

TIME dotCom Berhad
413292-P



Annual Report 2005



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Notice Of Annual General Meeting

NOTICE IS HEREBY GIVEN THAT the Ninth Annual General Meeting of the Company will be held at Banquet Hall, Kuala Lumpur Golf & Country Club, No. 10, Jalan 1/70D, Off Jalan Bukit Kiara, 60000 Kuala Lumpur on Thursday, 8 June 2006 at 10.30 a.m. for the purpose of transacting the following businesses:

AGENDA

Ordinary Business:

1. To receive the Audited Accounts for the year ended 31 December 2005 together with the Reports of the Directors and Auditors thereon. **Resolution 1**
2. To re-elect the following Directors retiring in accordance with Article 94 of the Company's Articles of Association and being eligible, offered themselves for re-election:
 - i) Dato' Ir. Wan Muhamad Wan Ibrahim **Resolution 2**
 - ii) Elakumari Kantilal **Resolution 3**
3. To re-elect Azian Mohd Noh who is retiring in accordance with Article 99 of the Company's Articles of Association and being eligible, offered herself for re-election. **Resolution 4**
4. To re-elect Dato' Shaik Daud Md Ismail, who has attained the age of seventy (70) years, in accordance with Section 129(6) of the Companies Act, 1965. **Resolution 5**
5. To approve the Directors' remuneration of RM321,287.00 for the financial year ended 31 December 2005. **Resolution 6**
6. To re-appoint Messrs KPMG as Auditors and to authorise the Directors to fix their remuneration. **Resolution 7**

Special Business:

To consider and if thought fit, pass the following as Ordinary Resolution:

7. "THAT subject always to the Companies Act, 1965 and the Articles of Association of the Company, the Directors be and are hereby empowered, pursuant to Section 132D of the Companies Act, 1965, to issue shares in the Company from time to time and upon such terms and conditions and for such purposes as the Directors may in their absolute discretion deem fit provided that the aggregate number of shares issued pursuant to this Resolution does not exceed 10% of the issued share capital of the Company for the time being and that such authority shall continue in force until the conclusion of the next Annual General Meeting; and FURTHER THAT the Directors be and are hereby empowered to obtain the approval for the listing and quotation for the additional shares so issued on Bursa Malaysia Securities Berhad." **Resolution 8**
8. To transact any other business of which due notice shall have been given in accordance with the Companies Act, 1965. **Resolution 9**

BY ORDER OF THE BOARD

MISNI ARYANI MUHAMAD (LS 08983)
GOH WEI KHWAN (MAICSA 7027743)
Secretaries

15 May 2006
Kuala Lumpur

**Notes:**

1. A member entitled to attend and vote at the above Meeting is entitled to appoint a proxy/proxies to attend and vote in his stead. A proxy may but need not be a member of the Company and Section 149(1)(b) of the Companies Act, 1965 shall not apply to the Company.
2. The instrument of proxy shall be in writing and signed by the appointer or by his attorney and in the case of a corporation, either under its common seal or signed by its attorney or officer on behalf of the corporation.
3. A member who holds 1,000 shares or less in the Company is entitled to appoint one (1) proxy whilst a member holding more than 1,000 shares in the Company is entitled to appoint a maximum of two (2) proxies. Where a member of the Company is an authorised nominee as defined in accordance with the Securities Industry (Central Depositories) Act, 1991, it may appoint one (1) proxy in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.
4. Where a member appoints two (2) proxies, the appointments shall be invalid unless the proportion of holding to be represented by each proxy is specified.
5. The instrument appointing a proxy or other authority, if any, under which it is signed or a notarially certified copy of that power or authority shall be deposited at the Company's Share Registrar's office, **Mega Corporate Services Sdn Bhd at Level 15-2, Faber Imperial Court, Jalan Sultan Ismail, 50774 Kuala Lumpur** not less than forty eight (48) hours before the time for holding the meeting or adjourned meeting, or in the case of a poll not less than twenty four (24) hours before the time appointed for the taking of the poll, and in default the instrument of proxy shall not be treated as valid.

Explanatory Note on Special Business:**Ordinary Resolution No. 8**

The proposed adoption of Ordinary Resolution 8 is to give flexibility to the Directors to issue and allot shares at any time without convening a general meeting, in order to avoid any delay and cost involved in convening one.

STATEMENT ACCOMPANYING NOTICE OF ANNUAL GENERAL MEETING PURSUANT TO PARAGRAPH 8.28(2) OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD

1. Directors who are standing for re-election are:
 - (a) Dato' Ir. Wan Muhamad Wan Ibrahim
 - (b) Elakumari Kantilal
 - (c) Azian Mohd Noh
 - (d) Dato' Shaik Daud Md Ismail
2. Details of attendance of Directors at Board Meetings held during the financial year are set out on pages **5 to 7**.
3. The Ninth Annual General Meeting of the Company will be held as follows:

Venue : Banquet Hall, Kuala Lumpur Golf & Country Club
No. 10, Jalan 1/70D, Off Jalan Bukit Kiara
60000 Kuala Lumpur.

Date : Thursday, 8 June 2006

Time : 10.30 a.m.

Further details of Directors who are standing for re-election at the Ninth Annual General Meeting are set out on pages **5 to 7**.



Corporate Information

Corporate Structure

TIME dotCom Berhad
Investment holding, provision of management and marketing/promotional services and retailing of telecommunications products.

100%

TT dotCom Sdn Bhd
Provision of voice, data, video and image communication services through domestic and international networks.

100%

TIME dotNet Berhad
Provision and marketing of Internet services.

100%

TIME Reach Sdn Bhd
Provision of public payphone services.

100%

TIMESat Sdn Bhd
Provision of telecommunication facilities and services using satellite and microwave. The company is currently dormant.

Board of Directors

Dato' Ir. Wan Muhamad Wan Ibrahim
(Chairman)
Dato' Ir. Abdul Rahim Abu Bakar
Dato' Shaik Daud Md Ismail
Elakumari Kantilal
Abdul Kadir Md Kassim
Kamaludin Abdul Kadir
Amiruddin Abdul Aziz
Azian Mohd Noh

Executive Committee

Dato' Ir. Abdul Rahim Abu Bakar
Abdul Kadir Md Kassim
Eric Cheng Dek
Mek Yam Jusoh

Audit Committee

Dato' Shaik Daud Md Ismail
(Chairman)
Dato' Ir. Abdul Rahim Abu Bakar
Elakumari Kantilal

Nomination Committee

Abdul Kadir Md Kassim
(Chairman)
Dato' Shaik Daud Md Ismail
Kamaludin Abdul Kadir

Remuneration Committee

Dato' Ir. Abdul Rahim Abu Bakar
(Chairman)
Abdul Kadir Md Kassim
Kamaludin Abdul Kadir

Tender Board Committee

Dato' Ir. Wan Muhamad Wan Ibrahim
(Chairman)
Dato' Ir. Abdul Rahim Abu Bakar
Elakumari Kantilal

Technical Committee

Kamaludin Abdul Kadir
(Chairman)
Dato' Ir. Wan Muhamad Wan Ibrahim
Eric Cheng Dek
Wan Ahmad Kamal Wan Ahmad Marzuki
Mohd Zamri Salleh

Company Secretaries

Misni Aryani Muhamad (LS 08983)
Goh Wei Khwan (MAICSA 7027743)

Registered Office

Level 1, Wisma TIME
249 Jalan Tun Razak
50400 Kuala Lumpur
Tel: 603 2720 8000
Fax: 603 2720 3743

Share Registrar

Mega Corporate Services Sdn Bhd
Level 15-2, Faber Imperial Court
Jalan Sultan Ismail
50250 Kuala Lumpur
Tel: 603 2692 4271
Fax: 603 2732 5399

Auditors

Messrs KPMG
Wisma KPMG, Jalan Dungun
Damansara Heights
50490 Kuala Lumpur

Stock Exchange Listing

Main Board of the Bursa Malaysia
Securities Berhad



Profile Of The Board Of Directors

Dato' Ir. Abdul Rahim Abu Bakar

Independent, Non-Executive Director

Dato' Ir. Abdul Rahim Abu Bakar, a Malaysian aged 60, was appointed to the Board of TIME dotCom on 1 April 2003. He is the Chairman of the Board Remuneration Committee and a member of the Board Executive Committee, Audit Committee and Board Nomination Committee.

Dato' Ir. Abdul Rahim graduated from the Brighton College of Technology, United Kingdom with B.Sc (Hon) Electrical Engineering in 1969. He is a member of the Institute of Engineers Malaysia (MIEM) and the Institute of Electrical Engineers, UK (MIEE). He is associated with several professional bodies namely Professional Engineer, Malaysia (P.Eng) and Chartered Engineer UK (C.Eng). He also holds the Electrical Engineer Certificate of Competency Grade 1.

Dato' Ir. Abdul Rahim began his career in 1969 with the then National Electricity Board. He was attached to the organisation for 10 years in various technical and engineering positions before he moved on to the private sector. From 1979 to 1983, he served with Pernas Charter Management Sdn Bhd, a management company for the tin mining industry. Then, from late 1983 to 1991, he was attached to Malaysia Mining Corporation Berhad (MMC) in various senior positions. Later from 1991 to 1995, he moved on to MMC Engineering Services Sdn Bhd and subsequently to MMC Engineering Group Berhad as the Managing Director. In May 1995, he joined Petronas to assume the position of Managing Director of Petronas Gas Berhad (PGB) and subsequently moved on to Petronas, Petrochemical Business as its Vice President in 1999. He retired from Petronas on 31 August 2002.

He also sits on the Board of Westport Holdings Berhad, Bank Pembangunan & Infrastruktur Berhad and Scomi Engineering Berhad.

He has no securities holdings in the Company and/or its subsidiaries. He also has no family relationship with any Directors and/or major shareholders nor any conflict of interest with the Company.

He has not been convicted of any offence in the past 10 years.

Dato' Ir. Abdul Rahim attended 13 out of the 14 Board of Directors' meetings held in the financial year ended 31 December 2005.

Dato' Ir. Wan Muhamad Wan Ibrahim Chairman/Non-Executive Director

Dato' Ir. Wan Muhamad Wan Ibrahim, a Malaysian aged 64, was appointed to the Board of TIME dotCom on 26 July 2001 and as Chairman on 15 November 2001. He is also the Chairman of the Tender Board Committee and a member of the Board Technical Committee.

Dato' Ir. Wan holds a Diploma in Electrical Engineering (Light Current) from Brighton College of Technology, United Kingdom. He began his career as Assistant Controller Telekom with the then Jabatan Telekom Malaysia and served in various capacities before he was appointed to the post of Director of Telekom in 1985. Upon privatisation of Jabatan Telekom Malaysia, he joined Syarikat Telekom Malaysia Berhad (now known as Telekom Malaysia Berhad) and retired in 1996 as Senior Vice President of Marketing. Thereafter, he served as the first Chief Executive Officer of TM Touch until 1999. He has over 33 years of experience in the telecommunications industry.

He has no securities holdings in the Company and/or its subsidiaries. He also has no family relationship with any Directors and/or major shareholders nor any conflict of interest with the Company.

He has not been convicted of any offence in the past 10 years.

Dato' Ir Wan attended all the 14 Board of Directors' meetings held in the financial year ended 31 December 2005.

Dato' Shaik Daud Md Ismail

Independent, Non-Executive Director

Dato' Shaik Daud Md. Ismail, a Malaysian aged 70, was appointed to the Board of TIME dotCom on 21 June 2004. He is also the Chairman of the Audit Committee and a member of the Board Nomination Committee.

Dato' Shaik obtained his Barrister-at-Law from Lincoln's Inn London and was called to the English Bar in December 1962. He served in the Malaysian Government Judicial and Legal services for 38 years until his retirement on 25 June 2001. His last appointment was as a Judge of the Court of Appeal. He also sits on the Board of Formis (Malaysia) Berhad.

He has no securities holdings in the Company and/or its subsidiaries. He also has no family relationship with any Directors and/or major shareholders nor any conflict of interest with the Company.

He has not been convicted of any offence in the past 10 years.

Dato' Shaik attended 12 out of the 14 Board of Directors' meetings held in the financial year ended 31 December 2005.



Profile Of The Board Of Directors

Abdul Kadir Md Kassim

Non-Executive Director

Abdul Kadir Md Kassim, a Malaysian aged 65, was appointed to the Board of TIME dotCom on 22 October 2001. He is also the Chairman of the Board Nomination Committee and a member of the Board Executive Committee and Board Remuneration Committee.

He holds a Bachelor of Laws degree from University of Singapore. He served in the Malaysian Administrative and Diplomatic Service and in the Judicial and Legal Service between 1966 and 1973, holding various positions. He is currently the Managing Partner of Messrs Kadir, Andri & Partners. He is also a Director of United Engineers (Malaysia) Berhad, UEM World Berhad, Suria Capital Holdings Berhad, Ho Hup Construction Company Berhad, Proton Holdings Berhad and a few private companies, including being the Chairman of Labuan International Financial Exchange.

He has no securities holdings in the Company and/or its subsidiaries. He also has no family relationship with any Directors and/or major shareholders nor any conflict of interest with the Company.

He has not been convicted of any offence in the past 10 years.

Kadir attended all the 14 Board of Directors' meetings held in the financial year ended 31 December 2005.

Elakumari Kantilal

Non-Executive Director

Elakumari Kantilal, a Malaysian aged 48, was appointed to the Board of TIME dotCom on 8 March 2001. She is also a member of the Audit Committee and Tender Board Committee.

Elakumari holds a Master of Science in Finance & Accounting from University of East Anglia, United Kingdom. She started her career with the Accountant General's Office in 1981 and later served the Division on Monitoring of Government-Owned enterprises at the Ministry of Finance from 1986 to 1994. She joined Khazanah Nasional Berhad in 1994 and is currently the Director, Investments. She also sits on the Board of TIME Engineering Berhad and Faber Group Berhad.

She has no securities holdings in the Company and/or its subsidiaries. She also has no family relationship with any Directors and/or major shareholders nor any conflict of interest with the Company.

She has not been convicted of any offence in the past 10 years.

Elakumari attended all the 14 Board of Directors' meetings held in the financial year ended 31 December 2005.

Kamaludin Abdul Kadir

Independent, Non-Executive Director

Kamaludin Abdul Kadir, a Malaysian aged 63, was appointed to the Board of TIME dotCom on 24 October 2001. He is the Chairman of the Technical Committee and a member of the Board Nomination Committee and Board Remuneration Committee.

Kamaludin holds a Bachelor of Engineering (Elect.) degree from the University of Auckland, New Zealand. He has extensive experience in the telecommunications industry and hands-on experience in ICT systems. He was also involved in major technology matters during his service with the Ministry of Defence from 1972 to 1983. He was formerly the Executive Director of Perwira Ericsson Sdn Bhd and a nominee of Lembaga Tabung Angkatan Tentera on the Board of Ericsson (Malaysia) Sdn Bhd. He is presently pursuing business in the ICT industry.

He has no securities holdings in the Company and/or its subsidiaries. He also has no family relationship with any Directors and/or major shareholders nor any conflict of interest with the Company.

He has not been convicted of any offence in the past 10 years.

Kamaludin attended all the 14 Board of Directors' meetings held in the financial year ended 31 December 2005.



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Amiruddin Abdul Aziz

Non-Executive Director

Amiruddin Abdul Aziz, aged 46, a Malaysian, was appointed to the Board of TIME dotCom on 24 March 2004. He graduated with a Bachelor of Business Administration degree from Ohio University, USA. He has been serving the UEM Group since 1988 in various senior positions - beginning with the Head of Treasury Department in Projek Lebuhraya Utara-Selatan Berhad or PLUS. In January 1994, he was appointed the General Manager of Group Corporate Affairs in HBN Management Sdn Bhd (now known as UEM Group Management Sdn Bhd).

From January 1997 to January 1999, Amiruddin was the Chief Financial Officer of Projek Usahasama Transit Ringan Automatik Sdn Bhd (PUTRA). He was later appointed the Chief Operating Officer of EPE Power Corporation Berhad (now known as Ranhill Power Berhad) from February 1999 to August 2000. At the end of his tenure with EPE, he was transferred to Renong Berhad (now known as UEM Land Sdn Bhd) as its Chief Operating Officer. Furthering his career, he was appointed Chief Operating Officer of TIME Engineering Berhad on 18 November 2001, before being appointed Managing Director in April 2003.

Amiruddin currently sits on the Boards of TIME Engineering Berhad and Ranhill Power Berhad and several other private limited companies.

He has no securities holdings in the Company and/or its subsidiaries. He also has no family relationship with any Directors and/or major shareholders nor any conflict of interest with the Company.

He has not been convicted of any offence in the past 10 years.

