held under H.M. 984, PT1277 Mukim Sungai Karang, Kuantan, Pahang which is held by a subsidiary company;

b) a legal charge over all the assets of a subsidiary company;

c) an assignment over a subsidiary company's present and future sales proceeds; and

d) a corporate guarantee by the Company.

(iv) USD denominated term loan amounting to RM42,185,000 (2015: RMNil) 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

c) a corporate guarantee by the Company.

(v) Term loans amounting to RMNil (2015: RM999,000) is secured/covered against a corporate guarantee by the Company.

(vi) Term loans amounting to RM29,503,000 (2015: RM29,251,000) is secured/covered against:

a) a first legal charge over proceeds received from certain customers made into a collection account sufficient to repay the amount (both interest and principal) due in the next one quarter; and

b) a corporate guarantee by the Company.

13. Loans and borrowings (continued)

13.2 Finance lease liabilities

Finance lease liabilities are payable as follows:

	Future minimum lease payments	Interest	Present value of minimum payments	Future minimum lease payments	Interest	Present value of minimum payments
	/----------2016----------		/	/----------2015----------		/
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Less than one year	2,312	62	2,250	4,607	247	4,360
Between one and five years	-	-	-	2,312	62	2,250
	2,312	62	2,250	6,919	309	6,610

14. Trade and other payables

	Note	Group 2016 RM'000	Group 2015 RM'000	Company 2016 RM'000	Company 2015 RM'000
Non-current					
Trade					
Deferred income	14.1	36,997	23,078	-	-
Unearned revenue	14.3	12,507	-	-	-
		49,504	23,078	-	-
Current					
Trade					
Trade payables	14.2	56,373	91,361	-	-
Amount due to related parties	14.2	1,934	1,382	-	-
Accrued expenses		44,139	20,362	-	-
Deposit payables		14,478	14,361	-	-
Deferred income	14.1	54,414	110,648	-	-
Unearned revenue	14.3	54,233	35,088	-	-
Payable for Universal Service Provision		45,286	26,988	-	-
Provisions	14.4	7,965	1,682	-	-
		278,822	301,872	-	-
Non-trade					
Other payables		5,005	4,143	841	295
Amount due to a subsidiary	14.5	-	-	2,059	2,124
Accrued expenses		40,981	41,428	5,886	4,158
Provisions	14.4	3,112	1,930	-	-
		327,920	349,373	8,786	6,577

The above trade and other payables are categorised as other financial liabilities except for deferred income, unearned revenue and provisions.

14. Trade and other payables (continued)

14.1 Deferred income

The deferred income represents the amount received and/or receivable from the pre-sale of a portion of the Group's submarine cable systems prior to their completion. Upon the completion of the said submarine cable systems, the difference between the proceeds from the pre-sale and portion of carrying amount of the submarine cable systems sold will be recognised in profit or loss.

14.2 Trade payables and amounts due to related parties

The average credit period granted to the Group for trade purchases ranges from 30 to 90 days (2015: 30 to 90 days).

14.3 Unearned revenue

Unearned revenue mainly represents prepayment received for services or products that have yet to be rendered or provided.

14.4 Provisions

Provisions relate to obligations arising as a result of past events for certain telecommunication services provided.

14.5 Amount due to a subsidiary (non-trade)

The amount due to a subsidiary is unsecured, interest free and repayable within 60 days upon due. The balance arises mainly from management services rendered by the subsidiary.

15. Revenue

	2016 RM'000	2015 RM'000
Group		
Data	581,483	524,615
Voice	85,497	76,493
Data Centre	94,732	76,648
Others	5,228	4,608
	766,940	682,364
Company		
Management fee from subsidiary companies	27,096	27,708
Dividend income from a subsidiary	141,000	230,000
	168,096	257,708

16. Cost of sales

	Group	
	2016 RM'000	2015 RM'000
Interconnect charges	25,128	17,042
Depreciation of property, plant and equipment	83,385	82,458
Dealer commissions	19,552	18,183
Telecommunications maintenance charges	29,009	20,930
Network and leased line charges	59,316	72,628
Fee for wayleave and right of use pertaining to telecommunications facilities	11,545	11,070
Site and customer premises rental	16,682	14,092
Universal service obligation	30,488	24,999
Internet service provider costs	7,496	9,506
Direct installation costs	44,560	23,572
Others	38,099	40,077
	365,260	334,557

17. Income from investments

	Group		Company	
	2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000
Interest income from financial assets that are not at fair value through profit or loss	11,925	11,053	8,408	6,131
Dividend income from quoted shares, in Malaysia	3,368	21,650	3,368	21,650
	15,293	32,703	11,776	27,781

18. Finance costs

	Group		Company	
	2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000
Interest expense of financial liabilities that are not at fair value through profit or loss:				
- Interest on bank borrowings	4,493	6,020	152	-
- Amortisation of borrowing costs	1,015	587	-	-
	5,508	6,607	152	-

19. Profit before tax

	Group 2016 RM'000	Group 2015 RM'000	Company 2016 RM'000	Company 2015 RM'000
Profit before tax is arrived at after charging:				
Personnel expenses				
- Salaries, allowances and others	117,744	111,628	4,229	3,690
- Contributions to Employee Provident Fund	14,438	14,445	516	546
- Share grant expenses	17,565	16,039	6,291	5,191
- Share option expenses	5,624	2,314	5,624	2,314
Depreciation of property, plant and equipment	93,462	93,218	81	85
Rental of:				
- Offices	651	949	-	-
- Equipment	46	15	-	-
- Site and customer premises	16,682	14,092	-	-
Auditors' remuneration				
- Audit fees to KPMG Malaysia	459	466	100	100
- Audit fees to other auditors	23	23	-	-
- Non-audit fees to KPMG Malaysia	47	270	30	270
Write off of property, plant and equipment	414	4,441	-	-
Net impairment/(write-back):				
- Property, plant and equipment	5,771	-	-	-
- Trade receivables	3,178	2,966	-	-
- Construction deposits	348	(1,446)	-	-
- Rental deposits	-	14	-	-
Impairment of investment in subsidiaries	-	-	-	51,781
Amortisation of borrowing costs	1,015	587	-	-
Interest on bank borrowings	4,493	6,020	152	-

19. Profit before tax (continued)

	Group		Company	
	2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000
and after crediting:				
Bad debts recovered	417	465	-	-
Net gain on foreign exchange	9,292	35,416	296	2,168
Interest income	11,539	11,053	8,408	6,131
Dividend income from quoted shares, in Malaysia	3,368	21,650	3,368	21,650
Interest income from associate	386	-	-	-
Dividend income from a subsidiary	-	-	141,000	230,000
Realisation of fair value gain/ (loss) reclassified from available-for-sale reserve to profit or loss	157,390	274,024	(6,873)	109,760
Rental income	198	221	-	-
Net gain from waiver of amounts due to subsidiaries	-	-	-	49,948
Gain on disposal of property, plant and equipment	7,358	2,434	-	-
Gain on disposal of equity-accounted investment	2,477	-	-	-

20. Tax expense

Recognised in profit or loss

	Group		Company	
	2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000
Tax expense:				
- current year	4,410	6,758	2,016	1,533
- overprovision in prior year	(230)	(186)	-	-
	4,180	6,572	2,016	1,533
Deferred tax				
- arising from current year	54,068	35,607	3,633	3,218
- underprovision in prior year	556	386	-	-
- recognition of previously unrecognised temporary differences	(97,705)	(37,146)	(15,488)	(3,218)
	(43,081)	(1,153)	(11,855)	-
	(38,901)	5,419	(9,839)	1,533

20. Tax expense (continued)

Reconciliation of effective income tax expense:

	Group		Company	
	2016	**2015**	**2016**	**2015**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Profit before tax	368,417	470,794	144,764	368,600
Tax at statutory tax rate of 24% (2015: 25%)	88,420	117,699	34,743	92,150
Effect of lower rate in foreign jurisdictions	(4,736)	(8,451)	-	-
Non-deductible expenses	15,331	13,377	5,552	15,574
Non-taxable income	(40,865)	(80,662)	(34,646)	(102,840)
Changes in legislated tax rate for future periods	-	(1,385)	-	(133)
Deferred tax assets not recognised	328	1,787	-	-
Recognition of previously unrecognised temporary difference	(97,705)	(37,146)	(15,488)	(3,218)
Overprovision of prior year - current tax	(230)	(186)	-	-
Underprovision of prior year - deferred tax	556	386	-	-
Tax expense	(38,901)	5,419	(9,839)	1,533

21. Earnings per ordinary share

The calculation of basic 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, calculated as follows:

	Group 2016	Group 2015
Basic earnings per share		
Net profit attributable to owners of the Company (RM'000)	407,318	466,852
Weighted average number of ordinary shares in issue ('000)	576,745	574,672
Basic earnings per ordinary share (sen)	70.62	81.24

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 2016	Group 2015
Diluted earnings per share		
Net profit attributable to owners of the Company - basic (RM'000)	407,318	466,852
Weighted average number of ordinary shares in issue - basic ('000)	576,745	574,672
Effect of CEO share option, if exercised ('000)	3,980	909
Weighted average number of ordinary shares in issue ('000) (diluted)	580,725	575,581
Diluted earnings per ordinary share (sen)	70.14	81.11

22. Dividend paid

During the financial year, the Company paid an interim tax exempt (single tier) dividend of 6.7 sen per ordinary share for the financial year ended 31 December 2015 on 31 March 2016 amounting to RM38,565,232.

The Company also paid a special interim tax exempt (single tier) dividend of 13.3 sen per ordinary share for the financial year ended 31 December 2016 on 30 September 2016 amounting to RM76,913,186.

23. Directors' remuneration

	Group		Company	
	2016	**2015**	**2016**	**2015**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Executive directors:				
Emoluments	2,617	5,199	2,617	5,199
Other emoluments and expenses (including CEO share options)	5,694	2,352	5,694	2,352
Non-executive directors:				
Fees	715	819	715	819
Other emoluments and expenses	242	205	242	205
	9,268	8,575	9,268	8,575

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 RM13,000 (2015: RM1,500).

Included in Directors' remuneration are amounts totaling RM207,500 (2015: RM184,000) payable to related parties for services rendered by a company in which a non-executive director of the Company is an employee.

The number of Directors of the Company whose current year remuneration fall into the respective bands are as follows:

Range of Remuneration RM	**Executive Directors***	**Non-executive Directors**
50,000 to 100,000	-	2
100,001 to 150,000	-	-
150,001 to 200,000	-	1
200,001 to 250,000	-	3
900,001 to 950,000	1	-
7,350,001 to 7,400,000	1	-

*Including CEO options

None of the Directors in the current year remuneration falls within the range of RM250,001 to RM900,000 and RM950,001 to RM7,350,000.

24. Key management personnel remuneration

The key management personnel remuneration is as follows:

	Group		Company	
	2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000
Directors:				
Fees	715	819	715	819
Other short term benefits (including estimated monetary value of benefits-in-kind and CEO share option)	8,566	7,758	8,566	7,758
	9,281	8,577	9,281	8,577
Other key management personnel:				
Employee benefits (including benefits on share grant plan)	20,185	15,413	10,507	7,006
Other key management compensation	305	32	171	18
	20,490	15,445	10,678	7,024

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.

25. 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.

25. Operating segments (continued)

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

	Group	
	2016	**2015**
	RM'000	**RM'000**
Revenue from external customers		
Data	581,483	524,615
Voice	85,497	76,493
Data Centre	94,732	76,648
Others	5,228	4,608
	766,940	682,364
Operating expense		
Depreciation, impairment and amortisation of property, plant and equipment	(93,462)	(93,218)
Other operating expense	(497,357)	(459,267)
Other operating income	22,981	40,770
Profit from operations	199,102	170,649
Income from investments	15,293	32,703
Realisation of fair value gain reclassified from available-for-sale reserve to profit or loss	157,390	274,024
Finance costs	(5,508)	(6,607)
Share of profits from equity-accounted investments, net of tax	2,140	25
Segment profit	368,417	470,794
Additions to property, plant and equipment	362,961	340,605

No reconciliation is performed for revenue from external customers, depreciation, impairment and amortisation of property, plant and equipment, assets and segment profit as there is no difference with the amounts shown in the statements of profit or loss and other comprehensive income.

25. Operating segments (continued)

Geographical information

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

	Revenue		Non-current assets	
	2016	2015	2016	2015
	RM'000	RM'000	RM'000	RM'000
Malaysia	727,997	622,553	1,124,901	1,029,426
Outside Malaysia	38,943	59,811	459,348	445,372
	766,940	682,364	1,584,249	1,474,798

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.