Amiruddin attended 13 out of the 14 Board of Directors' meetings held in the financial year ended 31 December 2005.

Azian Mohd Noh

Non-Executive Director

Azian Mohd Noh, a Malaysian aged 53, was appointed to the Board of TIME dotCom on 29 March 2006. Prior to her appointment as a Director, she was an alternate Director to Dato' Mohd Salleh Mahmud, who resigned from the Company on 30 December 2005. She is a graduate of Universiti Malaya with Bachelor of Economics and Advanced Diploma in Accounting and has a Master in Business Administration from Universiti Kebangsaan Malaysia. She is also a member of the Malaysian Institute of Accountants.

Azian started her career as a Treasury Accountant and served at the Accountant General's Department and Ministry of Public Enterprise between 1980 to 1982. She was the Senior Accountant of Kraftangan Malaysia before her appointment as Deputy Director of Finance of SIRIM in 1985.

In 1991, she was appointed as Deputy Director of Kumpulan Wang Amanah Pencen (KWAP) and is currently the Director of KWAP.

Azian also sits on the Board of Rashid Hussain Berhad and Valuecap Sdn Bhd and is a member of the Investment Committee of Valuecap Sdn Bhd.

She has no securities holdings in the Company and/or its subsidiaries. She also has no family relationship with any Directors and/or major shareholders nor any conflict of interest with the Company.

She has not been convicted of any offence in the past 10 years.

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Chairman's Statement

Dear Shareholders

On behalf of the Board of Directors, I hereby present the Annual Report and Audited Financial Statements of TIME dotCom Berhad for the financial year ended 31 December 2005.

Financial Performance

The Malaysian economy moderated in 2005, registering a growth of 5.3 percent after expanding an impressive 7.1 percent in 2004. With oil prices continuing to rise and a higher interest rate regime in operation, the economy is slated for another moderate expansion in the near term.

Against this backdrop, and coupled with the persistently rising competitiveness in the communications industry, TIME dotCom (the Group) posted a lower revenue of RM459.9 million in 2005 as compared to RM578.4 million in 2004. The lower revenue is mainly due to lower international interconnect revenue and payphone revenue, which have been adversely affected by the competitive pricing structure in both retail and wholesale businesses.

The Group posted a loss before income tax of RM237.9 million compared to RM831.9 million in 2004. This is a significant improvement resulting from lower cost of sales and operating expenditure. It was a result of the Group's conscious efforts towards reducing the high losses which were mainly due to higher depreciation after the company's decision to change the depreciation method which took effect in the fourth quarter of 2004.

The Fixed Line business (including Voice and Data, Indirect Access and Broadband products and services) continued to be the Group's major revenue earner, raking in RM273.5 million or 59.5% of the total revenue. The Payphone business under TIME Reach contributed RM168.0 million or 36.5% of total revenue while another RM18.4 million or 4% came from the Internet business.



Operational Highlights

Customer Focus Strategy

During the year, the Group continued to pursue its strategy of focusing on customers and intensified its efforts to improve its customer service. The TIME Priority Plus (TPP) club was established as part of our continuous efforts in improving customer loyalty and ensuring customer satisfaction. It entails specially-designed customer relationship management (CRM) programmes aimed at retaining these high-value customers and forging beneficial long term relationships with them.

Meanwhile, to inculcate a customer service culture amongst TIME employees, the “TIME Ambassador Programme” was launched. In 2005, all departments under Customer Service Division attained ISO 9001:2000 certification, signifying our commitment to customer service quality standards and excellence.

Network Improvement & Optimisation

In our efforts to ensure high service quality, two major network enhancement projects were undertaken in 2005, namely the Metro Ethernet Backbone Network (Metro-E) and the Metro Transmission Enhancement (Tip Top).

The Metro-E project transforms TIME dotCom’s existing network into an Internet Protocol (IP)-based network, capable of providing higher capacity and facilitating new services.

Meanwhile, Tip Top further enhances TIME’s existing fibre infrastructure resiliency. Under this project, the existing last-mile network equipment was replaced with the Next Generation Synchronous Digital Hierarchy (SDH) equipment, while a dual-connection concept was introduced to reduce dependency on one single hub.

To enable effective planning and better network optimisation, TIME adopted the Network Inventory and Capacity System (NICS) that will accelerate revenue growth through improved service delivery by providing accurate and reliable network information.



Chairman's Statement

Regulatory Matters

MCMC has issued a new Mandatory Standard on Access (MSA) that governs wholesale relationships between operators in relation to access to facilities and services under its Access List determination. The Group stands to benefit from the Access List as it opens up more market opportunities.

The development of the Voluntary Access Code by the MCMC, with cooperation from industry players was another milestone for TIME. A vital move towards self-regulation, the Code is aimed at regulating all matters concerning access and interconnect in the communications industry. TIME welcomes the timely arrival of the Code in a climate of rapid changes evolving the communications industry.

Outlook and Prospects

The Malaysian economy is expected to maintain a moderate growth rate in 2006 despite the increasing challenges of high oil prices. This, coupled with the continued competitiveness of the communications industry, will mean that 2006 will be yet another challenging year for TIME.

Nevertheless, TIME is optimistic of its potential in the broadband arena, more so with the recent award of the 3G spectrum by the Government. I am pleased to announce that TT dotCom, a wholly owned subsidiary of the Group, has recently been successful in its application for a 3G spectrum assignment. The spectrum will be issued by the MCMC upon submission of detailed plans by TT dotCom before 3 September 2006.

The award of 3G spectrum is a significant milestone for the Group, as 3G will be a catalyst to propel the business further, particularly in the broadband service delivery. The broadband market is largely untapped and with the right proposition, TIME will create a niche for itself in the 3G broadband market. The Group hopes to pilot the roll out in the second half of 2006, as soon as the 3G spectrum is granted by MCMC.

On top of this, the Management has outlined three broad strategies aimed at improving performance in 2006:

- Business Optimisation, which focuses on leveraging on TIME's existing infrastructure to optimise existing technology, equipments and other assets. Services will be consolidated or phased out to relieve the company of huge non-performing maintenance costs. Payphone and other wholesale commoditised products are being realigned to ensure their competitiveness and appeal to the market.



- Organisation Change, which will be centred on a customer-focussed and operational excellence strategy.
- New Business Development strategy through repackaging and bundling of existing products that will be strategically positioned to reach a wider market.

Changes to the Board

In 2005, Tan Kim Shah was appointed as a Non-Executive, Non-Independent Director. However due to family commitment, he had to resign from the Board on 24 April 2006.

During the year, Tan See Yin resigned as Managing Director to move on to another position within the UEM Group. Dato' Mohd Salleh Mahmud and his alternate, Azian Mohd Noh also resigned as Non-Executive Directors. However, on 29 March 2006 Azian was reappointed as full director on the Board of TIME dotCom Berhad. On behalf of the Board, I would like to thank Tan See Yin, Dato' Salleh and Tan Kim Shah for their invaluable contribution to the Company.

Dividends

The Board of Directors does not recommend any payment of dividends for the financial year ended 31 December 2005.

Acknowledgement

On behalf of the Board, I would like to take this opportunity to record our gratitude and appreciation to our shareholders, customers, the government and regulatory authorities, bankers, business associates and analysts for their continuing support and cooperation.

My acknowledgement also for the selfless commitment of my fellow directors, the management team and all employees of TIME for their teamwork towards achieving the company's set goals in these very trying times.

Dato' Ir. Wan Muhamad Wan Ibrahim
Chairman



Operations Review

Year 2005 saw TIME dotCom continuing to forge ahead as a recognised player in the communications industry. In the face of intensified challenges, a number of strategic initiatives were undertaken to ensure increased competitiveness of the Group both in technology as well as pricing. Principally these include:

- Repackaging and bundling of existing products to make them more attractive to the market.
- Strengthening internal processes and implementing more cost-effective methods to manage daily operations.
- Exploring new technologies to deliver more innovative services, especially in the area of Broadband.
- Providing supreme customer service and devising loyalty programmes to retain and develop existing customers as well as acquiring new customers.
- Developing an effective workforce both in the technical and management areas.

FIXED LINE, BROADBAND AND INTERNET SERVICES

TIME dotCom's Fixed Line, Broadband and Internet businesses are made up of four major segments:

- Direct Access – deals with products that have to be physically built into a customer's premises
- Indirect Access – covers products that do not require the building in of infrastructure
- Broadband and Internet
- International Wholesale

Direct Access

Direct Access products cover both voice and data services.

In spite of stiff competition, TIME dotCom's voice services – TIME Tone and TIME PABX recorded a slight revenue growth in 2005. TIME ISDN recorded a revenue of RM37.6 million in 2005, a growth of RM5.4 million (17%) over 2004. TIME 1-800 and 1-300 corporate number services recorded another milestone with the inclusion of reputable names such as POS Malaysia, ING, Rapid KL, McDonald's and Michelin.

In the area of data services, TIME dotCom has increased its revenue by riding on the growing demand for high quality leased lines and the introduction of bundled packages for the business market. In 2005, net revenue for Domestic Leased Lines was RM46.5 million over RM33.9 million in 2004, a growth of RM12.6 million. This represents a 37% increase in revenue in 2005. IPLC also recorded a 5% increase in revenue over 2004. Revenue for IPLC in 2005 was RM11.9 million against RM11.3 million in 2004.

Indirect Access

In 2005, more Voice-Over-Internet Protocol (VOIP) operators entered the prepaid and postpaid voice market, offering rock bottom prices on their call charges. In response, mobile operators significantly reduced their mobile IDD rates. The prepaid voice market was most affected as these operators targeted the sizeable immigrant workers population in the hope to capture and maximise their margin from International Direct Dialing (IDD) calls.

This presented a tough environment to TIME dotCom's Indirect Access products (TIME GOLD, TIME Kontakt, TIME World Access and TIME Equal Access). Revenue from IDD and STD destinations was directly affected.



TIME Kontakt Card (TKC) however recorded a sustained revenue despite facing tremendous price wars from other VOIPs and other local operators (OLOs), via regular revised rate promotions. Meanwhile TIME GOLD, a postpaid service for residential customers, remained strong and continued to be the market leader in the non-autodialer postpaid residential segment. This was due to the strategic positioning of the product coupled with attractive, enhanced value added features.

TIME World Access, a postpaid service for business and corporate segment was least affected and continued to grow despite strong competition from VOIPs and OLOs, and its clientele has expanded especially in the financial industry.

Broadband and Internet

In the category of Broadband and Internet, the Group continued to offer a complete range of products including Fixed-line Broadband (HomeNet, BizNet and Netlink), WiFi (Zone), Voice Solutions (Nevo) and Internet Access (TIMENet).

To further promote the Broadband segment especially to businesses, a special team called the Building Centric Marketing (BCM) was established, whose responsibility covers developing revenue-generating programmes and product bundling for the target market amongst the Ready for Service (RFS) buildings.

The TIME Blitz campaign by BCM, which offered solution-based packages and with elaborate value-add elements over a six-month period achieved a revenue of RM6.0 million surpassing its initial target by 12%.

TIMENet has continued to be the only free dial-up Internet access service provider in Malaysia. Its portal, TIMENet Central celebrated its 5th anniversary in 2005, boasting almost 600,000 registered users. With innovative enhancements, online contests and strategic web partnerships, TIMENet Central continued to attract a steady stream of new and loyal users.

International Wholesale

During the year under review, International Wholesale business continued to be a major sales arm for the Group, serving international partners for voice and data services. The business contributed about 43% of the total revenue achieved by the Group in 2005. Amongst its major successes was the penetration of the Thai market that has helped position TIME as a key outbound provider for IDD traffic in that country.

PAYPHONE SERVICES

TIME Reach, the payphone arm of the Group, posted a revenue of RM168.0 million in 2005 as compared to RM218.1 million in 2004. The lower revenue registered was mainly due to aggressive promotions and cheaper packages offered by mobile operators which had drawn away potential or loyal payphone users.

TIME Reach continued to face aggressive competition from other mobile operators and VOIP operators who issued prepaid call cards and operate telephone kiosks (wartels). Vandalism continued to impact TIME Reach particularly in the northern states of Peninsular Malaysia. Concerted efforts have been taken to enhance new security features to the payphone equipments for better protection against vandalism.

Despite the challenges faced in 2005, TIME Reach strived to increase its revenue by improving service levels and deployment of payphones to new high traffic locations.



Operations Review

UNIVERSAL SERVICE PROVISION (USP)

The MCMC-commissioned USP Project that covers the underserved areas within 14 districts in Sabah and one in Sarawak, was well under way during the period under review. Since its commencement in September 2004, a total of 420 payphones and 3,000 Internet Protocol (IP) phones were installed and commissioned for residents of these areas.

NETWORK SERVICES

An integral part of TIME dotCom's business, Network Services continued to undergo performance and security enhancements with the aim of ensuring delivery of high quality services to the customers.

Among the significant network enhancement projects in 2005 were:

- Implementation of Metro Ethernet (Metro-E) network platform to expand broadband services. Metro-E that serves as an alternative high-speed Internet access for broadband customers and enables the provision of Ethernet based solutions was piloted in 5 high-value commercial buildings.
- Addition of 24 new, high revenue-generating RFS buildings that were connected to TIME network.
- A new In-span Point of Interconnect with Telekom Malaysia, Johor Bahru, that will contribute an annual cost saving of RM353,400.
- Expansion of EWSD ISDN switch at Universiti Putra Malaysia (UPM); installation of Next Generation Network (NGN) Soft switches at Petaling Jaya Hub for domestic, international and value added services.
- Implementation of Calling Line Identification Presentation (CLIP) for TIME World Access services.
- Bandwidth upgrading of the National Ring 4 trunk between Klang Valley and Johor Bahru to 10Gbps; commissioning of Metropolitan Area Network (MAN) upgrade for Klang Valley.
- Expansion of MPLS broadband-based network for the implementation of VPLS (Virtual Private LAN Services) services and IP-VPN.

CUSTOMER SERVICE EXCELLENCE

TIME dotCom is a force to reckon with in the area of Customer Service and prides itself for providing supreme customer service. As affirmation to this, TIME won two Gold Awards from the Contact Centre Association of Malaysia (CCAM), which was a striking improvement from just a Silver Award win a year earlier. Later in November, TIME dotCom for the first time received a regional award known as the 'Just Do It' Award from the Contact Centre Association of Singapore (CCAS).

To top it all, all four departments in the Customer Support and Service Division achieved the full certification of ISO 9001:2000. In its continuous effort to provide customer service excellence and to improve customer loyalty, TIME dotCom established the TIME Priority Plus customer club for its top customers.



HARNESSING INTERNAL RESOURCES

In support of TIME dotCom's strategies, the Human Resource and Administration Division implemented various performance-linked initiatives to progress employees' performance and knowledge capital. This also included safety issues of the staff.

One of the programmes was Knowledge in Action, a programme that is aimed at cultivating a culture of continuous learning and improvement through knowledge and information sharing. It covered various areas in operational excellence, including "Get Energised", "Mediation" and "HR Development & Management – Are We Doing It Right?"

The TIME Talent Pool Programme continued with the objective of nurturing internal talents within the organisation. To maintain its target composition of 5% of the total executive employees, an assessment centre was set up to continuously identify and assess those who are eligible for the programme.

To enhance skills and knowledge among employees, a more structured method of assessing competencies was introduced which was implemented by a special task force. Under this exercise, managers were equipped with the necessary tools and skills to assess and develop employees with competencies gap.

An e-Learning programme was piloted for a selected group of learners in 2005 and will continue to be touted as an effective method of delivering basic courses such as Performance Management System and Orientation Programme.

TIME dotCom successfully attained the OHSAS 18001:1999 certification that reflects on the company's commitment in ensuring a safe and healthy working environment for its employees. As part of our safety and health awareness programme, TIME dotCom with the cooperation of the Royal Malaysian Police (PDRM), organised sessions on road safety and sexual crime prevention for its employees, while the 5S programme which promoted a safe and conducive working environment for everyone at TIME dotCom was launched in December.

CORPORATE SOCIAL RESPONSIBILITY

TIME dotCom and its members are a caring lot. Through an internal donation drive jointly organised by the Human Resource and Administration Division and members of TIME dotCom's Surau An-Nur, a total of RM16,000 was raised for Asrama Kasih Sayang Darul Fitrah. Later in the year, in conjunction with Hari Raya Aidilfitri TIME dotCom contributed RM5,000 in cash to Rumah Kebajikan Silaturrahim Nurul Qana'ah.

Meanwhile, through an incentive scheme during its annual Customer Satisfaction Survey, TIME dotCom pledged RM5 for each customer response to the survey. This resulted in a contribution of RM3,500 to HOSPIS Malaysia.