26. Capital and operating lease commitments

	Group		Company	
	2016	2015	2016	2015
	RM'000	RM'000	RM'000	RM'000
Capital expenditure commitments				
Property, plant and equipment				
Authorised but not contracted for	23,117	96,245	-	-
Contracted but not provided for	229,054	268,197	-	-
Operating lease commitments - as lessee				
Non-cancellable commitments for rental of office premises, sites and right of use pertaining to telecommunications facilities				
- Payable within 1 year	22,467	20,914		
- Payable within 2 - 3 years	32,655	30,402		
- Payable after 3 years	129,321	141,137		
	184,443	192,453		

26. Capital and operating lease commitments (continued)

On 12 May 2000, the Group entered into an agreement with a highway concessionaire for wayleave and right of use pertaining to telecommunications facilities on the North-South Expressway. The agreement shall terminate upon expiry of the concession agreement signed by the highway concessionaire and government in 31 December 2038.

27. 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 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 party are subject to common control or common significant influence. Related parties may be individuals or other entities.

Related parties also includes key management personnel defined as those persons having authority and responsibility for planning, directing and controlling activities of the Group directly or indirectly. The key management personnel include all the Directors of the Group and certain members of senior management of the Group. Director remuneration and key management personnel remuneration are disclosed in Notes 23 and 24 respectively. The Group has related party relationships with its Directors, key management personnel, related parties in which a substantial shareholder has an interest and companies in which Directors have significant financial interest.

Significant related party transactions

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

	Group		**Company**	
	2016	**2015**	**2016**	**2015**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Subsidiary companies				
Dividend income	-	-	141,000	230,000
Management fees income	-	-	27,096	27,708
Management fees expense	-	-	(2,318)	(2,602)
Waiver of amount due to subsidiaries	-	-	-	49,948
Interest income from subsidiaries	-	-	1,531	336

27. Related parties (continued)

Significant related party transactions (continued)

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

	Group		Company	
	2016 RM'000	**2015 RM'000**	**2016 RM'000**	**2015 RM'000**
Related parties				
Revenue from data, voice and other services	62,570	64,689	-	-
Interconnect revenue	6,630	6,715	-	-
Fee for wayleave and right of use of telecommunications facilities	(10,468)	(10,540)	-	-
Interconnect charges	(10,583)	(10,854)	-	-
Leased line and infrastructure costs	(26,296)	(23,620)	(8)	-
Network maintenance	(1,698)	(1,502)	-	-
Training expenses	(281)	(53)	-	-
Project management services	(59)	(10)	-	-
Leasing of transportation services	(702)	(525)	(702)	(525)
Companies in which Directors have significant financial interest:				
Revenue from rental, support services and others	28	47	-	-
Professional legal fees	(201)	(153)	(201)	(153)

The Directors of the Group and the Company are of the opinion that the above transactions have been entered into in 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 9 and 14 respectively.

28. Financial instruments

28.1 Net gains or losses arising from financial instruments

	Group		Company	
	2016	**2015**	**2016**	**2015**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Net gains/(losses) on:				
Available-for-sale financial assets:				
- recognised in other comprehensive income	(221,309)	(327,152)	(57,046)	(162,888)
- reclassified from equity to profit or loss	157,390	274,024	(6,873)	109,760
- Dividend income	3,368	21,650	3,368	21,650
	(60,551)	(31,478)	(60,551)	(31,478)
Loans and receivables	8,747	8,087	8,408	6,131
Financial liabilities measured at amortised cost	(5,508)	(6,607)	(152)	-
	(57,312)	(29,998)	(52,295)	(25,347)

28.2 Financial risk management

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

(i) Credit risk
(ii) Liquidity risk
(iii) Market risk

28.3 Credit risk

Credit risk is the risk of a financial loss to the Group or the Company if a customer or counterparty to a financial instrument fails to meets 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, deposits with financial institutions and financial guarantees given to banks for credit facilities granted to subsidiaries.

28. Financial instruments (continued)

28.3 Credit risk (continued)

Receivables

Risk management objectives, policies and processes for managing the risk

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

Exposure to credit risk, credit quality and collateral

As at the end of the reporting period, the maximum exposure to credit risk arising from receivables is 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 on-going basis. The Group also uses ageing analysis to monitor the credit quality of the receivables. For receivables from corporate, wholesale and government sectors, allowance for impairment losses will generally be provided for amounts aged more than 365 days derived based on historical payment trends and patterns unless there is objective evidence to indicate otherwise.

The exposure of credit risk for trade receivables of the Group as at the end of the reporting period by geographical region was:

	Group	
	2016	**2015**
	RM'000	**RM'000**
Malaysia	129,714	157,771
Outside Malaysia	75,405	36,263
	205,119	194,034

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

28. Financial instruments (continued)

28.3 Credit risk (continued)

Receivables (continued)

Impairment losses

The ageing of trade receivables (including trade amounts due from related parties and accrual of global bandwidth revenue) as at the end of the reporting period was:

Group	Gross RM'000	Individual impairment RM'000	Net RM'000
2016			
Not past due	105,691	(14)	105,677
Past due 1 - 30 days	40,656	(90)	40,566
Past due 31 - 120 days	42,395	(1,303)	41,092
Past due more than 120 days	22,901	(5,117)	17,784
	211,643	(6,524)	205,119
2015			
Not past due	83,795	-	83,795
Past due 1 - 30 days	35,286	-	35,286
Past due 31 - 120 days	54,916	(57)	54,859
Past due more than 120 days	24,939	(4,845)	20,094
	198,936	(4,902)	194,034

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.

28. Financial instruments (continued)

28.3 Credit risk (continued)

Receivables (continued)

Impairment losses (continued)

The movement in the allowance for impairment losses of trade receivables (including amounts due from related parties) during the financial year were as follows:

	Group	
	2016	**2015**
	RM'000	**RM'000**
At 1 January	4,902	3,150
Impairment loss written off	(1,556)	(1,214)
Net allowance	3,178	2,966
At 31 December	6,524	4,902

Allowance for impairment losses in relation to outstanding balance due from related parties (other than subsidiaries of the Company) amounted to RM283,000 (2015: RM190,000).

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

As at the end of the reporting period, there was no indication that the amounts deposited with licensed financial institutions are not recoverable.

28. Financial instruments (continued)

28.3 Credit risk (continued)

Financial guarantees

Risk management objectives, policies and processes for managing the risk

The Company provides unsecured financial guarantees to banks in respect of banking facilities granted to certain subsidiaries. The Company monitors on an ongoing basis the results of the subsidiaries and repayments made by subsidiaries.

Exposure to credit risk, credit quality and collateral

The maximum exposure to credit risk of the Company amounts to RM193,100,000 (2015: RM143,763,000) representing the outstanding banking facilities of the subsidiaries as at the end of the reporting period.

The financial guarantees have not been recognised since the fair value on initial recognition was not material.

As at the end of the reporting period, there was no indication that any subsidiary would default on repayment.

Inter-company balances

Risk management objectives, policies and processes for managing the risk

The Company provides 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 Company has significant influence and/or control. The Company considers such companies as companies associated with lower credit risk.

Impairment losses

As at the end of the reporting period, there was no indication that the advances to the subsidiaries/associates are not recoverable.

28. Financial instruments (continued)

28.4 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	Contractual cash flows RM'000	Under 1 year RM'000	1 - 2 years RM'000	2 - 5 years RM'000
2016						
Term loans	173,207	2.0%-5.2%	195,953	11,339	72,630	111,984
Finance lease liabilities	2,250	1.3%-2.9%	2,312	2,312	-	-
Trade and other payables*	164,967	-	164,967	164,967	-	-
2015						
Term loans	141,180	2.0% - 6.2%	155,881	47,080	46,266	62,535
Finance lease liabilities	6,610	1.3% - 4.0%	6,919	4,607	2,312	-
Trade and other payables*	174,358	-	174,358	174,358	-	-

* The contractual cash flows of trade and other payables exclude deferred income, unearned revenue and provisions.

28. Financial instruments (continued)

28.4 Liquidity risk (continued)

Maturity analysis (continued)

	Carrying amount RM'000	Contractual cash flows RM'000	Under 1 year RM'000
Company			
2016			
Trade and other payables	8,786	8,786	8,786
2015			
Trade and other payables	6,577	6,577	6,577

There are no contractual interest rates for the above financial liabilities.

28.5 Market risk

Market risk is the risk that changes in the market prices, such as foreign exchange rates, interest rates and other prices will affect the Group's financial position or cash flows.

Currency risk

The Group is exposed to foreign currency risk on sales, purchases and borrowings that are denominated in currencies other than the functional currencies of its subsidiaries. The currency giving rise to the risk is primarily US 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.

28. Financial instruments (continued)

28.5 Market risk (continued)

Currency risk (continued)

Exposure to foreign currency risk

The Group's exposure to foreign currency risk, based on the carrying amounts as at the end of the reporting period was:

	Denominated in USD	
	2016	2015
	RM'000	RM'000
Group		
Trade receivables	106,896	57,325
Cash and cash equivalents	88,565	42,562
Term loan	(143,704)	(50,618)
Trade payables	(55,877)	(34,587)
Net exposure in the statement of financial position	(4,120)	14,682

Currency risk sensitivity analysis

A 1% strengthening of the Ringgit Malaysia against the USD at the end of the reporting period would have increased/decreased profit or loss by the amounts shown below. This analysis is based on foreign currency exchange rate variances that the Group considered to be reasonably possible at the end of the reporting period. The analysis assumed that all other variables, in particular interest rates, remained constant and ignored any impact of forecasted sales and purchases.

The analysis is performed on the same basis for 2016, as indicated below:

	Profit or (loss)	
	2016	2015
	RM'000	RM'000
Group		
1% strengthening of RM against USD	41	(147)

A 1% weakening of the Ringgit Malaysia against the above currency at the end of the reporting period would have had the equal but opposite effect on the above currency to the amounts shown above, on the basis that all other variables remained constant.

28. Financial instruments (continued)

28.5 Market risk (continued)

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	
	2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000
Fixed rate instruments				
- Deposits with licensed banks	397,398	187,615	234,827	36,048
- Finance lease liabilities	(2,250)	(6,610)	-	-
- Term loans	(42,185)	-	-	-
Floating rate instruments				
- Term loans	(131,022)	(141,180)	-	-

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) profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency rates, remain constant.

28. Financial instruments (continued)

28.5 Market risk (continued)

Interest rate risk sensitivity analysis (continued)

(ii) Cash flow sensitivity analysis for variable rate instruments (continued)

	Profit or (loss)	
	100bp	**100bp**
	Increase	**Decrease**
Group	**RM'000**	**RM'000**
2016		
Floating rate instruments	(1,310)	1,310
2015		
Floating rate instruments	(1,412)	1,412

Equity price risk

Equity price risk arises mainly from the Group's available-for-sale investments in quoted securities.

Risk management objectives, policies and processes for managing the risk

Investments are allowed in liquid securities that are quoted and traded on the local stock exchange or specific business case basis and upon the evaluation and approval by the Board of Directors. The available-for-sale investment in quoted securities represents the consideration received in prior years as a result of the Group's disposal of its 3G spectrum licence to DiGi.Com Berhad. The Group does not transact in any derivative financial instruments.

Equity price risk sensitivity analysis

In the previous financial year, a 1% increase in the quoted price of the Group's existing available-for-sale investment at the end of the reporting period would have increased equity by RM3,711,400. A 1% weakening in quoted price of the Group's existing available-for-sale investment would have had an equal but opposite effect on the Group's equity.

28.6 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.

28. Financial instruments (continued)

28.6 Fair value information (continued)

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.

Group	Fair value of financial instruments carried at fair value				Fair value of financial instruments not carried at fair value				Total	Carrying
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total	fair value	amount
2016	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**
Financial assets										
Other unquoted investments	-	-	9,247	9,247	-	-	-	-	9,247	9,247
Financial liabilities										
Term loans	-	-	-	-	-	-	173,207	173,207	173,207	173,207
Finance lease liabilities	-	-	-	-	-	-	2,250	2,250	2,250	2,250
	-	-	-	-	-	-	175,457	175,457	175;457	175,457
2015										
Financial assets										
Investment in quoted shares	371,140	-	-	371,140	-	-	-	-	371,140	371,140
Other unquoted investments	-	-	6,319	6,319	-	-	-	-	6,319	6,319
	371,140	-	6,319	377,459	-	-	-	-	377,459	377,459
Financial liabilities										
Term loans	-	-	-	-	-	-	141,180	141,180	141,180	141,180
Finance lease liabilities	-	-	-	-	-	-	6,610	6,610	6,610	6,610
	-	-	-	-	-	-	147,790	147,790	147,790	147,790

28. Financial instruments (continued)

28.6 Fair value information (continued)

Transfers between Level 1 and Level 2 fair values

During the current and previous financial years, there have been no transfers between Level 1 and 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 in the valuation models.