Apart from direct contributions to the society, TIME also helped educate and increase awareness amongst members of the public, especially on the use of the Internet. TIME's lifestyle portal, TIMENet Central launched an online site in an effort to increase awareness amongst TIMENet users on the threats of online pornography and cyber crimes. Called "Safe Internet-ing", the site features information on the abuse and prevention of the Internet misdemeanours such as online pornography, Internet dumping and ID theft. TIME dotCom also conducted training programmes for rural folks as part of the Kedai.kom initiatives by MCMC in Perlis and Kedah.



Corporate Events

14 January 2005

Visit from Sabah Government ICT Working Committee

TIME gave a presentation on ICT Security Policies to Dato' Peter Athanasius, Deputy State Secretary of Sabah, who led a team from the Sabah State Government's ICT Committee on a visit to Wisma TIME.

5 March 2005

Sehari Bersama Anak-Anak Yatim Di Asrama Kasih Sayang Darul Fitrah

Through an internal donation drive jointly organised by Human Resources and Administration Division and members of TIME's Surau An-Nur, a total of RM16,000 was raised for Asrama Kasih Sayang Darul Fitrah.

25 – 27 March 2005

iBusiness Solutions Exhibition 2005

TIME participated in the largest Business Solutions Exhibition in northern Malaysia – iBusiness Solutions 2005 held in Penang. Promoting TIME Gold, TIME Kontakt Card, TIME Broadband, TIME Fixed Line Services and TIME World Access, our participation was aimed at building new business opportunities for the company in the northern region.

23 – 24 April 2005

Community Communications Development Programme (CCDP) at:

Kg Sentua, Perlis

6 – 7 May 2005

Kg Teluk Talipon, Kedah

As part of the Community Communications Development Programme initiated by the Malaysian Communications and Multimedia Commission, TIME conducted a two-day training programme, providing basic knowledge on IT and the Internet, for the residents of Kampung Sentua, Perlis and Kampung Teluk Talipon, Kedah.

14 - 17 June 2005

CommunicAsia 2005

CommunicAsia 2005 is one of Asia's most established Communications & IT expositions. TIME participated under the Malaysian Pavilion hosted by the Malaysian Communications and Multimedia Commission (MCMC) to promote TIME's brand awareness in the international arena.

9 August 2005

TIME's Exclusive Luncheon & Seminar

An exclusive luncheon-cum-seminar was organised for TIME Priority Plus customers. Guests were briefed on our latest enhancement projects i.e. Metro Ethernet and Tip-Top, followed by a seminar on Managed Services, jointly conducted by Cisco, IBM and TIME.

29 September 2005

Cheque Presentation to Hospis Malaysia

For the second year running, TIME successfully organised a Customer Satisfaction Survey which generated RM3,500 for Hospis Malaysia, a non-profit organisation that cares for the terminally ill. TIME had pledged RM5 for each questionnaire answered.

30 September 2005

OHSAS 18001:1999

TIME successfully attained the OHSAS 18001:1999 Certification that reflects on the company's commitment in ensuring a safe and healthy working environment for its employees. An award presentation ceremony was held at TIME's Glenmarie Telecommunications Centre.

28 October 2005

Cheque Presentation to Pertubuhan Kebajikan Rumah Silaturrahim Nurul Qana'ah

In conjunction with the Hari Raya celebration, TIME contributed RM5,000 in cash to the Rumah Kebajikan Silaturrahim Nurul Qana'ah, a charitable organisation committed to serving the poor and needy children.

26 November 2005

Sehari Bersama Pelanggan, Pahang

Sehari Bersama Pelanggan is a programme that promotes closer relations between agencies under the Ministry of Energy, Water and Communications and consumers from rural areas. TIME has been participating in all similar events organised by the Ministry.

1 – 4 December 2005

Minggu Sains, Teknologi dan ICT, Johor

TIME took part in this exhibition, organised by the Johor State Government with the aim of creating awareness on science and technology to the public.



Corporate Governance Statement

The Board of Directors remains committed in ensuring the highest standards of corporate governance in the Group and strives to continually improve on the Group's governance process and structures as articulated in the Principles and Best Practices promulgated in the Malaysian Code of Corporate Governance (the "Code").

The Board views corporate governance as synonymous with four key concepts; namely transparency, integrity and accountability as well as corporate performance.

The Board is pleased to provide the following statement which outlines the main corporate governance that was in place throughout the financial year.



Corporate Governance Statement

Principles statement

A. Directors

The Board

An effective Board that leads and controls the Group is vital in the stewardship of its direction and operations and ultimately the enhancement of long-term shareholder value. Thus, the Board is responsible for the strategic direction, establishing goals for management and monitoring the achievement of these goals. All Directors are from diverse professional backgrounds with a wide range of business and financial experience. The profile of each Director is presented from pages 5 to 7.

The Board has a formal schedule of matters reserved to itself for decision, which includes the overall Group strategy and direction, acquisition and divestment policy, approval of major capital expenditure projects and significant financial matters. The schedule ensures that the Governance of the Group is in its hands.

Meetings

During the financial year, the Board met fourteen (14) times. This included special meetings which were held when urgent and important decisions need to be taken between scheduled meetings.

For all the meetings, due notice were given and the Board receives documents on matters requiring its consideration prior to and in advance of each meeting. All proceedings of the meetings were properly minuted and filed.

The Board deliberated upon and considered a variety of matters including the Group's financial results, major investments and strategic decisions, the business directions of the Group and Corporate Governance matters during the financial year.

The Board of Directors delegates certain responsibilities to the Board Committees. All Committees have written terms of reference and operating procedures to ensure a clear division of duties between the full Board and Board Committees. The Board is kept informed of all proceedings and deliberations of its Board Committees through minutes of Board Committees' meetings which are tabled at the Board meetings for notation.

The details of meetings and activities of these Committees are discussed in the following paragraphs.

Board Balance

The Board currently consists of eight (8) members; comprising one (1) Non-Independent Non-Executive Chairman, three (3) Independent Non-Executive Directors and four (4) Non-Independent Non-Executive Directors.

This complies with paragraph 15.02 of the Listing Requirements which requires that at least two (2) Directors or one third of the Board of the Company, whichever is higher, are independent Directors. The Independent Non-Executive Directors fulfill an independent, pivotal role in corporate accountability, hence their membership within the Audit, Remuneration and Nomination Committees.

The composition of the Board reflects a balance of Executive and Non-Executive Directors with a mix of legal, financial, technical and business experience that is relevant and vital to the direction of the Group. The Non-Executive Directors contribute significantly in areas such as policy and strategy, performance monitoring, allocation of resources as well as improving governance and controls.



Supply of information

The Board has unrestricted access to information required so as to enable it to discharge its duties, as the decision making process is highly contingent on the strength of information furnished. The Board receives regular information and briefings on the performance of the Company to make informed decisions. The Board papers includes, amongst others, the following details:

- Annual business plan;
- Quarterly performance reports of the Group;
- Management monthly reports;
- Major operational and financial issues;
- Market share and market responses to the Group's strategies;
- Major investments, acquisitions and disposals of assets;
- Manpower and human resource issues; and
- Minutes of meetings of all the Committees of the Board.

Senior management and key operational managers are informed of the quality required by the Board with respect to the contents, presentation and delivery of Board papers for each Board meeting.

Key matters such as approval of annual and interim results, annual business plans and budget, major investment, financial decisions, key policies, major proposals and announcements are reserved for the Board. These reserved matters are set out in the Group's Discretionary Authority Limits ("DAL"). The DAL also specifies the levels of authority delegated to the Management by the Board.

The Board, whether as a full Board or its members in their individual capacity, has access to independent professional advice at the Company's expense. Every Director also has unhindered access to the advice and services of the Company Secretary. The Company Secretary can only be removed and appointed by the Board as a whole.

Appointments to the Board

Nomination Committee

The Nomination Committee comprises three (3) Non-Executive Directors and a total of three (3) meetings were held during the year. The details are as follows:

		No. of meetings attended
Abdul Kadir Md Kassim (Chairman)	Non-Independent, Non-Executive Director	3/3
Kamaludin Abdul Kadir	Independent, Non-Executive Director	3/3
Dato' Shaik Daud Md Ismail	Independent, Non-Executive Director	3/3



Corporate Governance Statement

Appointment process

The Nomination Committee recommends to the Board suitable candidates for appointment as Directors and to fill vacant seats on Committees of the Board after which the Company Secretary ensures that all appointments are properly made and all legal and regulatory compliance are met. The Nomination Committee also assesses the effectiveness of the Board and Committees of the Board including the required mix of skills, expertise, attributes and core competencies of its Directors and keeps under review the Board structure, size and composition.

Directors training

In the process of appointing new Directors, the Nomination Committee will ensure that there is an orientation programme for new Directors with respect to the business and management of the Group, including site visits to the business offices to facilitate their understanding of the Company.

All Directors have attended the Mandatory Accreditation Programme prescribed by Bursa Malaysia Securities Berhad. During the year, the Directors also attended Continuous Education Programme and various other seminars to keep abreast with relevant changes in laws and regulations, and the business environment. Some of the seminars attended by the Directors during the financial year were as follows:

- A Board-Management Partnership Value Creation
- Preparing for the Challenge Ahead: The Role of Nomination and Compensation Committee
- Directors' Briefing on Financial Reporting Standards ("FRS") Changes
- Half-Day Seminar on Listed Issuers - How to Avoid Poorly Prepared Circulars
- Update on Latest Financial Instruments, Investment Strategies and International Financial Scandals

Directors' re-election

In accordance with the Company's Articles of Association, all Directors who are appointed by the Board are subject to re-election by shareholders at the first Annual General Meeting after their appointment. The Articles also provide that one-third of the Directors shall retire by rotation at every Annual General Meeting and all directors are subject to retirement at an interval of at least once every three (3) years. The Nomination Committee recommends to the Board, Directors who are due for retirement at each Annual General Meeting.



B. Directors' Remuneration

Remuneration Committee

The remuneration framework for Non-Executive Directors was recommended by the Remuneration Committee and approved by the Board. The remuneration is structured so as to ensure that the Group attracts and retains Directors of calibre, skills and experience needed to lead and control the Group effectively.

The Remuneration Committee comprises of three (3) Non-Executive Directors and a total of seven (7) meetings were held during the year. The details are as follows:

		No. of meetings attended
Dato' Ir. Abdul Rahim Abu Bakar (Chairman)	Independent, Non-Executive Director	7/7
Abdul Kadir bin Md Kassim	Non-Independent, Non-Executive Director	7/7
Kamaludin Abdul Kadir	Independent, Non-Executive Director	7/7

The Committee is responsible for recommending to the Board the policy framework on terms of employment and all elements of the remuneration of members of the senior management of the Company. The Remuneration Committee is also charged with the responsibility to recommend the annual bonus and salary increment of the members of the senior management of the Company and to review and recommend the remuneration of the Non-Executive Directors to the Board.

Directors' remuneration is a matter to be decided by the Board as a whole, save for Directors' fees, with the Directors concerned abstaining from deliberations and voting on decisions in respect of their remuneration.

The Remuneration Committee has carried out its functions as set out in the Terms of Reference which amongst others, reviewed the performance of the Managing Director, his bonus entitlement and salary adjustments for the year, remuneration package of a newly appointed Non-Executive Director, and annual bonus and salary increment for senior management in the Group.



Corporate Governance Statement

Other Board Committees

Executive Committee

The Executive Committee which comprises Dato' Ir. Abdul Rahim Abu Bakar, Abdul Kadir Md Kassim, Eric Cheng Dek and Mek Yam Jusoh was formed in November 2005 to oversee the daily business operations of the Group following the resignation of Tan See Yin on 30 November 2005. The Executive Committee reports directly to the Board and exercises the power and authority of the Managing Director in accordance with the Terms of Reference approved by the Board.

Tender Board Committee

The Tender Board Committee which comprises Dato' Ir. Wan Muhamad Wan Ibrahim (Chairman), Elakumari Kantilal and Dato' Ir. Abdul Rahim Abu Bakar ensures that the procurement process complies with relevant policies and requirements. The principle functions and responsibilities of the Tender Board are to consider, evaluate, approve or recommend to the Board, transactions involving acquisition/disposal of fixed assets, trade or stock purchases and the award of contracts after taking into consideration various factors such as the list of tenders received, nature of procurement and the technical and commercial evaluation. The Committee met twice during the year.

Technical Committee

The Technical Committee which comprises Kamaludin Abdul Kadir (Chairman), Dato' Ir. Wan Muhamad Wan Ibrahim and other senior Management evaluates and reviews operational or technology proposals in support of the Company's business plan and policy. The Committee reviews the technology roadmap and strategy of the Company and facilitate recommendation to be put forward to the Tender Board Committee or Board of Directors on matters relating to technology policies, technical implementation and other operational matters. The Committee met five (5) times during the year.



C. Shareholders

Dialogue between the Group and Investors

The Group recognises the importance of being accountable to its investors as well as the need for transparent and effective communications. Information of the Group's business activities and financial performance is disseminated through press releases, quarterly reports, annual report and the Annual General Meeting. In addition, the Company's website at <http://www.time.com.my> provides broad range of information to stakeholders.

The Company also has and holds dialogues with investment analysts with the intention of giving investors a clear and complete picture of the Company's performance and position.

The Board has identified Dato' Ir. Abdul Rahim Abu Bakar, as the Senior Independent Non-Executive Director, to whom minority shareholders' concerns may be conveyed.

The Annual General Meeting

The Annual General Meeting is the principal forum for dialogue with all shareholders who are given sufficient opportunity to enquire about the Group's activities and prospects as well as communicate their expectations and concerns. Adequate time is allocated for the question and answer sessions between Directors and the Group's external auditors with the shareholders at Annual General Meeting held by the Company.

Each item of special business included in the Notice of Annual General Meetings is accompanied by a full explanation of the effects of the proposed resolution. Special resolutions are proposed for different transactions and the Chairman declares the outcome of the votes cast for and against each resolution.



Corporate Governance Statement

D. Accountability and Audit

Financial reporting

In presenting the annual financial statements and quarterly announcements to shareholders, the Board aims to present a clear and balanced assessment of the Group's position and prospects. The Statement by Directors pursuant to Section 169 of the Companies Act, 1965 is set out on page 39 of the Financial Statements section of the annual report.

Directors' responsibility statement in respect of the preparation of the audited financial statements

The Board of Directors is responsible for ensuring that the financial statements give a true and fair view of the state of affairs of the Company and the Group as at the end of the financial year and of their results and cash flows for the period then ended.

In preparing the financial statements, the Directors have considered and ensured that:

- applicable approved accounting standards in Malaysia and the provisions of the Companies Act, 1965 have been applied;
- suitable and appropriate accounting policies have been adopted and applied consistently; and
- reasonable and prudent judgments and estimates were made.

The Directors also have a general responsibility for taking such steps as are reasonably available to them to safeguard the assets of the Group and to prevent and detect fraud and other irregularities.

Internal Control

The Board and Audit Committee are provided with sufficient information as to the Group's risk profile and Risk Management procedures and Management Information Systems to ensure that the Group's internal controls and systems are effective.

The Statement on Internal Control furnished on pages 31 to 33 of the annual report provides an overview on the state of internal controls within the Group.

Relationship with the Auditors

Key features underlying the relationship of the Audit Committee with the external auditors are included in the Audit Committee's terms of reference as detailed on pages 26 to 30 of the annual report.

A summary of the activities of the Audit Committee during the year, including the evaluation of the independent audit process, are set out in the Audit Committee Report on pages 26 to 30 of the annual report.

Compliance statement

- The Company has complied with all the best practices of corporate governance set out in Part 2 of the Code throughout the financial year.



Additional Compliance Information

1. Status of Utilisation of Proceeds Raised from Initial Public Offering (“IPO”) pursuant to TIME dotCom’s Prospectus dated 22 January 2001

The IPO proceeds of the Company has been fully utilised as at 31 December 2005 as follows:

Purpose for which proceeds were raised	Amount raised RM'million	Amount utilised RM'million
Financing of telecommunications business	498.4	498.4
Defrayal of expenses relating to the listing exercise	60.0	48.8
Financing of working capital	-	11.2*
TOTAL	558.4	558.4

*Amount previously set aside for defrayal of listing expenses

2. Material Contracts Involving Directors’ and Major Shareholders’ Interest

Save as disclosed below, there were no material contracts entered by the Company and/or its subsidiaries involving shareholders’ interest either subsisting as at 31 December 2005 or entered since the end of the previous financial year:

Wayleave and Right of Use Agreement between Projek Lebuhraya Utara-Selatan (“PLUS”) and TT dotCom Sdn Bhd dated 12 May 2000

The Agreement grants an exclusive right to TT dotCom to use the fibre optic telecommunications network and infrastructure installed by PLUS for an annual sum of RM10,800,000.00 for the calendar year 2000 with an incremental amount of 5% compounded annually up to the calendar year 2014. Thereafter, the annual sum will remain at RM4,240,000.00 until the expiry of the Agreement.