Financial instruments carried at fair value

Type	Description of valuation technique and inputs used
Other unquoted 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 finance lease liabilities	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:

	2016	2015
Term loans	2.0% - 5.2%	2.0% - 6.2%
Finance lease liabilities	1.3% - 2.9%	1.3% - 4.0%

29. 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.

There were no changes in the Group's approach to capital management during the financial year.

30. Significant events during the year

(a) During the year, the Group increased its shareholding in CMC Telecommunication Infrastructure Corporation ("CMC Telecom") as follows:

   (i) On 29 January 2016, the Group acquired 5,794,800 ordinary shares in CMC Telecom for a cash consideration of VND231.8 billion.

   (ii) On 16 February 2016, the Group acquired a further 377,000 ordinary shares representing an additional 1.13% stake in CMC Telecom for a cash consideration of VND13.2 billion.

   (iii) On 25 March 2016, the Group acquired an additional 414,824 ordinary shares in CMC Telecom for a cash consideration of VND14.52 billion.

   (iv) On 13 April 2016, the Group acquired another 79,500 ordinary shares in CMC Telecom for a cash consideration of VND2.83 billion.

   The above acquisitions collectively increased the Group's effective ownership interest in CMC Telecom to 45.27%.

(b) On 29 April 2016, the Group disposed its entire equity stake in Campana Group Pte. Ltd. for a cash consideration of USD999,750. The said disposal resulted in a gain of RM2,477,000 to the Group in the current year.

(c) On 20 May 2016, the Group disposed 68,729,545 ordinary shares held in DiGi.Com Berhad ("DiGi") for a total cash consideration of approximately RM307.2 million at a price of RM4.47 per share via a private placement exercise to eligible third party institutional/sophisticated investors. Following the said disposal of DiGi shares held, the Group realised a fair value gain from available-for-sale reserve to profit and loss of RM157,390,000. Upon completion of the said disposal, the Group no longer holds any shares in DiGi.

30. Significant events during the year (continued)

(d) The construction of FASTER cable system ("FASTER") was successfully completed and was "Ready-for-Service" on 30 June 2016. Upon the completion of FASTER, the Group recognised the net difference between the proceeds from the pre-sale and the portion of carrying amount of the submarine cable system sold, amounting to RM5,419,000 in profit and loss (i.e. as a gain on disposal of property, plant and equipment). The Group had pre-sold a portion of the said submarine cable system prior to its completion and the proceeds received therefrom had previously been accounted for as deferred income in the statement of financial position.

(e) The construction of Asia-Pacific Gateway Cable System ("APG") (connecting Malaysia to Hong Kong and Japan) was successfully completed on 28 October 2016.

31. Comparative figures

Certain comparative figures in the statement of profit or loss and other comprehensive income have been reclassified to conform with current year's presentation as follows:

	Company 2015	
	As restated RM'000	**As previously stated RM'000**
Revenue	257,708	27,708
Income from investments	27,781	257,781

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

The breakdown of the retained earnings of the Group and of the Company at 31 December, into realised and unrealised profits, pursuant to Paragraphs 2.06 and 2.23 of Bursa Malaysia Main Market Listing Requirements, are as follows:

	Group		Company	
	2016	**2015**	**2016**	**2015**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Total retained earnings:				
- realised	674,426	420,345	84,972	56,960
- unrealised	280,735	242,976	18,941	7,828
	955,161	663,321	103,913	64,788

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

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

TIME dotCom Berhad
(Company No. 413292-P)
(Incorporated in Malaysia)
and its subsidiaries

Statement by Directors pursuant to Section 169(15) of the Companies Act, 1965

In the opinion of the Directors, the financial statements set out on pages 8 to 96 are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the Companies Act, 1965 in Malaysia and so as to give a true and fair view of the financial position of the Group and of the Company as of 31 December 2016 and of their financial performance and cash flows for the financial year then ended.

In the opinion of the Directors, the information set out in Note 32 on page 97 to the financial statements has been compiled in accordance with the Guidance on Special Matter No.1, *Determination of Realised and Unrealised Profits or Losses in the Context of Disclosures Pursuant to Bursa Malaysia Securities Berhad Listing Requirements*, issued by the Malaysian Institute of Accountants, and presented based on the format prescribed by Bursa Malaysia Securities Berhad.

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

....
Afzal Abdul Rahim
Director

....
Elakumari Kantilal
Director

Shah Alam, Selangor

Date: 28 February 2017

TIME dotCom Berhad
(Company No. 413292-P)
(Incorporated in Malaysia)
and its subsidiaries

Statutory declaration pursuant to Section 169(16) of the Companies Act, 1965

I, **Long Sher Neng**, 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 8 to 97 are, to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the same to be true, and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by the above named Long Sher Neng, at Shah Alam, in the state of Selangor on 28 February 2017.

....
Long Sher Neng

Before me:

PESURUHJAYA SUMPAH
No B331
Nama ZALEHA BINTI ZAINI
MALAYSIA

NO. 203A, LEVEL 2
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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF TIME dotCom Berhad

(Company No. 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 2016 of the Group and of the Company, and the statements of profit or loss and other comprehensive income, changes in equity and cash flows of the Group and of the Company for the year then ended, and notes to the financial statements of the Group and of the Company, including a summary of significant accounting policies, as set out on pages 8 to 96.

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 2016 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 1965 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 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' *Code of Ethics for Professional Accountants* ("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 financial 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.

Company No. 413292-P

Valuation of goodwill

Refer to Note 2 (f) – Significant accounting policy: Intangible assets and Note 4 – Intangible assets.

The key audit matter

Goodwill recognised in the consolidated statement of financial position arose from the Group's acquisition of International wholesales and global bandwidth business and data centre business in prior years.

The Directors performed annual goodwill impairment assessment based on estimated future cash flows for the respective cash generating units. We have identified the impairment assessment of goodwill as a key audit matter because of the significance of the Group's recognised goodwill amounting to RM214 million as at 31 December 2016 and the impairment assessment performed by the Directors involved significant judgement in determining the recoverable amount of goodwill.

How the matter was addressed in our audit

We performed the following audit procedures, among others:

- We tested the principles and integrity of the Group's discounted cash flow model for each identified cash generating unit ("CGU"). We compared the forecast to Board approved business plans and also compared previous forecasts made to actual results to assess the financial performance of the business and the reliability of management's forecasting.
- We used our own valuation specialist to assist us in assessing the reasonableness of the cash flow model and the key assumptions used, in particular, those relating to discount rates and terminal growth rates. To assess the reasonableness of the cash flows model's key assumptions we compared them to externally derived data as well as our own assessments which took into account historical trends and other corroborative evidence available.
- We tested the sensitivity of the impairment calculations to changes in key assumptions used by the Directors to evaluate the impact on the recoverable amounts for each CGU.
- We also assessed the adequacy of the Group's disclosures about those assumptions to which the outcome of the impairment test is most sensitive.

Company No. 413292-P

Recognition of deferred tax assets

Refer to Note 2 (o) – Significant accounting policy: Income tax and Note 8 – Deferred tax assets/(liabilities).

The key audit matter

Deferred tax assets recognised by the Group comprised mainly tax benefits of unabsorbed capital allowances.

We have identified the recognition of deferred tax assets as a key audit matter because of the significance of the deferred tax assets recognised amounting to RM259 million in the consolidated financial position as at 31 December 2016. In addition, the recognition of these tax benefits relied on forecasting future taxable profits and future reversals of existing taxable temporary differences which are subject to significant judgement and assumptions about future performance.

How the matter was addressed in our audit

We performed the following audit procedures, among others:

- We tested the controls over the recognition and measurement of deferred tax assets and the key assumptions used in projecting the future taxable profits.
- We performed retrospective review of the accuracy of the Group's forecasting process by comparing the recent forecast to actual results. We also compared the key assumptions used by the Group to forecast future profits to external available data and the Group's own historical data and performance.
- We also assessed whether the Group's disclosures of recognised deferred tax asset balances appropriately reflect the Group's deferred tax position.

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 annual report, but does not include the financial statements of the Group and of the Company and our auditors' report thereon.

Our opinion on the financial statements of the Group and of the Company does not cover the annual report and we do not express any form of assurance conclusion thereon.

Company No. 413292-P

In connection with our audit of the financial statements of the Group and of the Company, our responsibility is to read the annual report and, in doing so, consider whether the annual report 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, we conclude that there is a material misstatement of the annual report, we are required to report that fact. We have nothing to report in this regard.

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 1965 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 going concerns, 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.

Company No. 413292-P

As part of an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional skepticism 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 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.

Company No. 413292-P

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, related safeguards.

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 financial 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 1965 in Malaysia, we also report the following:

(a) In our opinion, the accounting and other records and the registers required by the Act to be kept by the Company and its subsidiaries of which we have acted as auditors have been properly kept in accordance with the provisions of the Act.

(b) We have considered the accounts and the auditors' reports of all the subsidiaries of which we have not acted as auditors, which are indicated in Note 5 to the financial statements, being accounts that have been included in the consolidated accounts.

(c) We are satisfied that the accounts of the subsidiaries that have been consolidated with the Company's financial statements are in form and content appropriate and proper for the purposes of the preparation of the financial statements of the Group and we have received satisfactory information and explanations required by us for those purposes.

(d) The audit reports on the accounts of the subsidiaries did not contain any qualification or any adverse comment made under Section 174(3) of the Act.

Company No. 413292-P

Other Reporting Responsibilities

The supplementary information set out in Note 32 is disclosed to meet the requirement of Bursa Malaysia Securities Berhad and is not part of the financial statements. The Directors are responsible for the preparation of the supplementary information in accordance with Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants ("MIA Guidance") and the directive of Bursa Malaysia Securities Berhad. In our opinion, the supplementary information is prepared, in all material respects, in accordance with the MIA Guidance and the directive of Bursa Malaysia Securities Berhad.

Other Matters

This report is made solely to the members of the Company, as a body, in accordance with Section 174 of the Companies Act 1965 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

Chua See Guan
Approval Number: 03169/02/2019 J
Chartered Accountant

Petaling Jaya, Selangor

Date: 28 February 2017

TIME DOTCOM BERHAD
(413292-P)
Incorporated in Malaysia

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE SECOND QUARTER ENDED 30 JUNE 2017

THE FIGURES HAVE NOT BEEN AUDITED

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

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current year quarter	Preceding year corresponding quarter	Six months to	Six months to
	30/6/2017	30/6/2016	30/6/2017	30/6/2016
	RM'000	RM'000	RM'000	RM'000
Operating revenue	**205,321**	**175,433**	**423,739**	**350,630**
Operating expenses				
- depreciation and amortisation of property, plant and equipment	(27,018)	(22,003)	(54,017)	(43,766)
- other operating expenses	(142,519)	(119,125)	(282,391)	(237,107)
Other operating income (net)	148	8,086	1,397	8,379
Profit from operations	**35,932**	**42,391**	**88,728**	**78,136**
Investment income	3,210	2,307	6,974	7,548
Realisation of fair value gain from available-for-sale reserve to profit or loss	-	157,390	-	157,390
Finance expense	(2,040)	(1,467)	(4,074)	(3,056)
Share of profit from equity-accounted investments, net of tax	778	552	1,766	463
Profit before income tax	**37,880**	**201,173**	**93,394**	**240,481**
Income tax expense	(2,000)	(1,378)	(4,466)	(3,090)
Profit for the period attributable to owners of the Company	**35,880**	**199,795**	**88,928**	**237,391**
Other comprehensive income/(loss):				
Foreign currency translation differences for foreign operations	(5,227)	(122)	(7,528)	(8,455)
Fair value gain/(loss) on available-for-sale financial assets	780	(32,304)	780	(63,919)
Realisation of fair value gain from available-for-sale reserve to profit or loss	-	(157,390)	-	(157,390)
Other comprehensive loss for the period	(4,447)	(189,816)	(6,748)	(229,764)
Total comprehensive income for the period attributable to owners of the Company	**31,433**	**9,979**	**82,180**	**7,627**
Earnings per share (based on weighted average number of ordinary shares)				
- Basic	6.20	34.71	15.38	41.24
- Diluted	6.14	34.51	15.22	41.01

The Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the Annual Audited Financial Statements for the year ended 31 December 2016.

TIME DOTCOM BERHAD
(413292-P)
Incorporated in Malaysia

II. CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Unaudited As at 30/6/2017	Audited As at 31/12/2016
ASSETS	RM'000	RM'000
Non-current assets		
Property, plant and equipment	1,371,597	1,360,361
Intangible assets	213,959	213,959
Investments in equity-accounted investments	113,015	111,249
Other investments	13,019	9,247
Deferred tax assets	259,980	259,359
Trade and other receivables	9,695	9,929
	1,981,265	1,964,104
Current assets		
Tax recoverable	3,509	3,715
Trade and other receivables	305,934	264,449
Restricted cash	6,726	8,733
Cash and cash equivalents	429,289	506,299
	745,458	783,196
Total assets	2,726,723	2,747,300
EQUITY AND LIABILITIES		
Equity		
Share capital	1,154,732	289,147
Reserves	1,020,690	1,893,746
Total equity attributable to owners of the Company	2,175,422	2,182,893
Non-current liabilities		
Loans and borrowings	150,020	169,658
Trade and other payables	11,538	49,504
Deferred tax liabilities	12,216	10,209
	173,774	229,371
Current liabilities		
Loans and borrowings	31,579	5,799
Trade and other payables	343,958	327,920
Provision for tax	1,990	1,317
	377,527	335,036
Total liabilities	551,301	564,407
Total equity and liabilities	2,726,723	2,747,300
Net assets per share attributable to ordinary owners of the Company	RM 3.76	RM3.77

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Annual Audited Financial Statements for the year ended 31 December 2016.

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III. CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

		Unaudited Six months to 30/6/2017 RM'000	Unaudited Six months to 30/6/2016 RM'000
Operating Activities			
Cash receipts from customers		412,901	468,471
Transfer from/(to) restricted cash and bank balances		2,007	(309)
Cash payments to suppliers		(152,671)	(137,222)
Cash payments to employees and for administrative expenses		(123,944)	(106,448)
Cash generated from operations		**138,293**	**224,492**
Tax paid		(2,201)	(3,872)
Tax refund		-	840
Net cash generated from operating activities		**136,092**	**221,460**
Investing Activities			
Acquisition of property, plant and equipment		(117,658)	(202,813)
Proceeds from sale on other investments		-	311,301
Acquisition of other investments		(2,992)	(1,551)
Investment in equity-accounted investments		-	(51,486)
Investment income received		6,345	6,493
Net cash (used in)/generated from investing activities		**(114,305)**	**61,944**
Financing Activities			
Proceeds from term loans and other borrowings		13,200	52,045
Repayment of term loans and other borrowings		-	(71,615)
Advance to equity accounted investee		(2,929)	(4,179)
Repayment of finance lease liabilities		(1,168)	(2,156)
Finance charges paid		(3,498)	(2,626)
Transaction cost paid		-	(2,393)
Dividend paid		(100,045)	(38,565)
Net cash used in financing activities		**(94,440)**	**(69,489)**
Net change in Cash and Cash Equivalents		**(72,653)**	**213,915**
Effect of exchange rate fluctuations on cash held		(4,357)	(2,059)
Cash and Cash Equivalents as at beginning of financial period		506,299	242,494
Cash and Cash Equivalents as at end of financial period	**Note (a)**	**429,289**	**454,350**

Note:

(a) Cash and Cash Equivalents comprise the following amounts:

Cash and bank balances	109,527	63,124
Deposits with licensed banks	326,488	402,294
	436,015	**465,418**
Restricted cash	(6,726)	(11,068)
	429,289	**454,350**

Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Annual Audited Financial Statements for the year ended 31 December 2016.

IV. CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Six months to 30 June 2017 (unaudited)	Non-distributable					Distributable		
	Share Capital	Share Premium	Available-for-Sale Reserve	Foreign Currency Translation Reserve	Share Grant/ Option Reserves	Capital Reserve	Retained Earnings	Total equity, attributable to owners of the Company
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Balance as at 1 January 2017	289,147	865,585	-	37,380	26,860	8,760	955,161	2,182,893
Transfer in accordance with Section 618(2) of Companies Act 2016 (Note a)	865,585	(865,585)	-	-	-	-	-	-
Dividend paid	-	-	-	-	-	(8,760)	(91,285)	(100,045)
Employee share grant plan/option scheme	-	-	-	-	10,394	-	-	10,394
Profit for the period	-	-	-	-	-	-	88,928	88,928
Fair value gain on available-for-sale financial assets	-	-	780	-	-	-	-	780
Exchange differences recognised directly in equity	-	-	-	(7,528)	-	-	-	(7,528)
Total comprehensive income/(expense) for the period	-	-	780	(7,528)	-	-	88,928	82,180
Balance as at 30 June 2017	**1,154,732**	**-**	**780**	**29,852**	**37,254**	**-**	**952,804**	**2,175,422**

Six months to 30 June 2016 (unaudited)	Non-distributable					Distributable		
	Share Capital	Share Premium	Available-for-Sale Reserve	Foreign Currency Translation Reserve	Share Grant/ Option Reserves	Capital Reserve	Retained Earnings	Total equity, attributable to owners of the Company
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Balance as at 1 January 2016	287,800	854,611	221,309	30,754	15,992	8,760	663,321	2,082,547
Dividend paid	-	-	-	-	-	-	(38,565)	(38,565)
Employee share grant plan/option scheme	-	-	-	-	9,401	-	-	9,401
Profit for the period	-	-	-	-	-	-	237,391	237,391
Fair value loss on available-for-sale financial assets	-	-	(63,919)	-	-	-	-	(63,919)
Realisation of fair value gain from available-for-sale reserve to profit or loss	-	-	(157,390)	-	-	-	-	(157,390)
Exchange differences recognised directly in equity	-	-	-	(8,455)	-	-	-	(8,455)
Total comprehensive (expense)/income for the period	-	-	(221,309)	(8,455)	-	-	237,391	7,627
Balance as at 30 June 2016	**287,800**	**854,611**	**-**	**22,299**	**25,393**	**8,760**	**862,147**	**2,061,010**

Note (a):

In accordance with Section 618 of the Companies Act, 2016, any credits standing in the share premium account has been transferred to the Company's share capital account with effect from 31 January 2017. The Company has twenty-four months after commencement of the Companies Act, 2016 to utilise the credit.

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Annual Audited Financial Statements for the year ended 31 December 2016.

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V. NOTES TO THE CONDENSED FINANCIAL STATEMENTS

1. Basis of Preparation

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

The interim financial statements should be read in conjunction with the annual audited financial statements for the year ended 31 December 2016. These explanatory notes attached to the interim financial statements provide an explanation of events and transactions that are significant to an understanding of changes in the financial position and performance of the Group since the year ended 31 December 2016.

2. Significant accounting policies

The accounting policies and presentation adopted for this interim report are consistent with those adopted in the audited financial statements of the Group for the financial year ended 31 December 2016, except for the adoption of the following standards, amendments and annual improvements to MFRSs with a date of initial application on 1 January 2017:

Description	
Amendments to MFRS 107	*Statement of Cash Flows – Disclosure Initiative*
Amendments to MFRS 12	*Disclosure of Interests in Other Entities (Annual Improvements to MFRS Standards 2014-2016 Cycle)*
Amendments to MFRS 112	*Income taxes – Recognition of Deferred Tax Assets for Unrealised Losses*

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

Description		Effective for annual periods beginning on or after
Amendments to MFRS 1	*First-time Adoption of Malaysian Financial Reporting Standards (Annual Improvements to MFRS Standards 2014-2016 Cycle)*	1 January 2018
Amendments to MFRS 2	*Classification and Measurement of Share-based Payment Transactions*	1 January 2018
Amendments to MFRS 128	*Investments in Associates and Joint Ventures (Annual Improvements to MFRS Standards 2014-2016 Cycle)*	1 January 2018
Amendments to MFRS 140	*Investment Property – Transfer of Investment Property*	1 January 2018
Clarifications to MFRS 15	*Revenue from Contracts with Customers*	1 January 2018
IC Interpretation 22	*Foreign Currency Transactions and Advance Consideration*	1 January 2018
IC Interpretation 23	Uncertainty over Income Tax Treatments	1 January 2019
MFRS 9	*Financial Instruments (2014)*	1 January 2018
MFRS 15	*Revenue from Contracts with Customers*	1 January 2018
MFRS 16	*Leases*	1 January 2019
MFRS 17	*Insurance Contracts*	1 January 2021
Amendments to MFRS 10 and MFRS 128	*Consolidated Financial Statements and Investments in Associates and Joint Ventures – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*	Date yet to be confirmed by MASB

2. Significant accounting policies (continued)

The Group will adopt the above standards, amendments and improvements when they became effective in the respective financial periods. These standards, amendments and improvements are not expected to have any material financial impact on the financial statements of the Group, except for MFRS 9, Financial Instruments, MFRS 15, Revenue from Contracts with Customers and MFRS 16, Leases. The Group is currently assessing the impact of adopting MFRS 9, MFRS 15 and MFRS 16.

3. Audit report in respect of the 2016 financial statements

The audit report on the Group's financial statements for the financial year ended 31 December 2016 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

The construction of the Asia-Africa-Europe-1 cable system ("AAE-1") was deemed partially "Ready-for-Service" on 27 June 2017. All segments have been completed except for the routes to Yemen, Myanmar, Cambodia, Singapore and Hong Kong. The remaining routes of the cable system are currently planned to be "Ready-for-Service" before the end of the year.

Other than as disclosed elsewhere in this report, 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 period.

6. Material changes in estimates used

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

7. Debt and equity securities

The Group did not undertake any issuance and/or repayment of debt and equity securities, share buy-backs, share cancellations, shares held as treasury shares and resale of treasury shares during the current quarter ended 30 June 2017. Debt and equity securities issued subsequent to 30 June 2017 until 23 August 2017 (being the latest practicable date) are as follows:

a) On 7 July 2017, TIME dotCom Berhad ("TIME") issued its first tranche of Sukuk Murabahah amounting to RM3.0 million in nominal value (**"First Tranche Sukuk Murabahah"**) pursuant to a Islamic Medium Term Notes Programme ("IMTN Programme") approved in 2015. The salient terms and conditions of the First Tranche Sukuk Murabahah are set out below:

Issue Size	:	RM3.0 million in nominal value
Issue Price	:	100% of the Issue Size
Tenure	:	367 days
Periodic Distribution Rate	:	4.55% per annum
Periodic Distribution frequency	:	semi - annual
Maturity date	:	9 July 2018

In accordance with the terms of the IMTN Programme, proceeds from the First Tranche Sukuk Murabahah shall be utilised for general corporate purposes (including but not limited to the refinancing of credit facilities and/or working capital requirements) of TIME and/or its subsidiaries which shall be Shariah-compliant.

b) On 18 July 2017, the Company issued 3,159,221 ordinary shares in the Company to eligible employees under the Annual Restricted Share Plan and Annual Performance Share Plan portion of the Company's Share Grant Plan ("SGP"). The closing share price on vesting date was RM9.50 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.

8. Dividend

On 31 March 2017, the Group paid an interim ordinary and a special interim tax exempt (single tier) dividend of 6.60 sen and 10.70 sen per ordinary share, respectively, in respect of the financial year ended 31 December 2016.

9. Segmental Reporting

	Individual Quarter		Cumulative Quarter	
	Current year quarter	**Preceding year corresponding quarter**	**Six months to**	**Six months to**
Group	**30/6/2017**	**30/6/2016**	**30/6/2017**	**30/6/2016**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Operating Revenue				
Voice	20,581	21,550	41,623	41,752
Data	154,698	131,290	324,258	262,762
Data centre	28,669	21,122	55,333	43,466
Others	1,373	1,471	2,525	2,650
	205,321	**175,433**	**423,739**	**350,630**
Operating Expenses:				
Depreciation and amortisation of property, plant and equipment	(27,018)	(22,003)	(54,017)	(43,766)
Other operating expenses	(142,519)	(119,125)	(282,391)	(237,107)
Other operating income (net)	148	8,086	1,397	8,379
Profit from operations	**35,932**	**42,391**	**88,728**	**78,136**
Investment income	3,210	2,307	6,974	7,548
Realisation of fair value gain from available-for-sale reserve to profit or loss	-	157,390	-	157,390
Finance expense	(2,040)	(1,467)	(4,074)	(3,056)
Share of profit from equity-accounted investments, net of tax	778	552	1,766	463
Profit before income tax	**37,880**	**201,173**	**93,394**	**240,481**
Geographical locations				
Operating Revenue				
Within Malaysia	195,000	172,760	384,915	344,738
Outside Malaysia	10,321	2,673	38,824	5,892
	205,321	**175,433**	**423,739**	**350,630**

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 2016.

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

In the opinion of the Directors, there are no items, transactions or events of a material and unusual nature which have arisen since 30 June 2017 to 23 August 2017 (being the latest practicable date) that will have a substantial effect on the financial results of the Group other than the issuance of the First Tranche Sukuk Murabahah on 7 July 2017 and the issuance of 3,159,221 ordinary shares in the Company to eligible employees pursuant to the Company's SGP as disclosed in Note 7.