The Agreement shall expire upon the lapse of the concession as granted by the Government of Malaysia to PLUS which is on 30 May 2030, unless renewed by the Government of Malaysia (in which event the Agreement shall terminate upon the renewed terms of the PLUS Concession).

PLUS Expressways Berhad is the holding company of PLUS and an associate company of UEM World Berhad (“UEM World”). United Engineers (Malaysia) Berhad (“UEM”) is a major shareholder of UEM World and is wholly-owned by Khazanah Nasional Berhad (“Khazanah”) which in turn, is a major shareholder of TIME dotCom.

3. Imposition of Sanctions/Penalties

There were no penalties imposed on the Company and its subsidiary companies for the financial year ended 31 December 2005.

4. Non-audit fees

The non-audit fees paid to external auditors for the financial year ended 31 December 2005 was RM21,686.00.



Audit Committee Report

The Board of Directors is pleased to present the Report of the Audit Committee (“Committee”) for the year ended 31 December 2005.

Composition

The Committee presently comprises three (3) members, of whom two (2) are Independent Non-Executive Directors and one (1) Non-Independent Non-Executive Director. The members of the Audit Committee during the financial year ended 31 December 2005 are as follows:

Dato' Shaik Daud Md Ismail (Chairman)	Independent Non-Executive Director
Dato' Ir. Abdul Rahim Abu Bakar	Independent Non-Executive Director
Elakumari Kantilal	Non-Independent Non-Executive Director

The profiles of the Audit Committee members are contained in “Profile of Directors” set out on pages 5 to 7.

Terms of reference

The Committee was established on 27 September 2000 to act as a Committee of the Board of Directors, with the Terms of Reference as set out on pages 28 to 30.

Meetings

The Audit Committee convened seven (7) meetings during the financial year ended 31 December 2005. The details of attendance are as follows:

Name	Number of meetings attended
Dato' Shaik Daud Md Ismail	7/7
Dato' Ir. Abdul Rahim Abu Bakar	7/7
Elakumari Kantilal	7/7

The Managing Director and the Company Secretary were present by invitation at all the meetings. The external auditors, Head of Internal Audit and the Chief Financial Officer were also present during discussions that required their input and advice.

Summary of activities

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

- Reviewed the audited financial statements for the financial year ended 31 December 2004 and the unaudited quarterly financial results of the Group for 2005 with the external auditors prior to the Board of Directors' approval and subsequent announcements.
- Reviewed the scope of work, programmes and plans of the Group Internal Audit Division and the resources allocated to carry out its work.



- Reviewed the internal audit reports issued, which covered the areas of customer relationship management, inventory and spares management, sales and marketing, payment and receipt processes, operating expenses, discretionary authority limits, revenue assurance, related party transactions and manpower review of regional offices and branch operations.
- Discussed with Management to undertake the corrective measures to address gaps and deficiencies identified in the internal audit reports.
- Recommended to the Board improvements, opportunities in risk management, internal control and governance processes.
- Reviewed the management letter issued by the external auditors and considered their evaluation of the system of internal controls and management responses.
- Reviewed the reappointment of the external auditors and the annual audit fee.
- Met with the external auditors once during the year without the presence of any executive Board member.
- Reviewed the Audit Committee Report and the Statement on Internal Control for 2004 before being tabled to the Board.
- Reviewed the Group's procedures in respect of recurrent related party transactions ("RPTs") to ensure that the RPTs were not more favourable to the related parties than those generally available to the public and not detrimental to minority shareholders.
- Reviewed the Group's compliance with the Listing Requirements of Bursa Malaysia, Malaysian Accounting Standards Board ("MASB") and other relevant legal and regulatory requirements.
- Considered and recommended to the Board, the change in provisioning policy for bad and doubtful debts.
- Considered and recommended to the Board, the change in depreciation policy for telecommunication assets from the revenue method to the straight line method.

The Audit Committee continuously engages with and monitors the services of the external auditors to ensure independence, objectivity and effectiveness of the existing auditors.

Internal Audit function

The internal audit function is guided by its Audit Charter and reports to the Audit Committee. Its primary role is to assist the Audit Committee to discharge its duties and responsibilities by independently reviewing and reporting on the adequacy and integrity of the Group's system of internal controls.

Findings and recommendations for improvements are communicated to senior management and the Audit Committee with regular follow up on the implementation status of action plans. The Internal Audit function adopts a risk-based approach in the review of internal controls based on an annual audit plan approved by the Audit Committee.



Audit Committee Report

Terms of reference of the Audit Committee

Objectives

The primary objective of the Audit Committee is to assist the Board of Directors in fulfilling its responsibilities relating to accounting and reporting practices of the Company and its subsidiary companies.

Composition

The Audit Committee shall be appointed by the Board from amongst the Directors and shall consist of not less than three (3) members, a majority of whom shall be Independent Non-Executive Directors and at least one member of the Committee must be a member of the Malaysian Institute of Accountants or should have 3 years working experience and passed the examinations specified in Part I of the 1st Schedule of the Accountants Act, 1967, or is a member of one of the Associations of Accountants specified in Part II of the 1st Schedule of the Act.

The members of the Audit Committee shall elect a Chairman from amongst their number who shall be an Independent Non-Executive Director.

In the event of any vacancy in the Audit Committee, the Board shall within three (3) months of that event, appoint such number of new members as may be required to fill the position. The Nomination Committee will review and recommend, to the Board for approval, another director to fill up such vacancies.

No alternate Director is appointed as a member of the Audit Committee. The terms of office and performance of the Audit Committee must be reviewed by the Board once every 3 (three) years. All members of the Audit Committee, including the Chairman, will hold office only so long as they serve as Directors of the Company.

Members of the Audit Committee may relinquish their membership in the Committee with prior written notice to the Company Secretary and may continue to serve as Director of the Company. All Committee members including the Chairman should be persons of good social standing and possess relevant skills and a good track record in the corporate or business field.

Meetings

Meetings shall be conducted at least four (4) times annually, or more frequently as circumstances dictate. In order to form a quorum in respect of a meeting of an Audit Committee, the majority of members present must be Independent Non-Executive Directors.

The Audit Committee shall aim to reach a consensus on issues discussed, failing which a poll shall be taken through a show of hands. The Chairman of the Committee should report on each meeting to the Board. Minutes of each meeting should be kept and distributed to each member of the Committee and of the Board. The Company Secretary shall be appointed Secretary of the Committee.

The Managing Director, Chief Financial Officer, Head of Internal Audit and a representative of the external auditors shall normally be entitled to attend the meetings of the Committee and to make known their views on any matter under consideration by the Committee, or which in their opinion, should be brought to the Committee's attention.



The Audit Committee must ensure that other Directors and employees attend meetings only at the Audit Committee's invitation, specific to the relevant meeting.

Authority

The Committee is authorised by the Board to investigate any activity within its Terms of Reference. It shall have:

- the authority to investigate any matter within its terms of reference;
- the resources which are required to perform its duties;
- full and unrestricted access to information;
- direct communication with the external auditor and Head of Internal Audit Department/function;
- the right to obtain external professional advice and secure the attendance of outsiders with relevant experience and expertise if it considers this necessary; and
- the right to convene meetings with the external auditors together with non-executive Committee members whenever deemed necessary.

Functions and duties

In fulfilling its primary objectives, the Audit Committee will need to undertake the following functions:

- i) To determine that established policies, procedures and guidelines, operating and internal accounting controls are adequate, functioning, effective, and are complied with in promoting efficiency and proper conduct of the Company's business.
- ii) To act as an independent and objective party in reviewing the financial information of the Company presented by Management.
- iii) To review the quarterly and year-end financial statements of the Company for recommendation to the Board for approval, focusing particularly on:
 - Any changes in accounting policies and practices
 - Significant adjustments arising from the audit
 - The going concern assumption
 - Compliance with accounting standards and legal requirements
- iv) To consider the appointment of the external auditor, the audit fee and any questions of resignation or dismissal.
- v) To discuss with the external auditors before the audit commences, the nature and scope of the audit, and ensure coordination where more than one audit firm is involved.
- vi) To discuss problems and reservations arising from the interim and final audits, and any other matter the auditor may wish to discuss (in the absence of Management where necessary).



Audit Committee Report

- vii) To review the external auditor's management letter, their evaluation of the systems of internal control and management's responses thereof.
- viii) To ensure that assistance is given by the employees of the company in following the best practices in providing full and faithful disclosure of any material information, to the external auditor.
- ix) To do the following where an internal audit function exists:
 - Review the adequacy of the scope, functions and resources of the internal audit function, and that it has the necessary authority to carry out its work
 - Review the internal audit plan and results of the internal audit process and ensure that appropriate action is taken on the recommendations of the internal audit function
 - Review any appraisal or assessment of the performance of members of the internal audit function
 - Approve any appointment or termination of senior staff members of the internal audit function
 - Inform itself of resignations of internal audit staff members and provide the resigning staff to submit his/her reasons for resigning
- x) To consider any related party transactions that may arise within the Company or Group.
- xi) To consider the major findings of internal investigations and Management's response.
- xii) To review pertinent operational matters in relation to the Group's quarterly financial performance and quarterly announcement to Bursa Malaysia.
- xiii) To monitor operational performance against targets set in the Business Plan and Executive Dashboard in relation to the Group's quarterly financial performance and quarterly announcement to Bursa Malaysia.
- xiv) To consider other topics as defined by the Board.



Statement On Internal Control

The Board of Directors is committed to maintaining a sound system of internal control in the Group and is pleased to provide the following statement on internal control that outlines the nature and scope of internal control of the Group during the year pursuant to paragraph 15.27 (b) of Bursa Malaysia's Listing Requirements.

Board responsibility

The Board acknowledges its responsibility in maintaining a sound system of internal control to safeguard shareholders' investments and for reviewing the effectiveness, adequacy and integrity of those systems. The system of internal control addresses the corporate objectives on the need for effective and efficient business operations, sound financial reporting and internal controls and compliance with relevant laws and regulations. Because of the limitations that are inherent in any system of internal control, this system is designed to manage, rather than eliminate the risk of non-achievement of the Group's objectives. Therefore, the internal control system can only provide reasonable but not absolute assurance against the occurrence of any material misstatement or loss.

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

On-going reviews are carried out to ensure the effectiveness, adequacy and integrity of the system of internal controls in safeguarding the Group's assets and shareholders' interests in the Group.

Risk management framework

The risk management framework has been adopted and this includes the establishment of the Risk Management Steering Committee ("RMSC") in 2002. The Managing Director is tasked to head the RMSC, which currently comprises the Chief Financial Officer, Chief Technology Officer and Chief Operating Officer of Payphone Operations. The office of the Chief Financial Officer, as Risk Management Coordinator, acts as the secretariat to the RMSC to assist it in the undertaking of its functions. As an interim measure pending the appointment of a new Managing Director, the Board of Directors of TIME dotCom Berhad has formed a four (4) – member Executive Committee comprising two (2) representatives each from members of the Board and two (2) representatives from senior management to oversee the day to day business operations of the Group.

The RMSC is tasked with developing and maintaining an effective risk management system within the Group. Under the existing risk management framework, risks are managed on a day to day basis by the operating units, divisions and departments with oversight function provided by the Managing Director and the RMSC. The internal audit function and the Audit Committee provide further independent assurance.

Following the enterprise risk management exercise, risk registers were established for the Group and key risks were identified. During the financial year, the RMSC reviewed the enterprise risk profile and management's action plan on significant risks which were presented and approved by the Board. The Board was further updated on the status of the management action plan in mitigating these risk factors on a regular basis.



Statement On Internal Control

Designated risk coordinators were tasked with maintaining the risk registers for their operating units and following up on action plans to manage and mitigate the risk factors. The risk coordinators meet on a quarterly basis to discuss developments pertaining to the enterprise risk and update the registers accordingly.

Control environment and structure

The Board recognizes that in order to achieve a sound system of internal control, a conducive control environment and framework must be established. The Board is fully committed to the maintenance of such control environment within the Group and, in discharging their responsibilities, adopted the following key system of internal control within the Group to govern the manner in which the Group and its employees conduct themselves. The key elements of internal control comprise the following:

- Board Committees were set up by the Group to promote corporate governance and transparency with specific terms of reference and authority. The Board Committees formed by the Group are the Audit Committee, Nomination Committee, Remuneration Committee, Tender Board Committee and Technical Committee. These Committees report to the Board and make recommendations for the Board's decision.
- Board meetings are scheduled regularly. Board papers are distributed to the members ahead of the meetings and Board members have access to all relevant information. Decisions are made by the Board only after the required information is presented and deliberated. This ensures that the Board maintains full and effective control on the direction of the Group.
- Audit Committee composition, comprising a majority of Independent Non-Executive Directors, was maintained throughout the financial year. The members of the Committee bring with them a wide variety of experience from different industries and background. They met and had full access to both the internal as well as external auditors during the financial year. They also met with the external auditors without any management presence.
- The Discretionary Authority Limits Table delineates authority limits to ensure accountability and segregation of duties. The Discretionary Authority Limits Table is reviewed on a regular basis at various levels for it to be more effective and efficient in supporting the business operations.
- Internal Audit function reports to the Audit Committee and is guided by the Audit Charter. Findings and recommendations for improvements are communicated to senior management and the Audit Committee with regular follow up on the implementation status of action plans. The Internal Audit function adopts a risk-based approach in the review of internal controls based on an annual audit plan approved by the Audit Committee.
- Revenue Assurance function's key objectives are to ensure that the system of internal control is strengthened from end to end to prevent revenue leakage, ensure product profitability by monitoring product performance and strengthen collection procedures and credit policies.
- Anti-fraud and credit management functions are in place to ensure that subscriber usage patterns are continuously monitored and customer acceptance and credit management procedures are adhered to.

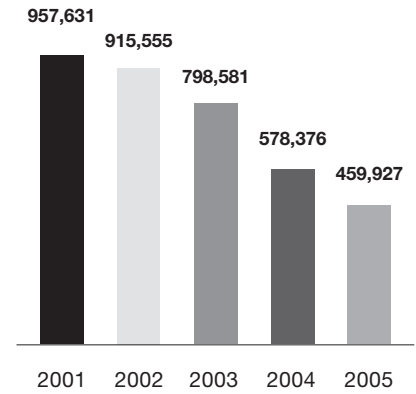


- Financial and operational information is prepared and presented to the Board. Annual budgets and business plans are prepared by all business units and consolidated at Group level for the Board's approval. Operating results are monitored by senior management against budgets on a monthly basis. The Audit Committee and Board review the results on a quarterly basis to enable it to track the Group's achievement against its annual targets.
- Operational and accounting manuals are in place to guide key business processes and regularly updated for application across the Group. In addition, ISO 9001:2000 procedures for billing, activation, collections and customer service assurance are regularly monitored to ensure compliance.
- Procedures for hiring, termination, appraisal and training of employees are in place to ensure that the Group's human resource requirements are met in achieving its business objectives.
- Human resource policies and code of conduct are available to all employees via the intranet. All employees are required to renew their declaration of non-conflict of interest every year.
- Policies and procedures are continuously updated during the financial year and deposited in a central repository to enable all employees to gain easy access for their reference.
- Quality of Service ("QoS") processes are in place to ensure compliance with Mandatory Standards for QoS issued by the regulator.
- Management meetings are held regularly to discuss strategic and operational issues to ensure that targets and objectives are met.

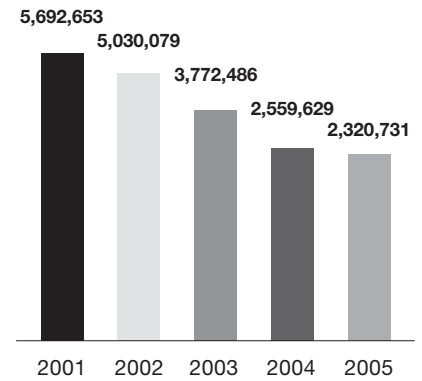
The external auditors have reviewed this Statement on Internal Control for inclusion in the annual report of the Group for the year ended 31 December 2005 and reported to the Board that nothing has come to their attention that causes them to believe that the statement is inconsistent with their understanding of the process adopted by the Board in reviewing the adequacy and integrity of the system of internal controls.



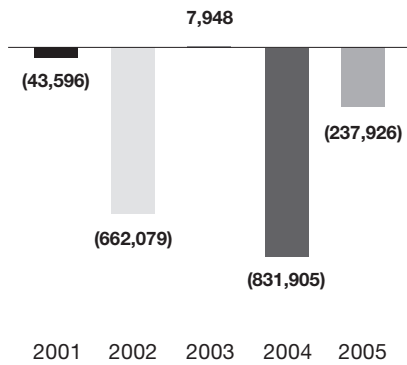
Group Financial Highlights



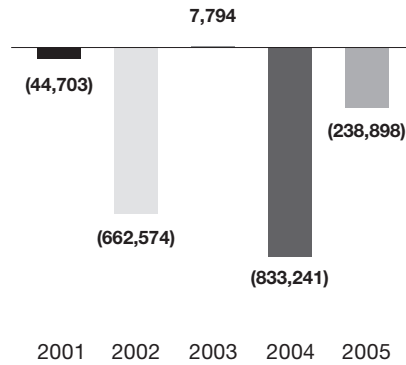
Revenue (RM'000)



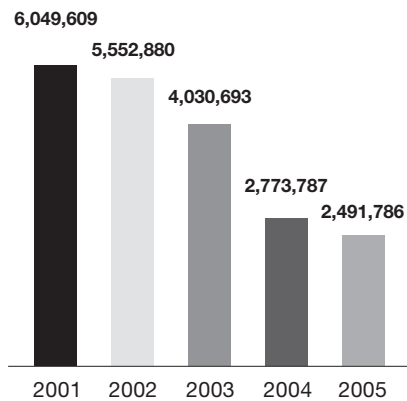
Total Shareholders' Equity (RM'000)



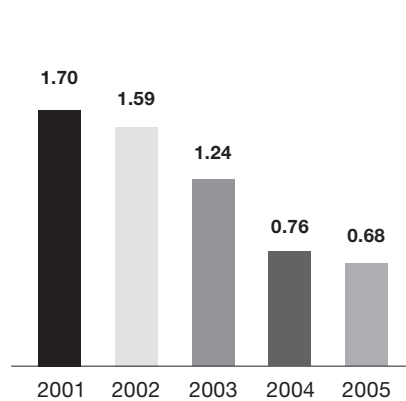
Profit/(Loss) Before Tax (RM'000)



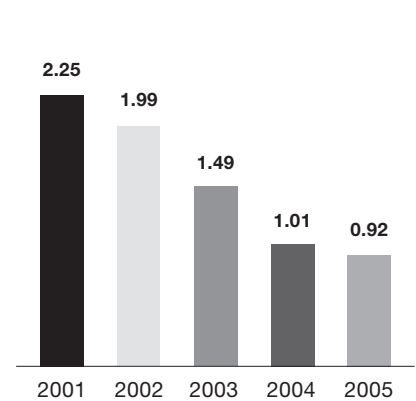
Profit/(Loss) After Tax (RM'000)



Total Assets (RM'000)



Net Tangible Assets Per Share (RM)



Net Assets per Share (RM)

In RM'000	2001	2002	2003	2004	2005
Revenue	957,631	915,555	798,581	578,376	459,927
Profit/(Loss) Before Tax	(43,596)	(662,079)	7,948	(831,905)	(237,926)
Profit/(Loss) After Tax	(44,703)	(662,574)	7,794	(833,241)	(238,898)
Total Shareholders' Equity	5,692,653	5,030,079	3,772,486	2,559,629	2,320,731
Total Assets	6,049,609	5,552,880	4,030,693	2,773,787	2,491,786
Net Tangible Assets per Share (RM)	1.70	1.59	1.24	0.76	0.68
Net Assets per Share (RM)	2.25	1.99	1.49	1.01	0.92

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Directors' Report

For the year ended 31 December 2005

The Directors of TIME dotCom Berhad hereby submit their report and the audited financial statements of the Group and of the Company for the financial year ended 31 December 2005.

Principal activities

The principal activities of the Company are investment holding and the provision of management and marketing/promotional services and retailing of telecommunications products.

The principal activities of the subsidiary companies are disclosed in Note 5 to the financial statements.

There have been no significant changes in the nature of the activities of the Company and its subsidiary companies during the financial year.

Results

	Group RM'000	Company RM'000
Net loss for the year	(238,898)	(144,111)

Reserves and provisions

There were no material transfers to or from reserves and provisions during the financial year except as disclosed in the financial statements.

Dividends

No dividend was paid during the financial 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:

Dato' Ir. Wan Muhamad Wan Ibrahim

Elakumari Kantilal

Abdul Kadir Md. Kassim

Kamaludin Abdul Kadir

Dato' Abdul Rahim Abu Bakar

Dato' Shaik Daud Md. Ismail

Amiruddin Abdul Aziz

Tan Kim Shah (appointed on 24.10.2005)

Dato' Mohd Salleh Mahmud (appointed on 20.04.2005 and resigned on 30.12.2005)

Azian Mohd Noh (appointed as alternate Director to Dato' Mohd Salleh on 20.04.2005 and resigned on 30.12.2005)

Dato' Othman Abdullah (resigned on 21.03.2005)

Tan See Yin (resigned on 30.11.2005)

None of the Directors holding office as at 31 December 2005 had any interest in the ordinary shares of the Company and of its related corporations during the financial year.



Directors' benefits

Since the end of the previous financial year, no Director of the Company has received or become entitled to receive any benefit (other than a benefit included in the aggregate amount of emoluments received or due and receivable by Directors as shown in the financial statements or the fixed salary of a full time employee of the Company or corporate shareholder) 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 except as disclosed in note 24.

There were no arrangements during and at the end of the financial year, which 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.

Issue of shares and debentures

There were no changes in the 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.

Other statutory information

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

- i) all known bad debts have been written off and adequate provision made for doubtful debts, and
- ii) all current assets have been stated at the lower of cost and net realisable value.

At the date of this report, the Directors are not aware of any circumstances:

- i) that would render the amount written off for bad debts, or the amount of the provision for doubtful debts, in the Group and in the Company inadequate to any substantial extent, or
- ii) that would render the value attributed to the current assets in the Group and in the Company financial statements misleading, or
- iii) which have arisen which render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate, or
- iv) not otherwise dealt with in this report or the financial statements, that would render any amount stated in the financial statements of the Group and of the Company misleading.

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

- i) any charge on the assets of the Group or of the Company that has arisen since the end of the financial year and which secures the liabilities of any other person, or
- ii) any contingent liability in respect of the Group or of the Company that has arisen since the end of the financial year.

No contingent liability or other liability of any company in the Group has become enforceable, or is likely to become enforceable within the period of twelve months after the end of the financial year which, in the opinion of the Directors, will or may substantially affect the ability of the Group and of the Company to meet their obligations as and when they fall due.



Directors' Report

For the year ended 31 December 2005

In the opinion of the Directors, except for the impairment loss on investment in a subsidiary and impairment loss on goodwill as disclosed in the financial statements of the Company and the Group respectively, the results of the operations of the Group and of the Company for the financial year ended 31 December 2005 have not been substantially affected by any item, transaction or event of a material and unusual nature nor has any such item, transaction or event occurred in the interval between the end of that financial year and the date of this report.

Auditors

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

Signed in accordance with a resolution of the Directors:

.....
Dato' Ir. Wan Muhamad Wan Ibrahim

.....
Elakumari Kantilal

Kuala Lumpur,

Date: 28 February 2006



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 42 to 67 are drawn up in accordance with the provisions of the Companies Act, 1965 and applicable approved accounting standards in Malaysia so as to give a true and fair view of the state of affairs of the Group and of the Company at 31 December 2005 and of the results of their operations and cash flows for the year ended on that date.

Signed in accordance with a resolution of the Directors:

.....
Dato' Ir. Wan Muhamad Wan Ibrahim

.....
Elakumari Kantilal

Kuala Lumpur,

Date: 28 February 2006



Statutory Declaration

Pursuant to Section 169(16) of the Companies Act, 1965

I, **Eric Cheng Dek**, 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 42 to 67 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 abovenamed in Kuala Lumpur on 28 February 2006.

.....
Eric Cheng Dek

Before me:





Report Of The Auditors

To the members of TIME dotCom Berhad

We have audited the financial statements set out on pages 42 to 67. The preparation of the financial statements is the responsibility of the Company's Directors.

It is our responsibility to form an independent opinion, based on our audit, on the financial statements and to report our opinion to you, as a body, in accordance with Section 174 of the Companies Act, 1965 and for no other purpose. We do not assume responsibility to any other person for the content of this report.

We conducted our audit in accordance with approved Standards on Auditing in Malaysia. These standards require that we plan and perform the audit to obtain all the information and explanations which we consider necessary to provide us with evidence to give reasonable assurance that the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence relevant to the amounts and disclosures in the financial statements. An audit also includes an assessment of the accounting principles used and significant estimates made by the Directors as well as evaluating the overall adequacy of the presentation of information in the financial statements. We believe our audit provides a reasonable basis for our opinion.

In our opinion:

- (a) the financial statements are properly drawn up in accordance with the provisions of the Companies Act, 1965 and applicable approved accounting standards in Malaysia so as to give a true and fair view of:
 - i) the state of affairs of the Group and of the Company at 31 December 2005 and the results of their operations and cash flows for the year ended on that date; and
 - ii) the matters required by Section 169 of the Companies Act, 1965 to be dealt with in the financial statements of the Group and of the Company; and
- (b) the accounting and other records and the registers required by the Companies Act, 1965 to be kept by the Company and the subsidiaries have been properly kept in accordance with the provisions of the said Act.

We are satisfied that the financial statements 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 consolidated financial statements and we have received satisfactory information and explanations required by us for those purposes.

The audit reports on the financial statements of the subsidiaries were not subject to any qualification and did not include any comment made under subsection (3) of Section 174 of the Act.

KPMG
Firm Number: AF 0758
Chartered Accountants

Chan Kam Chiew
Partner
Approval Number: 2055/06/06(J)

Kuala Lumpur,

Date: 28 February 2006



Balance Sheets

At 31 December 2005

	Note	Group		Company	
		2005 RM'000	2004 RM'000	2005 RM'000	2004 RM'000
Property, plant and equipment	2	61,215	69,662	2,912	5,407
Telecommunications network	3	1,501,842	1,676,321	-	-
Goodwill on consolidation	4	591,401	626,275	-	-
Investment in subsidiary companies	5	-	-	2,913,132	3,047,729
		2,154,458	2,372,258	2,916,044	3,053,136
Current assets					
Inventories	6	8,858	11,065	-	-
Trade and other receivables	7	118,284	131,704	378,373	330,707
Cash and cash equivalents	8	210,186	258,760	45,338	104,054
		337,328	401,529	423,711	434,761
Current liabilities					
Trade and other payables	9	170,637	213,643	5,227	9,258
Taxation		418	515	-	-
		171,055	214,158	5,227	9,258
Net current assets		166,273	187,371	418,484	425,503
		2,320,731	2,559,629	3,334,528	3,478,639
Financed by:					
Capital and reserves					
Share capital	10	2,530,775	2,530,775	2,530,775	2,530,775
Share premium	11	1,570,758	1,570,758	1,570,758	1,570,758
Accumulated losses		(1,780,802)	(1,541,904)	(767,005)	(622,894)
Shareholders' equity		2,320,731	2,559,629	3,334,528	3,478,639

The financial statements were approved and authorised for issue by the Board of Directors on 28 February 2006.



Income Statements

For the year ended 31 December 2005

	Note	Group		Company	
		2005 RM'000	2004 RM'000	2005 RM'000	2004 RM'000
Revenue	12	459,927	578,376	4,586	6,139
Cost of sales	13	(517,461)	(1,197,260)	-	-
Gross (loss)/profit		(57,534)	(618,884)	4,586	6,139
Sales and marketing expenses		(37,950)	(64,084)	(640)	(3,982)
Administrative expenses		(97,665)	(148,842)	(14,477)	(19,942)
Information technology expenses		(20,789)	(19,308)	(1,388)	(1,539)
Other operating income		5,477	2,926	271	370
Loss from operations	14	(208,461)	(848,192)	(11,648)	(18,954)
Finance costs	16	(195)	(1,468)	-	-
Income from other investments	17	5,604	17,755	2,134	13,255
Impairment loss on investment in a subsidiary company		-	-	(134,597)	-
Impairment loss on goodwill of a subsidiary company		(34,874)	-	-	-
Loss before tax		(237,926)	(831,905)	(144,111)	(5,699)
Income tax expense	18	(972)	(1,336)	-	(487)
Net loss for the year		(238,898)	(833,241)	(144,111)	(6,186)
Basic loss per ordinary share (sen)	19	(9.4)	(32.9)		



Statement Of Changes In Equity

For the year ended 31 December 2005

	Share capital RM'000	Share premium RM'000	Accumulated losses RM'000	Total RM'000
Group				
At 1 January 2004	2,530,775	1,950,374	(708,663)	3,772,486
Capital repayment	-	(379,616)	-	(379,616)
Net loss for the year	-	-	(833,241)	(833,241)
At 31 December 2004	2,530,775	1,570,758	(1,541,904)	2,559,629
Net loss for the year	-	-	(238,898)	(238,898)
At 31 December 2005	2,530,775	1,570,758	(1,780,802)	2,320,731
	Note 10	Note 11		
Company				
At 1 January 2004	2,530,775	1,950,374	(616,708)	3,864,441
Capital repayment	-	(379,616)	-	(379,616)
Net loss for the year	-	-	(6,186)	(6,186)
At 31 December 2004	2,530,775	1,570,758	(622,894)	3,478,639
Net loss for the year	-	-	(144,111)	(144,111)
At 31 December 2005	2,530,775	1,570,758	(767,005)	3,334,528
	Note 10	Note 11		



Cash Flow Statement

For the year ended 31 December 2005

The Group	Note	Group 2005 RM'000	Group 2004 RM'000
Cash flows from operating activities			
Cash receipts from customers		451,322	554,389
Cash receipts from Government		24,658	-
Cash payments to suppliers		(379,516)	(437,386)
Cash payments to employees and for administrative expenses		(80,817)	(85,329)
Cash generated from operations		15,647	31,674
Tax paid		(1,292)	(1,715)
Net cash generated from operating activities		14,355	29,959
Cash flows from investing activities			
Purchase of property, plant and equipment and telecommunications network	(i)	(51,981)	(105,790)
Purchase of property, plant and equipment for USP Project		(17,002)	-
Proceeds from disposal of property, plant and equipment		483	709
Interest received		5,571	18,584
Net cash used in investing activities		(62,929)	(86,497)
Cash flows from financing activity			
Capital repayment		-	(379,616)
Net cash used in financing activity		-	(379,616)
Net decrease in cash and cash equivalents		(48,574)	(436,154)
Cash and cash equivalents at beginning of year		258,760	694,914
Cash and cash equivalents at end of year	8	210,186	258,760



Cash Flow Statement

For the year ended 31 December 2005

The Company	Note	Company	
		2005 RM'000	2004 RM'000
Cash flows from operating activities			
Cash receipts from customers		2,462	92
Cash payments to suppliers		(13,110)	(10,479)
Cash payments to employees and for administrative expenses		(9,450)	(4,916)
Payment received on behalf of subsidiary company		-	1,958
Cash received from subsidiary company		-	22,566
Cash advance to subsidiary company		(40,911)	(71,172)
Cash used in operations		(61,009)	(61,951)
Tax refund/(paid)		126	(639)
Net cash used in operating activities		(60,883)	(62,590)
Cash flows from investing activities			
Proceeds from disposal of property, plant and equipment		33	-
Interest received		2,134	13,255
Net cash generated from investing activities		2,167	13,255
Cash flows from financing activity			
Capital repayment		-	(379,616)
Net cash used in financing activity		-	(379,616)
Net decrease in cash and cash equivalents		(58,716)	(428,951)
Cash and cash equivalents at beginning of year		104,054	533,005
Cash and cash equivalents at end of year	8	45,338	104,054

- (i) During the financial year, the Group acquired property, plant and equipment and telecommunications network with an aggregate cost of RM69,986,000 (2004 - RM80,917,000). During the financial year, the Group paid RM68,983,000 (2004 - RM105,790,000) to suppliers of which for acquisition in 2005, RM1,003,000 will be paid after 2005. For the year 2004, RM24,873,000 is in respect of payments made to suppliers for property, plant and equipment and telecommunications network acquired in the prior financial years.



Notes To The Financial Statements

1. Summary of significant accounting policies

The following accounting policies are adopted by the Group and by the Company and are consistent with those adopted in previous years, except for the adoption of the FRS 120₂₀₀₄ Accounting for Government Grants and Disclosure of Government Assistance.

Apart from the new policy and extended disclosure where required by this new standard, there is no effect on these financial statements.

(a) Basis of accounting

The financial statements of the Group and of the Company are prepared on the historical cost basis except as disclosed in the notes to the financial statements and in compliance with the provisions of the Companies Act, 1965 and applicable approved accounting standards in Malaysia.