12. Changes in the composition of the Group during the financial period ended 30 June 2017

There were no changes in the composition of the Group during the six months period ended 30 June 2017.

13. Contingent liabilities/assets

There were no changes in the contingent liabilities or contingent assets since 31 December 2016.

14. Capital commitments

	As at 30/6/2017 RM'000
Property, plant and equipment	
a) Approved and contracted but not provided for in the financial statements	199,567
b) Approved but not contracted for	22,569

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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
- Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the financial asset or liabilities, either directly or indirectly
- Level 3 – Inputs for the financial asset or liabilities that are not based on observable market data

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 is disclosed.

	Total fair value/carrying value			
30 June 2017	**Level 1 RM'000**	**Level 2 RM'000**	**Level 3 RM'000**	**Total RM'000**
Financial instruments carried at fair value:				
Financial assets				
Other unquoted investments	-	-	13,019	13,019
Financial instruments not carried at fair value:				
Financial liabilities				
Term loans	-	-	180,517	180,517
Finance lease liabilities	-	-	1,082	1,082
	-	-	181,599	181,599

16. Income tax

The income tax expense for the Group for current quarter and financial period ended 30 June 2017 was made up as follows:

	Individual Quarter		Cumulative Quarter	
	Current year quarter	**Preceding year corresponding quarter**	**Six months to**	**Six months to**
Group	**30/6/2017**	**30/6/2016**	**30/6/2017**	**30/6/2016**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Income tax:				
- Current year	1,774	931	3,080	2,647
Deferred tax:				
- Current year	12,815	447	25,736	443
- Recognition of previously unrecognised temporary differences	(12,589)	-	(24,350)	-
	226	447	1,386	443
Total	2,000	1,378	4,466	3,090

The effective tax rate of the Group for the current and preceding year corresponding quarters and financial year-to-date are lower than the statutory tax rate of 24% principally due to certain non-taxable income and utilisation of unabsorbed capital allowances and tax losses available to the Group. The lower effective tax rate is also due to the lower tax rates prevailing in some of the jurisdictions/countries in which the Group operates and the recognition of previously unrecognised temporary differences.

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

On 7 March 2017, the Group announced a proposal to acquire 37% of the issued and paid-up ordinary shares in Symphony Communication Public Company Limited ("SYMC"), a publicly listed company on the Stock Exchange of Thailand via a conditional partial voluntary tender offer at an acquisition price of THB12.20 per SYMC share or a total of up to THB1,468,827,076. The Group had also entered into a share sale and purchase agreement ("SPA") with Dr Bussakorn Jaruwachirathanakul ("Seller") to acquire an additional 1.75% equity interest in SYMC (amounting to 5,694,389 SYMC Shares) ("Sale Shares"). The consideration for the Sale Shares is also THB12.20 per SYMC Share ("Share Acquisition Price") for a total of THB69,471,546. The Seller is the Executive Vice President - Finance and Accounting and a Director of SYMC. Both the abovementioned proposed acquisitions will be satisfied in cash to be funded by TIME via its existing cash on balance sheet and internally-generated funds and/or borrowings. Following the completion of both the proposed acquisitions, the Group will propose for SYMC to undertake a capital-raising exercise via a rights offering for approximately THB1,000 million. The Group is committed to participate in such rights offering for its pro rata portion, with the option of participating for a higher portion, subject to, at all times, complying with the 49% foreign shareholding limit in SYMC. The completion of the proposed acquisition is currently pending approvals from the relevant parties in both Thailand and Malaysia.

There are no other corporate proposals, which have been announced but not completed as at 23 August 2017, being the latest practicable date.

18. Loans and borrowings

The loans and borrowings as at 30 June 2017 and 31 December 2016 are as follows:

	Amount repayable in one year or on demand	Amount repayable after one year	Total
30 June 2017	**RM'000**	**RM'000**	**RM'000**
Secured:			
Finance lease liabilities in RM	1,082	-	1,082
Loans and borrowings			
- Denominated in RM	7,325	22,285	29,610
- Denominated in USD	23,172	127,735	150,907
As at 30 June 2017	31,579	150,020	181,599
31 December 2016			
Secured:			
Finance lease liabilities in RM	2,250	-	2,250
Loans and borrowings			
- Denominated in RM	3,549	25,954	29,503
- Denominated in USD	-	143,704	143,704
As at 31 December 2016	5,799	169,658	175,457

The Group's loans and borrowings have mainly been used to fund the Group's working capital requirements 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 2.20% to 5.17% per annum.

19. Off balance sheet financial instruments

The cash and cash equivalents of the Group, as at 30 June 2017, do not include bank balances amounting to RM20,159,000 (31.12.2016: RM12,856,000) held by the Group in trust for consortium members of the Asia Pacific Gateway submarine cable project to pay the supplier under the terms of supply contract.

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

20. Material litigation

The Company and its subsidiaries have no outstanding material litigation as at 23 August 2017, being the latest practicable date.

21. Comparison between the current quarter ("Q2 2017") and the immediate preceding quarter ("Q1 2017")

Description	Q2 2017 RM'000	Q1 2017 RM'000	Increase/(decrease) RM'000	%
Revenue by product:				
Voice	20,581	21,042	(461)	(2.2)
Data	154,698	169,560	(14,862)	(8.8)
Data centre	28,669	26,664	2,005	7.5
Others	1,373	1,152	221	19.2
Total revenue	205,321	218,418	(13,097)	(6.0)
Profit before tax	**37,880**	**55,514**	**(17,634)**	**(31.8)**

The Group reported consolidated revenue of RM205.3 million in the current quarter compared to consolidated revenue of RM218.4 million in Q1 2017. The lower revenue in Q2 2017 was mainly due to lower one-off revenues from Indefeasible Rights of Use ("IRU") sales and lower voice revenues, arising from a decrease of voice minutes sold. The Group had managed to close IRU revenue amounting to RM25.0 million in Q1 2017, which is RM18.6 million higher than the RM6.4 million IRU revenue recognised in Q2 2017. Excluding the said one-off IRU revenues from both quarters, data revenue in Q2 2017 would have been RM3.7 million or 2.6% higher than the similarly adjusted Q1 2017 data revenue of RM144.6 million. The Group's quarter-on-quarter ("QoQ") growth in data revenue (excluding one-off IRU revenues) was driven by strong recurring demand from its retail and enterprise customers. Data centre sales also contributed positively to current quarter revenue with a 7.5% QoQ growth. Total revenue (excluding one-off IRU revenues) in the current quarter amounted to RM198.9 million, which is RM5.5 million or 2.8% higher compared to total revenue (excluding IRU revenues) of RM193.4 million recognised in Q1 2017.

The Group's consolidated pre-tax profit in Q2 2017 amounted to RM37.9 million, which is RM17.6 million lower than the pre-tax profit of RM55.5 million in Q1 2017. The lower consolidated pre-tax profit recorded in Q2 2017 can be attributed mainly to the following:

a) lower one-off revenues from IRU sales in Q2 2017;
b) higher net foreign exchange loss of RM8.9 million in Q2 2017 compared to RM2.6 million in Q1 2017;
c) lower interest income of RM3.2 million (Q1 2017: RM3.8 million); and
d) write off of property, plant and equipment amounting to RM2.7 million arising from the decommissioning of old transponder cards pursuant to capacity upgrades for the Unity submarine cable system in Q2 2017 (Q1 2017: RM Nil),

offset by the higher profits derived from the increase in recurring revenues.

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

(a) Current quarter ("Q2 2017") versus preceding year corresponding quarter ("Q2 2016")

Description	Q2 2017 RM'000	Q2 2016 RM'000	Increase/(decrease) RM'000	%
Revenue by product:				
Voice	20,581	21,550	(969)	(4.5)
Data	154,698	131,290	23,408	17.8
Data centre	28,669	21,122	7,547	35.7
Others	1,373	1,471	(98)	(6.7)
Total revenue	205,321	175,433	29,888	17.0
Profit before tax (as reported)	37,880	201,173	(163,293)	(81.2)
Profit before tax (excluding Realisation of Fair Value Gain, Campana Gain and Pre-Sale of FASTER)	37,880	36,467	1,413	3.9

The Group's reported consolidated revenue of RM205.3 million in Q2 2017 is RM29.9 million or 17.0% higher than the consolidated revenue recorded in Q2 2016 of RM175.4 million. Revenues from data and data centre product segments recorded solid growth in Q2 2017 when compared to the previous year corresponding quarter. One-off revenues from IRU sales accounted for RM6.4 million of total data revenue in Q2 2017 (Q2 2016: RM2.2 million). Excluding the said one-off revenues from IRU sales, the Group would have recorded a growth of RM25.7 million or 14.8% on a year-on-year ("YoY") basis as the Group continued to see strong demand from its retail and enterprise customers in the current quarter.

In Q2 2016, the Group disposed all its remaining ordinary shares held in DiGi.Com Berhad for a total cash consideration of approximately RM307.2 million via a private placement exercise to eligible third party institutional/sophisticated investors and realised a fair value gain from available-for-sale reserve to profit and loss amounting to RM157.4 million ("Realisation of Fair Value Gain"). The Group also disposed its entire equity stake in Campana Group Pte. Ltd. for a gain of RM2.5 million ("Campana Gain") and recorded a gain of RM4.8 million from its pre-sale of a portion of the FASTER submarine cable system ("Pre-sale of FASTER") in Q2 2016. Excluding the abovementioned unusual items (i.e. Realisation of Fair Value Gain, Campana Gain and Pre-sale of FASTER) from the Q2 2016 consolidated pre-tax results, the Group would have recorded an adjusted consolidated pre-tax profit of RM36.5 million in Q2 2016. The increase of RM1.4 million or 3.9% in current quarter consolidated pre-tax profit when compared to the adjusted Q2 2016 pre-tax profit is mainly due to strong revenue growth from data and data centre sales coupled with an increase in IRU sales and higher interest income by RM0.9 million in Q2 2017. Note that the increase in the current quarter consolidated pre-tax profit has been achieved despite:

a) incurring an additional RM5.0 million depreciation charge and RM2.2 million higher maintenance costs in Q2 2017 mainly pursuant to the completion of the Group's new submarine cable systems;
b) net loss on foreign currency exchange in Q2 2017 of RM8.9 million compared to a net gain on foreign currency exchange of RM0.3 million in Q2 2016;
c) write off of property, plant and equipment amounting to RM2.7 million arising from the decommissioning of old transponder cards pursuant to capacity upgrades for the Unity submarine cable system in Q2 2017 (Q2 2016: RM Nil); and
d) RM0.5 million higher interest expense in Q2 2017 when compared to Q2 2016.

22. **Review of performance for the current quarter and year-to-date (contd)**

(b) **Half year period ended 30 June 2017 ("HY 2017") versus half year period ended 30 June 2016 ("HY 2016")**

Description	**HY 2017 RM'000**	**HY 2016 RM'000**	**Increase/(decrease) RM'000**	**%**
Revenue by product:				
Voice	41,623	41,752	(129)	(0.3)
Data	324,258	262,762	61,496	23.4
Data centre	55,333	43,466	11,867	27.3
Others	2,525	2,650	(125)	(4.7)
Total revenue	423,739	350,630	73,109	20.9
Profit before tax	**93,394**	**240,481**	**(147,087)**	**(61.2)**
Profit before tax (excluding Realisation of Fair Value Gain, Campana Gain and Pre-Sale of FASTER)	**93,394**	**75,775**	**17,619**	**23.3**

The Group reported a consolidated revenue of RM423.7 million in HY 2017, which is RM73.1 million or 20.9% higher when compared against the RM350.6 million consolidated revenue recorded in HY 2016. One-off revenues from IRU sales accounted for RM31.4 million of total data revenue recognised in HY 2017 (HY 2016: RM6.3 million). Excluding the one-off revenues from IRU sales, overall consolidated revenue for the current half year period would have shown a 13.9% increase when compared to the similarly adjusted revenue in the preceding year corresponding half year period. The increase in HY 2017 can be attributed to higher revenues recorded from data (excluding IRU sales) and data centre product segments of RM36.4 million (14.2% YoY growth) and RM11.9 million (27.3% YoY growth), respectively. The Group launched its 100Mbps, 300Mbps and 500Mbps TIME Fibre Home Broadband service in late-March 2016 and has since continued to see strong demand for the said service from home users. Revenue generated from the Group's retail customer base alone has almost doubled with a growth of 98.1% in HY 2017 when compared to HY2016. The Group's enterprise and wholesale customers also showed solid YoY growth in the first half of 2017 with growth rates of 11.6% and 14.1% respectively.