(b) Basis of consolidation

Subsidiaries are those enterprises controlled by the Company. Control exists when the Company has the power, directly or indirectly to govern the financial and operating policies of an enterprise so as to obtain benefits from its activities.

The financial statements of subsidiaries are included in the consolidated financial statements from the date that control effectively commences until the date that control effectively ceases. Subsidiaries are consolidated using the acquisition method of accounting.

A subsidiary is excluded from consolidation when either control is intended to be temporary if the subsidiary is acquired and held exclusively with a view of its subsequent disposal in the near future and it has not previously been consolidated or it operates under severe long-term restrictions which significantly impair its ability to transfer funds to the Company. Subsidiaries excluded on these grounds are accounted for as investments.

Under the acquisition method of accounting, the results of subsidiaries acquired or disposed of during the year are included from the date of acquisition or up to the date of disposal. At the date of acquisition, the fair values of the subsidiaries' net assets are determined and these values are reflected in the Group financial statements. The difference between the acquisition cost and the fair values of the subsidiaries' net assets is reflected as goodwill or negative goodwill as appropriate.

Intra group transactions and balances are eliminated on consolidation. Unrealised profit and losses resulting from intragroup transactions are also eliminated except for unrealised losses which cannot be recovered.

(c) Property, plant and equipment

Freehold land is stated at cost. All other property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses.

Property, plant and equipment retired from active use and held for disposal are stated at the carrying amount at the date when the asset is retired from active use, less impairment losses, if any.



Notes To The Financial Statements

Continued

(c) Property, plant and equipment (continued)

Depreciation

Freehold land is not amortised. Leasehold land and buildings are amortised over the unexpired lives of the leases. The straight line method is used to write off the cost of the other assets over the term of their estimated useful lives at the following principal annual rates:

Buildings	2%
Improvements	20%
Office equipment, furniture and fittings	5% - 50%
Loose tools	10% - 50%
Computer systems	10% - 33 1/3%
Motor vehicles	20%

(d) Telecommunications network

Network cost

This comprises construction costs, materials, consultancy, borrowing and other related costs incurred in connection with the construction of the telecommunications network.

The telecommunications network is constructed under the telecommunications licensed granted by the Ministry of Energy, Communications and Multimedia ("the Ministry").

In 1998, the Communications and Multimedia Act, 1998 (which repealed the Telecommunications Act, 1950) introduced a new licensing regime for the telecommunications and broadcasting industries. The following new licences were granted by the Ministry to the Group in August 2001. These new licences are not technology specific but based on activity:

Network facilities	Effective date
TT dotCom Sdn. Bhd.	25 July 2001 to 30 November 2014
TIME Reach Sdn. Bhd.	25 July 2001 to 24 July 2011
TIMESat Sdn. Bhd.	25 July 2001 to 24 July 2011

Network services

TT dotCom Sdn. Bhd.	25 July 2001 to 30 November 2014
TIMESat Sdn. Bhd.	25 July 2001 to 24 July 2011

Effective 1 April 2005, all Application Service Provider Individual License categories are regulated under Applications Service Provider class licensing. As such licenses are renewable annually.

On 11 August 2000, TIME dotNet Berhad was granted an Internet Application Service Provider Licence (class licence) for a tenure of one (1) year from 4 August 2000, which is renewable annually.

The construction of the telecommunications network is carried out in phases based generally on geographical areas as determined by the Group. The commissioning of the network is accordingly carried out at the completion of each phase of construction. Pre-commissioning network cost is not amortised.

The Group depreciates its network cost/ISP infrastructure cost over the term of their estimated useful lives at the following principal annual rates:

Telecommunication assets	Useful lives	Annual depreciation rate
Distribution systems	10 to 25 years	4% to 10%
Communication systems	5 to 15 years	6.7% to 20%
Support System	3 to 15 years	6.7% to 33.3%



(e) Intangible asset

Goodwill on consolidation

Goodwill on consolidation represents the excess of the purchase price over the fair value of the net tangible assets of subsidiary companies. Goodwill is stated at cost less accumulated impairment losses (refer Note 1(l)).

(f) Investments

Investment in subsidiary companies

Investment in subsidiary companies is stated in the Company's financial statements at cost less accumulated impairment losses (refer to Note 1(l)).

(g) Trade and other receivables

Trade and other receivables are stated at cost and reduced by the appropriate allowances for estimates of possible losses which may arise from non-collection of certain receivable accounts.

(h) Employee benefits

(i) Short term employee benefits

Wages, salaries and bonuses are recognised as expenses in the year in which the associated services are rendered by employees of the Group and the Company. Short term accumulating compensated absences such as paid annual leave are recognised when services are rendered by employees that increase their entitlement to future compensated absences, and short term non-accumulating compensated absences such as sick leave are recognised when absences occur.

(ii) Defined contribution plans

Obligations for contributions to defined contribution plans are recognised as an expense in the income statement as incurred.

(i) Liabilities

Trade and other payables are stated at cost.

(j) Inventories

Inventories are valued at the lower of cost (determined on the moving-average method) and net realisable value. The costs of spares, phone cards and trading merchandise comprise the original purchase price plus costs of bringing these stocks to location. Net realisable value represents the estimated selling price in the ordinary course of business less selling and distributions costs and all other estimated costs to completion.



Notes To The Financial Statements

Continued

(k) 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 value.

(l) Impairment

The carrying amount of assets, other than inventories, deferred tax assets and financial assets (other than investments in subsidiaries), are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated. An impairment loss is recognised whenever the carrying amount of an asset or the cash-generating unit to which it belongs exceeds its recoverable amount. Impairment losses are recognised in the income statement.

The recoverable amount is the greater of the asset's net selling price and its value in use. In assessing value in use, 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. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

An impairment loss in respect of goodwill is not reversed unless the loss was caused by a specific external event of an exceptional nature that is not expected to recur and subsequent external events have occurred that reverse the effect of that event.

In respect of other assets, an impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount.

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. The reversal is recognised in the income statement.

(m) Income tax

Tax on the profit or loss for the year comprises current and deferred tax. Income tax is recognised in the income statement except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current tax expense is the expected tax payable on the taxable income for the year, using tax rates enacted or substantially enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Temporary differences are not recognised for goodwill not deductible for tax purposes and the initial recognition of assets or liabilities that at the time of the transaction affects neither accounting nor taxable profit. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantially enacted at the balance sheet date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised.

**(n) Foreign currency****Foreign currency transactions**

Transactions in foreign currencies are translated to Ringgit Malaysia at rates of exchange ruling at the date of the transactions. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated to Ringgit Malaysia at the foreign exchange rates ruling at that date. Foreign exchange differences arising on translation are recognised in the income statement.

The closing rates used in the translation of foreign currency monetary assets and liabilities are as follows:

	2005	2004
	RM	RM
1 USD	3.78	3.80
1 AUD	2.77	2.96

(o) Revenue

Revenue of the Company consists of management fee and gross invoiced value of telecommunications products sold net of discounts and returns. Fees are recognised when services are rendered while sales of products are recognised upon delivery of products and when the risks and rewards of ownership have passed.

Revenue of the Group consists of gross billings of a wide range of telecommunications and internet services provided net of discounts, income from payphone operations and gross invoiced value of goods sold net of discounts and returns. Revenue for billings is recognised when services are rendered while revenue for payphone operations is recognised on receipt basis.

(p) Government grants

As a Universal Service Provider (USP), the Group is entitled to claim certain qualified expenses from the relevant authorities in relation to USP projects. The claim qualifies as a Government grant and is recognised at fair value where there is a reasonable assurance that the grant will be received and the Company will comply with all attached conditions.

Government grants are recognised as income over the periods necessary to match them with the related costs, which they are intended to compensate.

Government grants relating to the purchase of assets are included in current liabilities as deferred income and are credited to the Income Statement on the straight line basis to match the income with the estimated useful lives of the related assets.



Notes To The Financial Statements

Continued

2. Property, plant and equipment

	Lands, buildings and improvements RM'000	Office equipment, furniture and fittings RM'000	Loose tools RM'000	Computer systems RM'000	Motor vehicles RM'000	Total RM'000
Group Cost						
At 1 January 2005	54,103	33,120	11,759	59,159	13,210	171,351
Additions	331	5,509	29	3,818	5	9,692
Disposals	(4,562)	(23)	-	(147)	(1,859)	(6,591)
At 31 December 2005	49,872	38,606	11,788	62,830	11,356	174,452
Depreciation						
At 1 January 2005	20,809	26,471	8,804	33,761	11,844	101,689
Charge for the year	2,797	3,290	1,159	10,486	388	18,120
Disposals	(4,562)	(23)	-	(147)	(1,840)	(6,572)
At 31 December 2005	19,044	29,738	9,963	44,100	10,392	113,237
Net book value						
At 31 December 2005	30,828	8,868	1,825	18,730	964	61,215
At 31 December 2004	33,294	6,649	2,955	25,398	1,366	69,662
Depreciation charge for the year ended 31 December 2004	2,738	2,604	1,265	10,331	394	17,332



2. Property, plant and equipment (continued)

	Improvements RM'000	Office equipment, furniture and fittings RM'000	Computer systems RM'000	Motor vehicles RM'000	Total RM'000
Company					
Cost					
At 1 January 2005	3,021	1,764	8,282	267	13,334
Disposal	-	-	-	(60)	(60)
At 31 December 2005	3,021	1,764	8,282	207	13,274
Depreciation					
At 1 January 2005	2,159	1,452	4,073	243	7,927
Charge for the year	605	244	1,622	5	2,476
Disposal	-	-	-	(41)	(41)
At 31 December 2005	2,764	1,696	5,695	207	10,362
Net book value					
At 31 December 2005	257	68	2,587	-	2,912
At 31 December 2004	862	312	4,209	24	5,407
Depreciation charge for the year ended 31 December 2004	604	287	1,633	12	2,536

Land, buildings and improvements comprise the following:

	Cost RM'000	Accumulated depreciation RM'000	Net book value 2005 RM'000	Net book value 2004 RM'000
Group				
Freehold land	11,154	-	11,154	11,154
Land under long lease	90	-	90	90
Land under short lease	7,508	3,772	3,736	4,111
Buildings	7,707	1,920	5,787	5,943
Buildings and improvements	23,413	13,352	10,061	11,996
	49,872	19,044	30,828	33,294



Notes To The Financial Statements

Continued

2. Property, plant and equipment (continued)

The unexpired lease period of leasehold land and buildings of the Group is as follows:

	Group Net book value	
	2005 RM'000	2004 RM'000
Land under long lease - 81 to 85 years	90	90
Land under short lease - 11 to 15 years	3,736	4,111
	3,826	4,201

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 RM64,660,000 (2004 - RM35,723,000) and RM2,274,000 (2004 - RM882,000) respectively.

3. Telecommunications network

Group	Domestics and international RM'000	Payphone RM'000	ISP infrastructure RM'000	Total RM'000
Cost				
At 1 January 2005	2,521,828	260,760	57,529	2,840,117
Additions	57,536	537	2,221	60,294
Write off	(87,928)	(4,232)	-	(92,160)
At 31 December 2005	2,491,436	257,065	59,750	2,808,251
Depreciation				
At 1 January 2005	905,151	225,712	26,333	1,157,196
Charge for the year	200,788	9,615	24,088	234,491
Write off	(82,664)	(3,950)	-	(86,614)
At 31 December 2005	1,023,275	231,377	50,421	1,305,073
Accumulated impairment loss				
At 1 January 2005	6,600	-	-	6,600
Impairment losses written off	(5,264)	-	-	(5,264)
At 31 December 2005	1,336	-	-	1,336
Net book value				
At 31 December 2005	1,466,825	25,688	9,329	1,501,842
At 31 December 2004	1,610,077	35,048	31,196	1,676,321
Amortisation charge for the year ended 31 December 2004	724,430	15,567	24,193	764,190



3. Telecommunications network (continued)

	Domestics and inter- national RM'000	Payphone RM'000	ISP infrastructure RM'000	Total 2005 RM'000	Total 2004 RM'000
Network cost:					
Commissioned network	2,414,558	257,065	59,750	2,731,373	2,763,391
Network in progress	76,878	-	-	76,878	76,726
	2,491,436	257,065	59,750	2,808,251	2,840,117
Less: Impairment loss	(1,336)	-	-	(1,336)	(6,600)
Less: Cumulative amortisation	(1,023,275)	(231,377)	(50,421)	(1,305,073)	(1,157,196)
At end of year	1,466,825	25,688	9,329	1,501,842	1,676,321

Included in telecommunications network of the Group are fully depreciated assets which are still in use, with cost amounting to RM782,788,000 (2004 - RM703,876,000).

4. Goodwill on consolidation

	Group	
	2005 RM'000	2004 RM'000
At beginning of year	626,275	626,275
Less: Impairment losses for the year	(34,874)	-
At end of year	591,401	626,275



Notes To The Financial Statements

Continued

5. Investment in subsidiary companies

	Company	
	2005 RM'000	2004 RM'000
Unquoted shares, at cost	3,116,838	3,411,295
Less: Capital reduction of subsidiary	-	(294,457)
	3,116,838	3,116,838
Less: Impairment loss		
At beginning of year	(69,109)	(69,109)
Charge for the year	(134,597)	-
At end of year	(203,706)	(69,109)
	2,913,132	3,047,729

Details of the subsidiary companies, which are all incorporated in Malaysia, are as follows:

Direct	Percentage of Group's effective ownership		Principal Activities
	2005 %	2004 %	
TT dotCom Sdn. Bhd.	100	100	Provision of voice, data, video and image communication services through its established domestic and international network.
TIME Reach Sdn. Bhd.	100	100	Operation and maintenance of payphone services.
TIMESat Sdn. Bhd.	100	100	Provision of telecommunication facilities and services using satellite and microwave. The company is currently dormant.
TIME dotNet Berhad	100	100	Provision and marketing of internet services to customers. This includes the provision of access to the world wide web, the organisation and aggregation of content, provision of virtual private network, on-line call center, internet telephony, on-line services, on-net advertising and virtual data storage and provision of application services.



6. Inventories

	Group		Company	
	2005 RM'000	2004 RM'000	2005 RM'000	2004 RM'000
At cost:				
Spares	10,595	13,065	-	-
Trading merchandise	151	151	151	151
Phone cards	72	82	-	-
	10,818	13,298	151	151
Less: Allowance for obsolescence	(1,960)	(2,233)	(151)	(151)
Net	8,858	11,065	-	-

7. Trade and other receivables

	Group		Company	
	2005 RM'000	2004 RM'000	2005 RM'000	2004 RM'000
Trade receivables	117,182	150,746	13	41
Less: Allowance for doubtful receivables	(62,899)	(85,399)	-	-
	54,283	65,347	13	41
Amounts due from subsidiary companies	-	-	372,337	328,076
Other receivables	55,953	61,894	-	-
Prepayments	5,973	2,361	4,362	804
Tax recoverable	2,075	2,102	1,661	1,786
	118,284	131,704	378,373	330,707

During the financial year, bad debt amounting to RM21,834,000 (2004 - Nil) was written off against allowance for doubtful receivables.

The amounts due from subsidiary companies are interest free, have no fixed repayment terms and arose mainly from inter company advances and expenses paid on behalf.



Notes To The Financial Statements

Continued

8. Cash and cash equivalents

	Group		Company	
	2005 RM'000	2004 RM'000	2005 RM'000	2004 RM'000
Cash and bank balances	5,557	12,491	310	830
Short term deposits with licensed banks	204,629	246,269	45,028	103,224
	210,186	258,760	45,338	104,054

9. Trade and other payables

	Group		Company	
	2005 RM'000	2004 RM'000	2005 RM'000	2004 RM'000
Trade payables	49,308	100,992	-	405
Deferred Income – USP	20,406	-	-	-
Other payables	9,557	13,207	1,977	2,909
Accrued expenses	75,725	74,067	3,161	5,855
Deposit payables	7,459	10,458	-	-
Amounts due to related parties	8,182	14,919	89	89
	170,637	213,643	5,227	9,258

The average credit period granted to the Group and to the Company for trade purchases ranges from 30 to 90 days (30 to 90 days in 2004).

Related parties are TIME Engineering Berhad (“TEB”) (a corporate shareholder of the Company) and its subsidiaries and associated companies, and companies that are related to the Company’s corporate shareholder, Khazanah Nasional Berhad.

The amounts due to related parties are trade and non-trade in nature.

10. Share capital

	Group and Company	
	2005 RM'000	2004 RM'000
Authorised:		
Ordinary shares of RM1.00 each	5,000,000	5,000,000
Issued and fully paid up:		
Ordinary shares of RM1.00 each	2,530,775	2,530,775



11. Share premium (non-distributable)

	Group and Company	
	2005 RM'000	2004 RM'000
At beginning of year	1,570,758	1,950,374
Capital repayment on the basis of RM0.15 for every existing ordinary shares held	-	(379,616)
At end of year	1,570,758	1,570,758

12. Revenue

	Group		Company	
	2005 RM'000	2004 RM'000	2005 RM'000	2004 RM'000
Fixed line	273,483	341,431	-	-
Payphone	168,047	218,131	-	-
Internet services	18,394	18,658	-	-
Management fee receivable from subsidiary companies	-	-	4,583	6,047
Others	3	156	3	92
	459,927	578,376	4,586	6,139

13. Cost of sales

	Note	Group		Company	
		2005 RM'000	2004 RM'000	2005 RM'000	2004 RM'000
Interconnect charges		173,200	318,312	-	-
Depreciation of telecommunications network	3	234,491	764,190#	-	-
Telecommunications maintenance charges		32,406	35,671	-	-
Payphone line rental		13,212	13,784	-	-
Network and leased line charges		9,860	11,231	-	-
Fee for wayleave and right of use pertaining to telecommunications facilities		13,784	13,297	-	-
Others		40,508	40,775	-	-
		517,461	1,197,260	-	-

Included an additional depreciation charge of RM715 million following the change in depreciation method to the straight line method in the previous financial year.



Notes To The Financial Statements

Continued

14. Loss from operations

	Note	Group		Company	
		2005 RM'000	2004 RM'000	2005 RM'000	2004 RM'000
After charging:					
Cost of sales	13	517,461	1,197,260	-	-
Staff costs		84,426	95,561	10,638	11,491
Depreciation of property, plant and equipment	2	18,120	17,332	2,476	2,536
Rental of:					
Premises		6,920	7,957	1,334	1,330
Equipment		899	913	144	49
Motor vehicles		154	91	87	91
Allowance for doubtful receivables					
Trade receivables		-	43,930	-	-
Other receivables		-	20	-	-
Telecommunications network written off		282	1,245	-	-
Allowance for inventory obsolescence		-	1,655	-	151
Directors' remuneration (Note 20)		1,219	1,097	1,206	1,085
Audit fees		105	105	25	25
Property, plant and equipment written off		-	320	-	274
And crediting:					
USP contribution		3,056	-	-	-
Impairment losses of telecommunication network written back		5,264	-	-	-
Allowance for doubtful debt no longer required		666	-	-	-
Gain on disposal of property, plant and equipment		464	697	14	-
Net realised gain on foreign exchange		37	290	-	-
Rental income		125	125	62	69
Allowance for inventory obsolescence written back		273	-	-	-



15. Employee information

	Group		Company	
	2005 RM'000	2004 RM'000	2005 RM'000	2004 RM'000
Salaries and other employee benefits	74,760	86,290	9,494	10,502
EPF contribution	9,666	9,271	1,144	989
	84,426	95,561	10,638	11,491

The total number of employees of the Group and Company (including Directors) at the end of the year were 1,842 and 156 (2004 - 1900 and 101).

16. Finance costs

	Group	
	2005 RM'000	2004 RM'000
Interest on late payment	195	1,468

17. Income from other investments

	Group		Company	
	2005 RM'000	2004 RM'000	2005 RM'000	2004 RM'000
Interest income from short-term deposits	5,604	17,755	2,134	13,255



Notes To The Financial Statements

Continued

18. Income tax expense

	Group		Company	
	2005 RM'000	2004 RM'000	2005 RM'000	2004 RM'000
Current tax expense	972	1,336	-	487

The provision for current tax payable made in the Group in 2005 is in respect of interest income of certain subsidiary companies received during the financial year.

In 2004 provision for current tax payable was made on interest and rental income of certain subsidiary companies received during the financial year as there were no current year business losses available to offset against the interest and rental income earned.

Reconciliation of effective income tax expense:

	Group		Company	
	2005 RM'000	2004 RM'000	2005 RM'000	2004 RM'000
Loss before tax	(237,926)	(831,905)	(144,111)	(5,699)
Tax at statutory tax rate of 28%	(66,619)	(232,933)	(40,351)	(1,596)
Tax effect of expenses not deductible for tax purposes	39,395	1,308	37,828	854
Deferred tax assets not recognised	28,196	232,961	2,523	1,229
Tax expense	972	1,336	-	487

No deferred tax has been recognised for the following items:

	Group		Company	
	2005 RM'000	2004 RM'000	2005 RM'000	2004 RM'000
Temporary differences in respect of excess of tax capital allowances over book depreciation	(1,304,371)	(1,273,744)	(1,985)	(4,052)
Unabsorbed capital allowances	2,328,783	2,206,526	11,318	11,168
Unutilised tax losses	610,624	537,469	70,016	63,674
Deductible temporary differences	63,471	127,558	601	151
	1,698,507	1,597,809	79,950	70,941
Current tax rate	28%	28%	28%	28%
Net potential deferred tax asset	475,582	447,386	22,386	19,863

The unutilised tax losses, unabsorbed capital allowances and deductible temporary differences do not expire under current tax legislation. Deferred tax assets have not been recognised in respect of these items in certain subsidiaries because of the recent history of losses incurred.



19. Loss per share

The basic loss per ordinary share in 2005 is calculated by dividing the Group's net loss of RM238,898,000 by the number of ordinary shares in issue during the year of 2,530,775,000.

The basic loss per ordinary share in 2004 is calculated by dividing the Group's net loss of RM833,241,000 by the number of ordinary shares in issue during the year of 2,530,775,000.

20. Directors' remuneration

	Group		Company	
	2005 RM'000	2004 RM'000	2005 RM'000	2004 RM'000
Executive directors:				
The Company				
Emoluments	706	667	706	667
Non-executive directors:				
The Company				
Fees	309	285	309	285
Emoluments	46	-	46	-
Other emoluments	145	133	145	133
Subsidiary companies				
Fees	13	12	-	-
	1,219	1,097	1,206	1,085

The estimated monetary value of benefits-in-kind received and receivable by directors of TIME dotCom Berhad otherwise than in cash from the Group and the Company amounted to RM131,154 (RM59,034 in 2004) and RM131,154 (RM59,034 in 2004), respectively.

Included in directors' remuneration are amounts totalling RM72,000 (RM69,049 in 2004) payable to a related party for services rendered by two (three in 2004) non-executive directors of the Company (Note 24).

The number of directors of the Company whose remuneration fall into the respective bands are as follows:

Range of Remuneration RM	Executive directors	Non-executive directors
50,000 and below	-	5
50,001 to 100,000	-	5
100,001 and above	1	1



Notes To The Financial Statements

Continued

21. Segment information

As the Group is principally involved in the telecommunications industry within Malaysia, segment information has not been presented.

22. Capital commitments

	Group		Company	
	2005 RM'000	2004 RM'000	2005 RM'000	2004 RM'000
Authorised but not contracted for:				
Purchase and construction of telecommunications infrastructure	9,871	49,713	-	-
Contracted but not provided for in the financial statements:				
Purchase and construction of telecommunications infrastructure	45,557	120,611	-	-

23. Other commitments

	Future Minimum Lease Payments	
	2005 RM'000	2004 RM'000
Non cancellable commitments for rental of office premises, sites & right of use pertaining to telecommunications facilities		
Payable within 1 year	18,455	22,329
Payable within 2 – 3 years	37,020	42,197
Payable after 3 years	186,383	198,511
	241,858	263,037

One of the subsidiary companies entered into an agreement with Projek Lebuhraya Utara-Selatan Berhad (“PLUS”) on wayleave and right of use pertaining to telecommunications facilities of the North-South Expressway (“PLUS Agreement”) for a fee equal to an annual sum of RM10,800,000 for the calendar year 2000 with an incremental amount of 5% compounded annually up to the calendar year 2014. Thereafter the annual sum will remain at RM4,240,000 until the expiry of the agreement. The PLUS Agreement shall terminate upon the expiry of the concession agreement on 30 May 2030.



24. Related party transactions

The related parties and their relationship with the Company are as follows:

Name of related parties	Relationship
TIME Engineering Berhad (“TEB”)	A corporate shareholder of the Company
Khazanah Nasional Berhad (“Khazanah”)	A corporate shareholder of the Company
United Engineers (Malaysia) Berhad (“UEM”)	A subsidiary company of Khazanah
UEM Group Management Sdn. Bhd.	A subsidiary company of UEM
Telekom Malaysia Berhad	An associated company of Khazanah
STLR Sdn. Bhd.	A subsidiary company of Khazanah
Projek Lebuhraya Utara-Selatan Berhad	A subsidiary company of Khazanah
Projek Penyelenggaraan Lebuhraya Berhad	A subsidiary company of Khazanah
Messrs Kadir Andri & Partners	A firm of which the Director is a member.
TIME Quantum Technology Sdn. Bhd.	A subsidiary company of TEB

Significant transactions with related parties during the financial year are as follows:

	Group		Company	
	2005 RM'000	2004 RM'000	2005 RM'000	2004 RM'000
With related parties				
Name of company				
TIME Engineering Berhad				
- Director's remuneration	30	23	30	23
- Maintenance fee income	185	276	185	276
Khazanah Nasional Berhad				
- Director's remuneration	42	46	42	46
UEM Group Management Sdn. Bhd.				
- Management fees	205	213	205	213
Telekom Malaysia Berhad				
- Interconnect charges	113,353	134,060	-	-
- Interconnect revenue	24,525	29,643	-	-
- Leased line cost	4,131	4,463	-	-
STLR Sdn. Bhd.				
- Rental expense	4,424	4,541	933	867
Projek Lebuhraya Utara-Selatan Berhad				
- Fee for wayleave and right of use of telecommunications facilities	13,784	13,127	-	-



Notes To The Financial Statements

Continued

24. Related party transactions (continued)

	Group		Company	
	2005 RM'000	2004 RM'000	2005 RM'000	2004 RM'000
With related parties (continued)				
Name of company				
Projek Penyelenggaraan Lebuhraya Berhad - Network maintenance	1,991	1,648	-	-
TIME Quantum Technology Sdn. Bhd.	800	-	-	-
Messrs Kadir Andri & Partners - Professional fees	235	128	175	128

With subsidiary companies

Name of Company	Nature	Company	
		2005 RM'000	2004 RM'000
TT dotCom Sdn. Bhd.	Management fee income	2,704	3,707
TIME Reach Sdn. Bhd.	Management fee income	1,690	2,156
TIME dotNet Berhad	Management fee income	189	184

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 terms that are no less favourable than those arranged with independent third parties.



25. Financial instruments

Financial risk management objectives and policies

Exposure to credit, liquidity, interest rate and currency risk arises in the normal course of the Group and the Company's business. The overall risk management programme of the Group and the Company seeks to minimise potential adverse effects of these risks on the financial performance of the Group and the Company. There was no trading in financial instruments during the year under review.

Credit risk

Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. Credit evaluations are performed on all new customers. In respect of its trade customers, the Group and the Company require deposits as collateral. For other financial assets, the Group and the Company does not require collateral.

At balance sheet date, there were no significant concentrations of credit risk. The maximum exposure to credit risk for the Group and the Company are represented by the carrying amount of each financial asset.

Liquidity risk

The Group and the Company's holding of short term financial assets minimises liquidity risk as there are sufficient liquid assets to meet the Group and the Company's operating requirements for the foreseeable future.

Interest rate risk

The Group and the Company are exposed to interest rate risk through the impact of rate changes on interest on short term deposits with licensed banks. The Group and the Company manage its interest rate risk for the interest-earning deposit placements by placing such balances on varying maturities and interest rate terms.

Foreign currency risk

The Group and the Company have a potential currency risk exposure in its trade transactions with a number of foreign companies where amounts owing by/to these companies are exposed to currency translation risks. The principal closing rates used in translation of foreign currency amounts are disclosed in Note 1(n). All foreign exchange gains and losses are taken up in the income statement. Exposure to foreign currency risk is monitored on an ongoing basis and when considered necessary, the Group and the Company will consider using effective financial instruments to hedge its foreign currency risk.

Effective interest rates and repricing analysis

In respect of interest earning financial assets, the effective interest rate at the balance sheet date and the periods in which they reprice or mature, whichever is earlier.

	Effective interest rate per annum %	Total RM'000	Within 1 year RM'000	More than 1 year RM'000
2005				
Financial assets				
Short term deposits	2.76	204,629	204,629	-
2004				
Financial assets				
Short term deposits	2.60	246,269	246,269	-

Fair value

The carrying amount of financial assets and liabilities approximate fair value due to the relatively short term nature of these instruments.



Stockholding Analysis

As at 5 April 2006

Authorised Share Capital	: RM5,000,000,000.00
Issued and Paid-up Capital	: RM2,530,775,000.00
Class of Shares	: Ordinary Shares of RM1.00 each
No. of Shareholders	: 20,152
Voting Right	: 1 vote per Ordinary Share

Size of Holdings	No. of Shareholders	Total Holdings	%
Less than 100	88	1,835	Negligible
100 to 1,000	8,767	8,574,967	0.34
1,001 to 10,000	9,058	39,369,700	1.56
10,001 to 100,000	1,985	62,589,118	2.47
100,001 to less than 5% of issued shares	249	276,911,194	10.94
5% and above of issued shares	5	2,143,328,186	84.69
Total	20,152	2,530,775,000	100

THIRTY (30) LARGEST SHAREHOLDERS AS AT 5 APRIL 2006

Names	No. of shares	%
1. Khazanah Nasional Berhad	760,209,826	30.04
2. Maju Nominees (Tempatan) Sdn Bhd - pledged securities accounts for TIME Engineering Berhad	522,000,000	20.63
3. Bumiputra-Commerce Nominees (Tempatan) Sdn Bhd - TIME Engineering Berhad	389,081,361	15.37
4. Kumpulan Wang Amanah Pencen	273,863,540	10.82
5. TIME Engineering Berhad	198,173,459	7.83
6. Employees Provident Fund Board	84,137,384	3.32
7. Citicorp Nominees (Asing) Sdn Bhd - Bear Stearns Securities Corp. for Third Avenue Global Value Fund LP	30,000,000	1.19
8. AM Nominees (Tempatan) Sdn Bhd - Employees Provident Fund Board (A/C 1)	18,122,300	0.72
9. Lembaga Tabung Angkatan Tentera	15,000,000	0.59
10. PB Securities Nominees (Tempatan) Sdn Bhd - pledged Securities Account for Indera Permai Sdn Bhd	9,970,500	0.39
11. Citicorp Nominees (Asing) Sdn Bhd - CBNY for DFA Emerging Markets Fund	8,911,700	0.35
12. Indera Permai Sdn Bhd	7,159,600	0.28
13. AMMB Nominees (Tempatan) Sdn Bhd - AMTrustee Berhad for HLG Penny Stock Fund	6,250,000	0.25
14. AM Nominees (Tempatan) Sdn Bhd - Pertubuhan Keselamatan Sosial	4,798,100	0.19
15. CIMSEC Nominees (Tempatan) Sdn Bhd - CIMB for Indera Permai Sdn Bhd (PB)	3,100,000	0.12
16. Ahmad Zainurrashid bin Bunyamin	3,000,000	0.12
17. AllianceGroup Nominees (Tempatan) Sdn Bhd - Pheim Asset Management Sdn Bhd for Employees Provident Fund	2,673,700	0.11
18. Cartaban Nominees (Asing) Sdn Bhd - State Street Luxembourg Fund for DWS Invest Asian Small/Mid Cap	2,524,000	0.10
19. Universal Trustee (Malaysia) Berhad - HLG Balanced Fund	2,500,000	0.10


THIRTY (30) LARGEST SHAREHOLDERS AS AT 5 APRIL 2006 (continued)

Names	No. of shares	%
20. HSBC Nominees (Asing) Sdn Bhd - BNY Brussels for Ohio Police and Fire Pension Fund	2,425,400	0.10
21. HSBC Nominees (Asing) Sdn Bhd - BNY Brussels for City of New York Group Trust	2,369,900	0.09
22. Berjaya General Insurance Berhad	2,100,000	0.08
23. AMMB Nominees(Tempatan) Sdn Bhd - AMTrustee Berhad for HLG Strategic Fund	2,000,000	0.08
24. RHB Capital Nominees (Tempatan) Sdn Bhd - pledged securities account for Tan Keen Choong	1,642,000	0.06
25. CitiGroup Nominees (Asing) Sdn Bhd - CBNY for DFA Emerging Markets Small Cap Series	1,413,800	0.06
26. A.A. Assets Nominees (Tempatan) Sdn Bhd - pledged securities account for Voon Chong Kian	1,400,000	0.06
27. HSBC Nominees (Asing) Sdn Bhd - exempt Account for JPMorgan Chase Bank National Association (Netherlands)	1,303,500	0.05
28. Nik Imran bin Nik Rithaudeen	1,300,000	0.05
29. RHB Merchant Nominees (Tempatan) Sdn Bhd - RHB Sakura Merchant Bankers Berhad	1,223,336	0.05
30. TA Nominees (Tempatan) Sdn Bhd - pledged securities account for Chai Wai	1,200,000	0.05
TOTAL	2,359,853,406	93.25

SUBSTANTIAL SHAREHOLDERS AS AT 5 APRIL 2006

Shareholder	Direct Interest	(%)	Deemed Interest	(%)
TIME Engineering Berhad	1,109,254,820 (a)	43.83	-	(a) -
Khazanah Nasional Berhad	760,209,826	30	1,109,254,820 (b)	43.83
United Engineers (Malaysia) Berhad	152	-	1,109,254,820 (c)	43.83
Kumpulan Wang Amanah Pencen	273,863,540	10.82	-	-

- (a). 522,000,000 and 389,081,361 shares are held by Maju Nominees (Tempatan) Sdn Bhd and Bumiputra-Commerce Nominees (Tempatan) Sdn Bhd.
- (b). Deemed interest through United Engineers (Malaysia) Berhad.
- (c). Deemed interest through TIME Engineering Berhad.