The Group's consolidated pre-tax profit (excluding the Realisation of Fair Value Gain, Campana Gain and Pre-sale of FASTER) of RM93.4 million in HY 2017 is RM17.6 million or 23.3% higher when compared to the adjusted consolidated pre-tax profit for HY 2016 of RM75.8 million. The increase can be mainly attributed to the following:

a) higher data and data centre revenues backed by higher IRU sales in the first half of 2017;
b) higher interest income of RM7.0 million in HY 2017 (HY 2016: RM4.2 million); and
c) higher share of profit from equity accounted investments of RM1.8 million in HY 2017 as compared to RM0.5 million in HY 2016,

offset by higher write off of property, plant and equipment arising from the decommissioning and upgrading of submarine cable transponder cards, higher depreciation and maintenance costs arising from the completion of the submarine cable systems, an increase in net loss on foreign exchange, higher interest expense and provision for doubtful debts in HY 2017 and dividend income of RM3.4 million in HY 2016 (HY 2017: RM Nil).

23. Profit before income tax

Group	Individual Quarter Current year quarter 30/6/2017 RM'000	Individual Quarter Preceding year corresponding quarter 30/6/2016 RM'000	Cumulative Quarter Six months to 30/6/2017 RM'000	Cumulative Quarter Six months to 30/6/2016 RM'000
Profit before income tax is arrived at after (charging)/crediting:				
Depreciation and amortisation of property, plant and equipment	(27,018)	(22,003)	(54,017)	(43,766)
Amortisation of borrowing costs	(321)	(231)	(664)	(387)
Interest expense	(1,719)	(1,236)	(3,410)	(2,669)
Interest income	3,210	2,307	6,974	4,180
Dividend income from quoted equity investment in Malaysia	-	-	-	3,368
Realisation of fair value gain from available-for-sale reserve to profit or loss	-	157,390	-	157,390
Rental income	11	52	20	104
Bad debt recovered	74	32	136	71
Net (loss)/gain on foreign exchange	(8,938)	264	(11,498)	(7,829)
Net (allowance)/writeback for doubtful debts	(837)	114	(1,659)	112
Net gain on disposal of property, plant and equipment	-	4,839	119	4,839
Net reversal of write off of outstanding construction deposits	-	-	13	-
Write off of property, plant and equipment	(2,697)	(274)	(2,697)	(274)
Gain on disposal of equity-accounted investment	-	2,477	-	2,477

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

24. Prospects

The Group expects the telecommunications industry to remain increasingly competitive and challenging in the second half of 2017 as its traditional revenue streams continue to be threatened and its service offerings become more and more commoditised. To face these challenges, the Group will look to leverage on its existing strengths and continue to gain market share by delivering a fast, reliable and unparalleled quality network experience and by understanding and delivering meaningful solutions that are specifically tailored to the present and future requirements of each of its customer bases. The Group will also look to strengthen its domestic fibre network and intensify efforts to extend its coverage footprint throughout the country, whilst at the same time enhancing operational and cost efficiencies within the Group. The Group continues to be encouraged by the demand for its TIME Fibre Home Broadband offerings and will look into opportunities to further tap into this market segment in Malaysia.

As part of its regional expansion strategy, the Group is looking forward to completing its proposed investment in SYMC in Thailand. SYMC currently owns an existing terrestrial fibre network across Thailand that also has cross border capabilities to connect Myanmar, Cambodia and Laos to TIME's Malaysian network almost immediately upon completion. The proposed investment in SYMC is expected to complete before the end of 2017.

The construction of the Asia-Africa-Europe 1 Cable System ("AAE-1") was deemed partially completed on 27 June 2017. AAE-1 combined with the Group's other international submarine cable investments (i.e. Unity, Faster and Asia Pacific Gateway submarine cable systems) is expected to open new markets and opportunities for the Group as the Group's combined international submarine network is now able to seamlessly connect 24 countries across the globe. Whilst the Group's international submarine cable initiatives may initially be capital intensive and may result in some profit margin compression to the Group in the early periods upon completion, they are, however, necessary to ensure continued revenue growth in the future and is expected to benefit the Group strategically in the longer term.

25. Profit forecast and profit guarantee

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

26. Earnings per share ("EPS")

	Individual Quarter		Cumulative Quarter	
	Current year quarter	Preceding year corresponding quarter	Six months to	Six months to
Basic EPS:	**30/6/2017**	**30/6/2016**	**30/6/2017**	**30/6/2016**
Weighted average number of shares in issue ('000)	578,295	575,600	578,295	575,600
Profit for the period attributable to owners of the Company (RM'000)	35,880	199,795	88,928	237,391
Basic EPS	6.20 sen	34.71 sen	15.38 sen	41.24 sen
Diluted EPS:				
Weighted average number of shares in issue ('000) (Basic)	578,295	575,600	578,295	575,600
Effect of CEO share options	6,307	3,374	5,868	3,315
Weighted average number of shares in issue ('000) (Diluted)	584,602	578,974	584,163	578,915
Profit for the period attributable to owners of the Company (RM'000)	35,880	199,795	88,928	237,391
Diluted EPS	6.14 sen	34.51 sen	15.22 sen	41.01 sen

27. Related party transactions

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

	Cumulative Quarter	
	Six months to 30/6/2017 RM'000	Six months to 30/6/2016 RM'000
Related parties		
Revenue from data, voice and other services	32,884	33,441
Interconnect revenue	3,177	3,291
Fee for wayleave and right of use of telecommunications facilities	(5,234)	(5,260)
Interconnect charges	(6,334)	(5,449)
Leased line and infrastructure costs	(13,512)	(13,331)
Network maintenance costs	(1,413)	(937)
Training expenses	(224)	(115)
Project management services costs	(131)	(23)
Leasing of transportation services	-	(438)
Companies in which Directors have significant financial interest		
Revenue from rental, support services and others	25	-
Professional legal fees costs	-	(201)

The Directors of the Group are of the opinion that the above transactions have been entered into in the normal course of business and have been established under negotiated terms.

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

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

	As at 30/6/2017 RM'000	As at 31/12/2016 RM'000
Total retained earnings of the Group		
- Realised	707,954	674,426
- Unrealised	244,850	280,735
Total retained earnings	952,804	955,161

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

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

By Order of the Board

MISNI ARYANI MUHAMAD
(LS 0009413)
Secretary

Selangor
28 August 2017

Attachment 11

YE2016 Financial Statements of TIME dotCom International Sdn Bhd

TIME dotCom International Sdn. Bhd.

(Company No. 1125366-T)
(Incorporated in Malaysia)

Financial statements for the year ended 31 December 2016

TIME dotCom International Sdn. Bhd.

(Company No. 1125366-T)
(Incorporated in Malaysia)

Directors' Report for the year ended 31 December 2016

The Directors have pleasure in submitting their report and the audited financial statements of the Company for the financial year ended 31 December 2016.

Principal activities

The Company is principally engaged in investment holding activities. There has been no significant change in the nature of these activities during the financial year.

Results

	RM'000
Profit for the year	2,570

Reserves and provisions

There were no material transfers to or from reserves and provisions during the financial year under review.

Dividends

No dividend was paid during the year and the Directors do not recommend any dividend to be paid for the year under review.

Directors of the Company

Directors who served since the date of the last report are:

Afzal Abdul Rahim
Saiful Husni Bin Samak
Christopher Stuart Parker Wilson

Directors' interests in shares

As the Company is a wholly owned subsidiary of TIME dotCom Berhad, the interest of Afzal Abdul Rahim who is also a Director of the holding company, in the shares of the Company and its related companies is disclosed in the Directors' report of TIME dotCom Berhad.

The interests and deemed interests in the ordinary shares of the Company and of its related corporations of those other Directors at the end of the financial period (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 of RM0.50 each				
	At 1.1.2016	**Share vested under Share Grant Plan**	**Bought**	**Sold**	**At 31.12.2016**
Direct interest in holding company, TIME dotCom Berhad:					
Saiful Husni Bin Samak - own	198,903	213,903	-	-	412,806
Chistopher Stuart Parker Wilson - own	-	180,706	-	-	180,706

Directors' benefits

Since the end of previous financial year, no Director of the Company has received nor become entitled to receive any benefit (other than the benefits included in the aggregate amount of emoluments received or due and receivable by Directors as shown in the financial statements 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.

There were no arrangements during and at the end of the financial year, 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 the holding company's share option to Afzal Abdul Rahim and Share Grant Plan ("SGP") in which Saiful Husni Bin Samak and Christopher Stuart Parker Wilson are eligible to participate.

Issue of shares and debentures

There were no changes in the authorised, issued and paid-up capital of the Company during the financial year.

Options granted over unissued shares

No options were granted to any person to take up unissued shares of the Company during the financial year.

Share grant plan

At an Extraordinary General Meeting held on 28 June 2012, the shareholders of TIME dotCom Berhad (“holding company” or “TdC”) 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 Directors of the Company fail to accept within the period stipulated. Non-Executive and Independent Directors and the TdC’s Group Chief Executive Officer are not eligible for the SGP;

b) The total number of shares to be issued under the share grant plan shall not exceed in aggregation of 10% of the issued and paid-up capital of the holding company (excluding treasury shares) at any point of time during the tenure of share grant plan period to eligible employees of the TdC 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 holding 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 holding company relating to transfer, transmission or otherwise;

d) The shares granted will only be vested to the eligible employees of the TdC 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 TdC Group must remain in employment with the TdC 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 TdC 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 TdC Group having achieved his/her minimum grading in his/her individual performance in accordance with the performance management system adopted by the holding company.

e) The share grant plan shall be in force for a period of eight (8) years or such longer period as may be extended but not exceeding ten (10) years from the adoption date of the share grant plan.

Other statutory information

Before the financial statements of the Company were made out, the Directors took reasonable steps to ascertain that:

i) there are no bad debts to be written off and no provision needs to be 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 require any amount to be written off for bad debts, or provided for as doubtful debts in the Company, or

ii) that would render the value attributed to the current assets in the financial statements of the Company misleading, or

iii) which have arisen which render adherence to the existing method of valuation of assets or liabilities of the Company misleading or inappropriate, or

iv) not otherwise dealt with in this report or the financial statements, that would render any amount stated in the financial statements of the Company misleading.

At the date of this report, there does not exist:

i) any charge on the assets of the Company that has arisen since the end of the financial period and which secures the liabilities of any other person, or

ii) any contingent liability in respect of the Company that has arisen since the end of the financial year.

No contingent liability or other liability of the Company 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 Company to meet its obligations as and when they fall due.

In the opinion of the Directors, the financial performance of the Company for the financial yeard ended 31 December 2016 has not been substantially affected by any item, transaction or event of a material and unusual nature other than as disclosed in the notes to the financial statements 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.

Company No. 1125366-T

Auditors

The auditors, KPMG PLT (converted from a conventional partnership, KPMG on 27 December 2016), have indicated their willingness to accept re-appointment.

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

....

Christopher Stuart Parker Wilson
Director

....

Saiful Husni Bin Samak
Director

Shah Alam, Selangor

Date: 28 February 2017

TIME dotCom International Sdn Bhd

(Company No. 1125366-T)
(Incorporated in Malaysia)

Statement of financial position as at 31 December 2016

	Note	2016 RM'000	2015 RM'000
Assets			
Non-current asset			
Investment in equity accounted investments	3	108,744	61,011
Current assets			
Other receivables	4	6,752	-
Cash at bank		6,436	5,760
Total current assets		13,188	5,760
Total assets		121,932	66,771
Equity			
Share capital	5	-*	-*
Retained earnings		4,829	2,259
Total equity		4,829	2,259
Current liabilities			
Other payables	6	117,103	64,512
Total current liabilities		117,103	64,512
Total equity and liabilities		121,932	66,771

* Consist of RM2.

The notes on pages 10 to 30 are an integral part of these financial statements.

TIME dotCom International Sdn Bhd

(Company No. 1125366-T)
(Incorporated in Malaysia)

Statement of profit or loss and other comprehensive income for the year ended 31 December 2016

	Note	Year ended 31.12.2016 RM'000	2.1.2015 (date of incorporate) to 31.12.2015 RM'000
Revenue		1,647	-
Other income		997	2,262
Administrative expenses		(84)	(61)
Profit from operating activities		2,560	2,201
Interest income		396	58
Finance cost		(386)	-
Profit before tax	7	2,570	2,259
Tax expense	8	-	-
Profit and total comprehensive income for the year/period attributable to owners of the Company		2,570	2,259

The notes on pages 10 to 30 are an integral part of these financial statements.

TIME dotCom International Sdn Bhd

(Company No. 1125366-T)
(Incorporated in Malaysia)

Statement of changes in equity for the year ended 31 December 2016

		Distributable	
	Share capital RM'000	**Retained earnings RM'000**	**Total equity RM'000**
At 2 January 2015 (Date of incorporation)	-*	-	-*
Profit and total comprehensive income for the period	-	2,259	2,259
At 31 December 2015/ 1 January 2016	-*	2,259	2,259
Profit and total comprehensive income for the year	-	2,570	2,570
At 31 December 2016	-*	4,829	4,829
	Note 5		

* Consist of 2 ordinary shares of RM1.00 each.

The notes on pages 10 to 30 are an integral part of these financial statements.

TIME dotCom International Sdn Bhd

(Company No. 1125366-T)
(Incorporated in Malaysia)

Statement of cash flows for the year ended 31 December 2016

	Year ended 31.12.2016 RM'000	2.1.2015 (date of incorporation) to 31.12.2015 RM'000
Cash flows from operating activity		
Cash payments to employees and for administrative expenses	(13)	(49)
Cash received from an associate	4	-
Cash generated from/(used in) operating activities	9	(49)
Cash flows from investing activities		
Investment in equity accounted investments	(51,858)	(60,477)
Disposal of investment in equity accounted investments	4,117	-
Dividend income	1,647	-
Interest received	8	58
Net cash used in investing activities	(46,086)	(60,419)
Cash flows from financing activities		
Advances from holding company	52,663	63,966
Advances from fellow subsidiary	7	-
Advances to an associate	(6,198)	-
Net cash generated from financing activities	46,472	63,966
Net increase in cash at bank	377	3,498
Effect of exchange rate fluctuations on cash held	299	2,262
Cash at bank balances at beginning of year/period	5,760	-*
Cash at bank 31 December	6,436	5,760

* Consist of RM2.

TIME dotCom International Sdn Bhd

(Company No. 1125366-T)
(Incorporated in Malaysia)

Notes to the financial statements

TIME dotCom International Sdn. Bhd. is a private limited liability company, incorporated and domiciled in Malaysia. The address of the principal place of business and registered office of the Company are as follows:

Level 4, No. 14, Jalan Majistret U1/26
Hicom Glenmarie Industrial Park
40150 Shah Alam, Selangor Darul Ehsan

The Company is principally engaged in investment holding activities.

The holding company is TIME dotCom Berhad, a company incorporated in Malaysia and listed on the Main Market of the Bursa Malaysia Securities Berhad.

TIME dotCom Berhad produces consolidated financial statements that comply with the Malaysian Financial Reporting Standards ("MFRSs") and International Financial Reporting Standards ("IFRSs"). Copies of the consolidated financial statements of TIME dotCom Berhad can be obtained at its registered office at Level 4, No.14, Jalan Majistret U1/26, Hicom Glenmarie Industrial Park, 40150 Shah Alam, Selangor Darul Ehsan. Accordingly and by virtue of the exemption in paragraph 10 of MFRS127, Consolidated and Separate Financial Statements, the Company has not prepared consolidated financial statements.

These financial statements were authorised for issue by the Board of Directors on 28 February 2017.

1. Basis of preparation

(a) Statement of compliance

The financial statements 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, 1965 in Malaysia.

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

1. Basis of preparation (continued)

(a) Statement of compliance (continued)

MFRSs and amendments to MFRSs (continued)		***Effective for annual periods beginning on or after***
Amendments to MFRS 107	*Statement of Cash Flows – Disclosure Initiative*	1 January 2017
Amendments to MFRS 12	*Disclosure of Interests in Other Entities (Annual Improvements to MFRS Standards 2014-2016 Cycle)*	1 January 2017
Amendments to MFRS 112	*Income taxes – Recognition of Deferred Tax Assets for Unrealised Losses*	1 January 2017
Amendments to MFRS 1	First-time Adoption of Malaysian Financial Reporting Standards (Annual Improvements to MFRS Standards 2014-2016 Cycle)	1 January 2018
Amendments to MFRS 2	Classification and Measurement of Share-based Payment Transactions	1 January 2018
MFRS 9	*Financial Instruments (2014)*	1 January 2018
MFRS 15	*Revenue from Contracts with Customers*	1 January 2018
Clarifications to MFRS 15	*Revenue from Contracts with Customers*	1 January 2018
IC Interpretation 22	*Foreign Currency Transactions and Advance Consideration*	1 January 2018
MFRS 128	*Investments in Associates and Joint Ventures (Annual Improvements to MFRS Standards 2014-2016 Cycle)*	1 January 2018
MFRS 16	*Leases*	1 January 2019
Amendments to MFRS 10 and MFRS 128	*Consolidated Financial Statements and Investments in Associates and Joint Ventures – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*	Date yet to be confirmed by MASB

The Company plans to apply the abovementioned accounting standards, amendments:

- from the annual period beginning on 1 January 2017 for those standards and amendments to standards, where applicable that are effective for annual periods beginning on 1 January 2017;

- from the annual period beginning on 1 January 2018 for those standards and amendments to standards, where applicable that are effective for annual periods beginning on 1 January 2018; and

1. Basis of preparation (continued)

(a) Statement of compliance (continued)

- from the annual period beginning on 1 January 2019 for those standards and amendments to standards, where applicable that are effective for annual periods beginning on 1 January 2019.

The initial application of the abovementioned standards and amendments to standards, where applicable are not expected to have any material financial impact to the financial statements of the Company except as mentioned below:

MFRS 15, Revenue from Contract with Customers

MFRS 15 replaces the guidance in MFRS 111, Construction Contracts, MFRS 118, Revenue, IC Interpretation 13, *Customer Loyalty Programmes*, IC Interpretation 15, Agreements for *Construction of Real Estate*, IC Interpretation 18, *Transfers of Assets from Customers* and IC Interpretation 131, *Revenue - Barter Transactions Involving Advertising Services*.

The Company is currently assessing the financial impact that may arise from the adoption of MFRS 15.

MFRS 9, Financial Instruments

MFRS 9 replaces the guidance in MFRS 139, *Financial Instruments: Recognition and Measurement* on the classification and measurement of financial assets and financial liabilities, and on hedge accounting.

The Company is currently assessing the financial impact that may arise from the adoption of MFRS 9.

MFRS 16, *Leases*

MFRS 16 replaces the guidance in MFRS 117, Leases, IC Interpretation 4, *Determining whether an Arrangement contains a Lease*, IC Interpretation 115, *Operating Leases – Incentives* and IC Interpretation 127, *Evaluating the Substance of Transactions Involving the Legal Form of a Lease*.

The Company is currently assessing the financial impact that may arise from the adoption of MFRS 16.

1. Basis of preparation (continued)

(b) Basis of measurement

The financial statements have been prepared on the historical cost basis other than as disclosed in Note 2.

As of 31 December 2016, the Company's current liabilities exceeded its current assets by RM 103,915,000. This condition indicates the existence of a material uncertainty, which may cast doubt on the Company's ability to continue as a going concern.

The validity of the going concern assumption for the preparation of financial statements is dependent upon continuous financial support from the holding company to enable the Company to meet its obligations as and when they fall due.

As at the date of the Director's report, there is no reason for the Board of Directors to believe that the holding company will not continue its support. Accordingly, the financial statements do not include any adjustments relating to the recoverability and classification of recorded assets amount and additional amounts of liabilities that may be necessary if the Company is unable to continue as a going concern.

(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 MFRS 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.

2. Significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements, unless otherwise stated.

(a) Equity accounted investments

(i) Associates

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

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 the investment includes transaction costs.

When the Company 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 Company'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.

(ii) Joint arrangement

Joint arrangements are arrangements of which the Company has joint control, established by contracts requiring unanimous consent for decisions about the activities that significantly affect the arrangements' returns.

Joint arrangements are classified and accounted for as follows:-

- A joint arrangement is classified as "joint operation" when the Company has rights to the assets and obligations for the liabilities relating to an arrangement. The Company accounts for each of its share of the assets, liabilities and transactions, including its share of those held or incurred jointly with the other investors, in relation to the joint operation.

2. Significant accounting policies (continued)

(a) Equity accounted investments (continued)

(ii) Joint arrangement (continued)

- A joint arrangement is classified as "joint venture" when the Company has rights only to the net assets of the arrangements. Investments in joint venture 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.

(b) Financial instruments

(i) Initial recognition and measurement

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

A financial instrument is recognised initially, at its fair value plus, in the case of a financial instrument not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial instrument.

An embedded derivative is recognised separately from the host contract and accounted for as a derivative if, and only if, it is not closely related to the economic characteristics and risks of the host contract and the host contract is not categorised as 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

The Company categorises financial instruments as follows:

Financial assets

Loans and receivables

Loans and receivables category comprises debt instruments that are not quoted in an active market.

Financial assets categorised as loans and receivables are subsequently measured at amortised cost using the effective interest method.

2. Significant accounting policies (continued)

(b) Financial instruments (continued)

(ii) Financial instrument categories and subsequent measurement (continued)

Financial liabilities

All financial liabilities are subsequently measured at amortised cost other than those categorised as 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) or financial liabilities that are specifically designated into this category upon initial recognition.

Derivatives that are linked to and must be settled by delivery of unquoted equity instruments whose fair values cannot be reliably measured are measured at cost.

Financial liabilities categorised as fair value through profit or loss are subsequently measured at their fair values with the gain or loss recognised in profit or loss.

(iii) 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 the financial asset is transferred to another party without retaining control or substantially transferring all risks and rewards of the asset. On derecognition of a financial asset, the difference between the carrying amount and the sum of the consideration received (including any new asset obtained less any new liability assumed) and any cumulative gain or loss that had been recognised in equity is recognised in profit or loss.

A financial liability or a part of it is derecognised when, and only when, the obligation specified in the contract is discharged or cancelled or expires. 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.

2. Significant accounting policies (continued)

(c) 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 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. Balances and deposits with banks and highly liquid investments are categorised as loans and receivables.

(d) Impairment

(i) Financial assets

All financial assets are assessed at each reporting date whether there is any objective evidence of impairment as a result of one or more events having an impact on the estimated future cash flows of the asset. Losses expected as a result of future events, no matter how likely, are not recognised. For an investment in an equity instrument, a significant or prolonged decline in the fair value below its cost is an objective evidence of impairment. If any such objective evidence exists, then the impairment loss of the financial asset is estimated.

An impairment loss in respect of loans and receivables is recognised in the profit or loss and is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the asset's original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account.

If, in a subsequent period, the fair value of a debt instrument increases and the increase can be objectively related to an event occurring after the impairment loss was recognised in profit or loss, the impairment loss is reversed, to the extent that the asset's carrying amount does not exceed what the carrying amount would have been had the impairment not been recognised at the date the impairment is reversed. The amount of the reversal is recognised in profit or loss.

(ii) Other assets

The carrying amounts of other assets (except for deferred tax asset) 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.

2. Significant accounting policies (continued)

(d) Impairment (continued)

(ii) Other assets (continued)

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 unit.

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

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

Impairment losses 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 period in which the reversals are recognised.

(e) Equity instruments

Instruments classified as equity are measured at cost on initial recognition and are not remeasured subsequently.

(i) Issue expenses

Costs 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.

2. Significant accounting policies (continued)

(f) Provisions

A provision is recognised if, as a result of a past event, the Company 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 the current market assessments of time value of money and the risks specific to that liability. The unwinding of the discount is recognised as finance costs.

(g) 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.

(h) Foreign currency transactions

Transactions in foreign currencies are translated to the respective functional currency of the Company at exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies at the end of the reporting date 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, 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 available-for-sale equity instruments or financial instruments designated as hedges of currency risk, which are recognised in other comprehensive income.

2. Significant accounting policies (continued)

(i) Dividend income

Dividend income is recognised in profit or loss on the date that the Company's right to receive payment is established, which in the case of quoted securities is the ex-dividend date.

(j) Interest income

Interest income is recognised as it accrues, using the effective interest method in profit or loss.

(k) Tax expense

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 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 financial 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 tax 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 liabilities and assets 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 temporary differences can be utilised. Deferred tax assets are reviewed at the end of each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

2. Significant accounting policies (continued)

(l) Fair value measurement

The fair value of an asset or 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 absence of a principal market, in the most advantageous market.

For non-financial asset, 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 or best use.

When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the input used in the valuation techniques as follows:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity 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 Company 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. Investment in equity accounted investments

	Note	2016 RM'000	2015 RM'000
Unquoted shares at cost outside Malaysia:			
Investment in a joint venture	3.1	3,591	3,591
Disposal		(3,591)	-
Total investment in a joint venture		-	3,591
Investment in associates	3.2	57,420	57,420
Addition		51,324	-
Total investment in associates		108,744	57,420
Total investment of unquoted shares in equity accounted investments		108,744	61,011

3.1 Details of the joint venture is as follows:

Name of entity	Country of incorporation	Principal activities	Effective ownership interest and voting interest 2016	2015
Campana Group Pte. Ltd.	Singapore	Provision of telecommunication and related services	-	25.0%

On 29 April 2016, the Company disposed its entire equity stake in Campana Group Pte. Ltd. for a cash consideration of USD999,750. The said disposal resulted in a gain of approximately RM526,000 to the Company.

3.2 Details of the associates are as follows:

Name of entity	Country of incorporation	Principal activities	Effective ownership interest and voting interest 2016	2015
CMC Telecommunication Infrastructure Corporation	Vietnam	Provision of telecommunication and related services in Vietnam	45.3%	25.4%
KIRZ Co. Ltd.	Thailand	Provision of telecommunications services in Thailand	49.0%	49.0%
KIRZ Holding Co. Ltd.	Thailand	Investment holding	49.0%	49.0%

4. Other receivables

	Note	2016 RM'000	2015 RM'000
Non-trade			
Amount due from an associate	4.1	6,750	-
Interest receivable		2	-
		6,752	-

4.1 Amount due from an associate

The amount due from an associate is unsecured and repayable on demand with an interest of 12.5% per annum. The balances arise mainly from shareholder advance made during the year.

5. Share capital

	Amount 2016 RM	Number of shares 2016	Amount 2015 RM	Number of shares 2015
Authorised:				
Ordinary shares of RM1.00 each	400,000	400,000	400,000	400,000
Issued and fully paid:				
Ordinary shares of RM1.00 each	2	2	2	2

6. Other payables

	Note	2016 RM'000	2015 RM'000
Non-trade			
Amount due to holding company	6.1	117,079	63,966
Amount due to a fellow subsidiary	6.2	7	-
Accrued expenses		17	546
		117,103	64,512

6.1 Amount due to holding company

The amount due to holding company is unsecured, repayable on demand and interest free except for a shareholder loan amounting to RM 6,198,000 (equivalent to THB51,000,000) that is charged with an interest rate of 12.5% per annum. Other than the abovementioned shareholder loan, the other balances arise mainly from advances for share purchase of CMC Telecommunication Infrastructure Corporation amounting to RM 45,674,000, management fee and expenses paid on behalf.

6. Other payables (continued)

6.2 Amount due to fellow subsidiary

The amount due to a fellow subsidiary is unsecured, interest free and repayable on demand. The balances arise mainly from advances and expenses paid on behalf.

The above other payables are categorised as other financial liabilities.

7. Profit before tax

	Year ended 31.12.2016 RM'000	2.1.2015 (date of incorporation) to 31.12.2015 RM'000
Profit before tax is arrived at after charging:		
Auditor's remuneration	8	8
Interest expense to holding company	386	-
and after crediting:		
Dividend income from an associate	1,647	-
Gain on disposal of equity accounted investment	526	-
Interest income from bank	10	58
Interest income from an associate	386	-
Net gain on foreign exchange	467	2,262

8. Tax expense

	Year ended 31.12.2016 RM'000	2.1.2015 (date of incorporation) to 31.12.2015 RM'000
Tax expense	-	-
Reconciliation of effective tax expense:		
Profit before tax	2,570	2,259
Tax at Malaysian tax rate of 24% (2015: 25%)	617	565
Non-taxable income	(617)	(565)
Tax expense	-	-

9. Related parties

Identity of related parties

For the purposes of these financial statements, parties are considered to be related to the Company, if the Company has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Company and the party are subject to common control or common significant influence. 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 Company directly or indirectly. Key management personnel includes all the Directors of the Company. There are no transactions with key management personnel during the financial year.

Significant related party transactions

The significant related parties transactions of the Company are shown below:

	Year ended 31.12.2016 RM'000	2.1.2015 (date of incorporation) to 31.12.2015 RM'000
Holding company		
Management fees expense	64	35

The Directors of the Company are of the opinion that the above transactions have been entered into in the normal course of business and have been established under negotiated terms.

The outstanding balances due to the holding company of the Company are disclosed in Note 6.

10. Financial instruments

10.1 Financial risk management

The Company has exposure to the following risks from its use of financial instruments:

(i) Credit risk
(ii) Liquidity risk
(iii) Market risk

10.2 Credit risk

Credit risk is the risk of a financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Company’s exposure to credit risk arises principally from amount due from an associate and deposits with financial institutions.

Deposits with financial institutions

Risk management objectives, policies and processes for managing the risk

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

As at the end of the reporting period, there was no indication that the amounts deposited with licensed financial institutions are not recoverable.

Receivables

Risk management objectives, policies and processes for managing the risk

The Company provides unsecured loans and advances to an associate. The Company monitors the results of the associate regularly.

Exposure to credit risk, credit quality and collateral

As at the end of the reporting period, the maximum exposure to credit risk arising from receivables is represented by the carrying amounts in the statements of financial position.

10. Financial instruments (continued)

10.2 Credit risk (continued)

Receivables (continued)

Impairment losses

As at the end of the reporting period, there was no indication that the loans and advances to the associate are not recoverable.

10.3 Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due.

The Company's exposure to liquidity risk arises principally from its various payables and other applicable contractual obligations and commitments. The Company's current liabilities exceed its current assets and the Company is dependent on the ongoing financial support from its holding company.

Maturity analysis

The table below summarises the maturity profile of the Company's financial liabilities as at the end of the reporting period based on undiscounted contractual payments:

	Carrying amount RM'000	**Contractual cash flows RM'000**	**Under 1 year RM'000**
2016			
Financial liabilities			
Other payables	117,103	117,103	117,103
2015			
Financial liabilities			
Other payables	64,512	64,512	64,512

There is no contractual interest rate for the above financial liabilities.

10.4 Market risk

Market risk is the risk that changes in the market prices, such as foreign exchange rates, interest rates and other prices will affect the Company's financial position or cash flows.

10. Financial instruments (continued)

10.4 Market risk (continued)

Currency risk

The Company is exposed to foreign currency risk on cash in bank balances and receivables that are denominated in currencies other than the functional currency of the company.

Risk management objectives, policies and processes for managing the risk

The Company has a potential currency risk exposure arising from deposits with licensed financial institution and receivables 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 Company may consider using financial instruments to hedge its foreign currency risk.

Exposure to foreign currency risk

The Company's exposure to foreign currency risk, based on the carrying amounts as at the end of the reporting period was:

	2016 RM'000	**2015 RM'000**
Cash and cash equivalents		
USD	4,618	5,707
VND	1,818	53
Other receivables		
THB	6,750	-
Net exposure in the statement of financial position	13,186	5,760

10. Financial instruments (continued)

10.4 Market risk (continued)

Currency risk sensitivity analysis

A 1% weakening of RM against the above currencies as at 31 December would have increased the profit or loss by the amounts shown below. This analysis is based on foreign currency exchange rate variances that the Company considered to be reasonably possible at the end of the reporting year. The analysis assumes that all other variables, in particular interest rates, remained constant.

	Profit or (loss)	
	2016	**2015**
	RM'000	**RM'000**
1% weakening of RM against:		
USD	46	57
VND	18	1
THB	68	-

A 1% strengthening of the Ringgit Malaysia against the above currencies as at 31 December would have had the equal but opposite effect on the above currencies to the amounts shown above, on the basis that all other variables remained constant.

10.5 Fair value information

The carrying amounts of cash and cash equivalents, receivables, payables and accruals approximate fair values. Accordingly, the fair values and level of the fair value hierarchy have not been presented for these financial instruments.

It was not practicable to estimate the fair value of the Company's investments in unquoted shares due to the lack of comparable quoted prices in an active market and the fair value cannot be reliably measured.

11. Capital management

The Company's objectives when managing capital is to maintain an optimal capital structure and to safeguard the Company'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 Company is dependent on the ongoing financial support from its holding company.

There were no changes in the Company's approach to capital management during the financial year.

12. Significant events during the year

(a) During the year, the Company increased its shareholding in CMC Telecommunication Infrastructure Corporation ("CMC Telecom") as follows:

(i) On 29 January 2016, the Company acquired 5,794,800 ordinary shares in CMC Telecom for a cash consideration of VND231,792,000.

(ii) On 16 February 2016, the Company acquired a further 377,000 ordinary shares representing an additional 1.13% stake in CMC Telecom for a cash consideration of VND13,195,000.

(iii) On 25 March 2016, the Company acquired an additional 414,824 ordinary shares in CMC Telecom for a cash consideration of VND14,518,840,000.

(iv) On 13 April 2016, the Company acquired another 79,500 ordinary shares in CMC Telecom for a cash consideration of VND2,830,000,000.

The above acquisitions collectively increased the Company's effective ownership interest in CMC Telecom to 45.27% as at 31 December 2016.

(b) On 29 April 2016, the Company disposed its entire equity stake in Campana Group Pte. Ltd. for a cash consideration of USD999,750. The said disposal resulted in a gain of approximately RM526,000 to the Company.

13. Comparatives

The comparative figures for statements of profit and loss and other comprehensive income, cash flows, changes in equity and the relevant notes shown are for the period from 02 January 2015 (date of incorporation) to 31 December 2015 and are not comparable to the current year ended 31 December 2016.

TIME dotCom International Sdn Bhd

(Company No. 1125366-T)
(Incorporated in Malaysia)

Statement by Directors pursuant to Section 169(15) of the Companies Act, 1965

In the opinion of the Directors, the financial statements set out on pages 6 to 30 are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirement of Companies Act, 1965 in Malaysia so as to give a true and fair view of the financial position of the Company as of 31 December 2016 and of its 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:

....

Christopher Stuart Parker Wilson
Director

....

Saiful Husni Bin Samak
Director

Shah Alam, Selangor

Date: 28 February 2017

TIME dotCom International Sdn Bhd

(Company No. 1125366-T)
(Incorporated in Malaysia)

Statutory declaration pursuant to Section 169(16) of the Companies Act, 1965

I, **Christopher Stuart Parker Wilson,** the officer primarily responsible for the financial management of TIME dotCom International Sdn Bhd, do solemnly and sincerely declare that the financial statements set out on pages 6 to 30 are, to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the same to be true, and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by the above named Christopher Stuart Parker Wilson in Shah Alam on 28 February 2017.

....
Christopher Stuart Parker Wilson

Before me:

PESURUHJAYA SUMPAH
No B331
Nama ZALEHA BINTI ZAINI
MALAYSIA

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Independent Auditors' Report to the member of Time dotCom International Sdn. Bhd.

(Company No. 1125366-T)
(Incorporated in Malaysia)

Report on the Financial Statements

Opinion

We have audited the financial statements Time dotCom International Sdn. Bhd., which comprise the statement of financial position as at 31 December 2016, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the financial year then ended, and notes to financial statements, including a summary of significant accounting policies, as set out on pages 6 to 30.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at 31 December 2016, and of its financial performance and 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, 1965 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 *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We believed 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 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' Code of Ethics for Professional Accountants ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

Material Uncertainty Related to Going Concern

We draw attention to Note 1(b) of the financial statements. As at 31 December 2016, the Company's current liabilities exceeded its current assets by RM103,915,000. This event or condition indicates that a material uncertainty exists that may cast significant doubt on the ability of the Company to continue as a going concern. Our opinion is not modified in respect of this matter.

Company No. 1125366-T

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 Company and our auditors' report thereon.

Our opinion on the financial statements of the Company does not cover the Directors' Report and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Company, our responsibility is to read the Directors' Report and, in doing so, consider whether the Directors' Report is materially inconsistent with the financial statements 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, we conclude that there is a material misstatement of the Directors' Report, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Statements

The Directors of the Company are responsible for the preparation of financial statements 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, 1965 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 Company that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Company, the Directors are responsible for assessing the ability 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 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 Company as 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.

Company No. 1125366-T

Auditors' Responsibilities for the Audit of the Financial Statements (continued)

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements 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 Company's internal control.

- Evaluate the appropriate 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 Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in auditors report to the related disclosures in the financial statements of the Company or, if such disclosure are inadequate, to modify our opinion. Our conclusion are based on the audit evidence obtained up to date of our auditors' report. However, future events or the conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements of the Company, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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.

KPMG

Company No. 1125366-T

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act, 1965 in Malaysia, we also report that in our opinion, the accounting and other records and the registers required by the Act to be kept by the Company have been properly kept in accordance with the provisions of the Act.

Other Matter

This report is made solely to the member of the Company, as a body, in accordance with Section 174 of the Companies Act, 1965 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

KPMG

KPMG PLT
(LLP0010081-LCA & AF 0758)
Chartered Accountants

Petaling Jaya, Selangor

Date: 28 February 2017

Chua See Guan
Approval Number: 03169/02/2019 J
Chartered Accountant