STATEMENT ON DIRECTORS' INTERESTS IN SHARES

The Directors, on the Board of TIME dotCom deemed to have interest in the shares of the Company, by virtue of Section 6A(4)(c) of the Companies Act, 1965:

- (a). Dato' Ir. Wan Muhamad Wan Ibrahim and Elakumari Kantilal being nominees of Khazanah Nasional Berhad;
- (b). Abdul Kadir Md Kassim being a nominee of TIME Engineering Berhad and a director United Engineers (Malaysia) Berhad; and
- (c). Amiruddin Abdul Aziz being a nominee of TIME Engineering Berhad.



List Of Properties

Location	Area (sq metres)	Approx. Age (years)	Tenure	Description of Properties	Date of Purchase	Net Book Value (RM'000)
TT dotCom Sdn Bhd						
Lot No. 43 & 54, HICOM Glenmarie Industrial Park, Shah Alam, Selangor Darul Ehsan	8,995	9	Freehold	Land and building	9/9/94	15,462
Lot 6359, HSM 448 Mukim 1, Daerah Seberang Prai Tengah, Pulau Pinang	5,885	-	Freehold	Land	11/8/95	2,520
Lot PTD 3930, HS (D) 6137, Mukim Tebrau, Daerah Johor Bahru, Jalan Riang 23, Taman Gembira Industrial Park, Johor Bahru, Johor Darul Takzim	10,940	8	Freehold	Land	20/10/95	4,946
Kampung Sungai Bedaun, Daerah Labuan, Wilayah Persekutuan Labuan	32,375	-	Leasehold (99 years from 1984 to 2082)	Land	15/2/96	2,063
Lot 37, Kg. Sungai Bedaun Settlement Scheme, Daerah Labuan, Wilayah Persekutuan Labuan	12,141	-	Leasehold (99 years from 1984 to 2082)	Land	4/6/96	39
Lot 142-A, Semambu Industrial Estate, Kuantan, Pahang Darul Makmur	10,117	20	Leasehold (66 years from 1980 to 2046)	Land and a single storey building and cabin	7/6/96	1,521
No. 1, Jalan Kilang 3, Jelapang Light Industrial Estate, Ipoh, Perak Darul Ridzuan	2,162	-	Leasehold (60 years from 1976 to 2036)	Land	11/1/97	172
102M, Lengkok Kg Jawa 2, MIEL Bayan Lepas Industrial Estate, Pulau Pinang	881	22	Leasehold (60 years from 1981 to 2041)	Land and a single storey building and cabin	20/12/97	707
Lot No. 469, Mukim Batu Burok, Kuala Terengganu, Terengganu Darul Iman	809	-	Leasehold (99 years from 1975 to 2074)	Land	26/1/98	189
Lot PTD 1474, HS (D) 3432, Mukim Jemaluang, Daerah Mersing, Johor Darul Takzim	1,237	-	Leasehold (60 years from 2001 to 2061)	Land	26/10/99	39
Lot 26, Jalan 225, Petaling Jaya, Selangor Darul Ehsan	4,577	30	Leasehold (99 years from 1973 to 2072)	Land and a single storey building	24/3/03	5,251



Location	Area (sq metres)	Approx. Age (years)	Tenure	Description of Properties	Acquisition Date	Net Book Value (RM'000)
TIME Reach Sdn Bhd						
No. 31 & 32, Komplek Sukan Lebuhraya Sultan Abdul Halim, 05400 Alor Setar, Kedah Darul Aman	260	12	Leasehold (99 years from 1986 to 2085)	Land and 2 lots double storey shophouse	1/2/94	267
6765, Jalan Kampung Gajah, 12200 Butterworth, Pulau Pinang	156	11	Freehold	Land and a 3 storey shop/ office	1/9/94	363
No. 125, Medan Kikik Satu, Taman Inderawasih, 13600 Seberang Prai, Pulau Pinang	120	13	Freehold	Land and a 3 storey shop/ office	1/1/93	274
133G & 135, Jln Dato' Lau Pak Khuan, Ipoh Garden, 31400 Ipoh, Perak Darul Ridzuan	260	13	Freehold	Land and 2 lots double storey shophouse	1/1/93	370
No. 21, Tmn Bukit Hijau, Jalan Temoh, 35000 Tapah, Perak Darul Ridzuan	149	10	Leasehold (99 years from 1979 to 2078)	Land and a single storey shop office building	1/2/96	68
No. 6, Jalan Simpang, Kg Bengali, 34000 Taiping, Perak Darul Ridzuan	130	13	Leasehold (60 years from 1988 to 2048)	Land and a double storey flatted industry building	1/1/93	122
No. 80, Jalan Langat 1, Taman Seri Langat, Jalan Reko, 43000 Kajang, Selangor Darul Ehsan	149	14	Freehold	Land and a 3 storey shophouse	1/10/91	143
No. 54 & 56, Jalan Sentosa, Tmn Chi Liung, Off Jln Kim Chuan, Pandamaran, 42000 Port Klang, Selangor Darul Ehsan	279	11	Freehold	Land and 2 lots of double storey shop/ office	1/1/95	284
No. 8-1, Jalan 4/4C, Desa Melawati, 53100 Ulu Klang, Selangor Darul Ehsan	164	10	Freehold	Land and a 3 storey shophouse	1/2/96	373
No. 6 & 8, Jalan Liku 8/B, Seksyen 8, 40000 Shah Alam, Selangor Darul Ehsan	307	11	Leasehold (99 years from 1998 to 2097)	Land and 2 lots of double storey shophouse	1/1/95	359
No. 5, Lorong 6B/91, Taman Shamelin Perkasa, 56000 Kuala Lumpur	164	13	Leasehold (99 years from 1983 to 2082)	Land and 4 storey shop/ office	1/5/93	373



List Of Properties

Location	Area (sq metres)	Approx. Age (years)	Tenure	Description of Properties	Acquisition Date	Net Book Value (RM'000)
Lot No. 11, Jalan SS 6/12 Kelana Jaya, 47301 Petaling Jaya, Selangor Darul Ehsan	186	15	Freehold	Land and 4 storey terrace shophouse	1/5/91	339
No. 363, Taman Bukit Emas, Jalan Tampin, 70450 Seremban, Negeri Sembilan Darul Khusus	164	10	Freehold	Land and a 3 storey shophouse	1/1/96	289
324A & B, Jalan Melaka Raya 1, Taman Melaka Raya, 75000 Melaka	167	19	Leasehold (99 years from 1983 to 2082)	Land and a 3 storey shophouse	1/2/87	185
No. 64 & 66, Jalan Wong Ah Jang, 25100 Kuantan, Pahang Darul Makmur	297	13	Freehold	Land and 2 lots of 3 storey shophouse	1/7/93	435
No. 6-01-02, Jalan Molek 1/9, Taman Molek, 81100 Johor Bahru, Johor Darul Takzim	236	12	Freehold	Land and a 3 storey shophouse	1/5/94	266
No. 33 & 35, Jalan Suasa 1, Taman Sri Skudai, 81300 Johor Bahru, Johor Darul Takzim	327	13	Freehold	Land and 2 lots of double storey shophouse	1/10/92	264
No. 53, 53A & 53B Jalan Perang, Taman Pelangi, 80400 Johor Bahru, Johor Darul Takzim	178	11	Freehold	Land and a 3 storey shophouse	1/9/94	327
No. 13, Jalan Timah Hitam, 83000 Batu Pahat, Johor Darul Takzim	137	14	Leasehold (99 years from 1988 to 2087)	Land and a 3 storey shophouse	1/2/92	170
No. 1-25, Kawasan Perindustrian Batu 1, Tanjung Agas, 84000 Muar, Johor Darul Takzim	143	17	Leasehold (99 years from 1981 to 2080)	Land and a double storey shophouse	1/11/88	82
Block BC, Lot 12, Unit 6, Lorong Ikan Juara 3, Sadong Raya, Karamunsing, 88100 Kota Kinabalu, Sabah	107	11	Leasehold (999 years from 1902 to 2901)	Land and a 4 storey shop/ house	1/1/95	525



Group Corporate Directory

TIME dotCom Berhad (413292-P)

Level 1, Wisma TIME
249 Jalan Tun Razak
50400 Kuala Lumpur
Malaysia
Tel: +60 3 2720 8000
Fax: +60 3 2720 0199
Website: www.time.com.my

TIME Retail Outlet

Level 4, Matang Building
83B, Jalan Langkasuka
80350 Johor Bahru
Johor Darul Takzim
Tel: +60 7 277 1264
Fax: +60 7 278 2781

TIME Customer Support & Service TIME SelfCare

Tel: 1 800 387 111 or
+60 3 2730 5287
Fax: +60 3 2720 9006
Email: customerservice@time.com.my

TT dotCom Sdn Bhd (52371-A)

Level 1, Wisma TIME
249 Jalan Tun Razak
50400 Kuala Lumpur
Malaysia
Tel: +60 3 2720 8000
Fax: +60 3 2720 8001

TIME Reach Headquarters (11683-W)

Level 6, Menara Maxisegar
Jalan Pandan Indah 4/2
Pandan Indah
55100 Kuala Lumpur
Tel: +60 3 4295 8888
Fax: +60 3 2720 3626

TIME dotNet Berhad (507273-T)

Level 9, Wisma TIME
249 Jalan Tun Razak
50400 Kuala Lumpur
Tel: +60 3 2720 8000
Fax: +60 3 2720 4466
ISP Web Portal: www.time.net.my

TT dotCom Regional Offices

Central Region

43&54, Jalan U1/26
HICOM Glenmarie
40150 Shah Alam
Selangor Darul Ehsan
Tel: +60 3 5032 6000
Fax: +60 3 5032 6003

Northern Region

102M, Lengkok Kampung Jawa 2
MIEL Industrial Zone
11900 Bayan Lepas
Penang
Tel: +60 3 370 0000
Fax: +60 3 370 0001

No 12, Block D1
Jalan Todak 4
Pusat Bandar Seberang Jaya
13700 Prai
Pulau Pinang
Tel: +60 4 370 2000
Fax: +60 4 370 2004

No. 133G & 135
Jalan Dato Lau Pak Khuan
Ipoh Garden
31400 Ipoh
Perak
Tel: +60 5 236 0000
Fax: +60 5 236 5000

Eastern Region

No 142A,
Kawasan Perindustrian Semambu
25350 Kuantan
Pahang
Tel: +60 9 556 0692
Fax: +60 9 556 0691

Southern Region

4th Floor, Matang Holdings
No 83B, Jalan Langkasuka
Kawasan Perindustrian Larkin
80350 Johor Bahru
Johor
Tel: +60 7 277 1234 (Operations)
Fax: +60 7 277 1200
Tel: +60 7 277 1288 (Sales)
Fax: +60 7 277 1277

A-10, Bacang Permai
Jalan Tun Fatimah
75350 Melaka
Tel: +60 6 228 3000
Fax: +60 6 228 3001

East Malaysia (Sales)

Lot 3085, Ground Floor
Wisma Ng Aik Oh
Jalan Rock
93200 Kuching
Sarawak
Tel: +60 82 427 992
Fax: +60 82 237 306

Lot 5, 2nd Floor
Lazenda Shop Office Phase 3
Jalan OKK Abdullah
87008 Labuan
Wilayah Persekutuan Labuan
Tel: +60 87 439 000
Fax: +60 87 439 007

(Operations)

Lot 969, Block 12 MLTD Samajaya
Free Industrial Zone
93450 Kuang
Sarawak
Tel: +60 82 283 600
Fax: +60 82 364 406

TIME Reach Regional Offices

Central Region 1 (Wilayah)

Level 6, Menara Maxisegar
Jalan Pandan Indah 4/2
Pandan Indah
55100 Kuala Lumpur
Tel: +60 3 4295 8888
Fax: +60 3 2720 3622

Central Region 2 (Selangor)

Pusat Kejuruteraan TIME Reach
Lot 26, Jalan 225
Seksyen 51A
46100 Petaling Jaya
Selangor Darul Ehsan
Tel: +60 3 7688 7100
Fax: +60 3 7625 6773

Southern Region

No. 6, 6-01, 6-02
Jalan Molek 1/9
Taman Molek
88100 Johor Bahru
Johor Darul Takzim
Tel: +60 7 355 6199
Fax: +60 7 355 4424

Northern Region

No. 125, Medan Kikik Satu
Taman Inderawasih
13600 Prai, Seberang Perai
Pulau Pinang
Tel: +60 4 399 9211
Fax: +60 4 399 1211

Eastern Region

No. 64 & 66
Jalan Dato' Wong Ah Jang
25100 Kuantan
Pahang Darul Makmur
Tel: +60 9 514 4300
Fax: +60 9 513 2491

East Malaysia

Block BC, Lot 6
Lorong Ikan Juara 3
Sadong Jaya, Karamuning
88100 Kota Kinabalu
Sabah
Tel: +60 88 240 240
Fax: +60 88 248 100

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TIME dotCom Berhad
413292-P

Form Of Proxy

No. of shares	CDS Account No.
---------------	-----------------

I/We, _____ Identification/Company No. _____
(Name in block letters)

of _____
(Full Address)

being a member/members of TIME dotCom Berhad hereby appoint _____

Identification No. _____

of _____
(Full Address)

or failing him/her, the Chairman of the Meeting as my/our proxy to vote for me/us and on my/our behalf at the Ninth Annual General Meeting of the Company to be held at Banquet Hall, Kuala Lumpur Golf & Country Club, No. 10, Jalan 1/70D, Off Jalan Bukit Kiara, 60000 Kuala Lumpur on Thursday, 8 June 2006 at 10.30 a.m. and at any adjournment thereof.

You may indicate with an "X" or "✓" in the boxes provided below how you wish your votes to be cast. Please note that the filling of this form is for indicative purposes only and shall not bind the Company or in any way oblige or require the Company to ensure that your proxy shall vote in the manner as indicated by you.

Please take further note that the Company shall accept the vote cast by your proxy as a valid vote whether or not your proxy has acted in accordance with your instructions.

	For	Against
Ordinary Resolution 1		
Ordinary Resolution 2		
Ordinary Resolution 3		
Ordinary Resolution 4		
Ordinary Resolution 5		
Ordinary Resolution 6		
Ordinary Resolution 7		
Ordinary Resolution 8		
Ordinary Resolution 9		

Signed this _____ day of _____ 2006.

Signature/Common Seal of Appointer

NOTES:

1. A member entitled to attend and vote at the above Meeting is entitled to appoint a proxy/proxies to attend and vote in his stead. A proxy may but need not be a member of the Company and Section 149(1)(b) of the Companies Act, 1965 shall not apply to the Company.
2. The instrument of proxy shall be in writing and signed by the appointer or by his attorney and in the case of a corporation, either under its common seal or signed by its attorney or officer on behalf of the corporation.
3. A member who holds 1,000 shares or less in the Company is entitled to appoint one (1) proxy whilst a member holding more than 1,000 shares in the Company is entitled to appoint a maximum of two (2) proxies. Where a member of the Company is an authorised nominee as defined in accordance with the Securities Industry (Central Depositories) Act, 1991, it may appoint one (1) proxy in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.
4. Where a member appoints two (2) proxies, the appointments shall be invalid unless the proportion of holding to be represented by each proxy is specified.
5. The instrument appointing a proxy or other authority, if any, under which it is signed or a notarially certified copy of that power or authority shall be deposited at the Company's Share Registrar's office, **Mega Corporate Services Sdn Bhd at Level 15-2, Faber Imperial Court, Jalan Sultan Ismail, 50774 Kuala Lumpur** not less than forty eight (48) hours before the time for holding the meeting or adjourned meeting, or in the case of a poll not less than twenty four (24) hours before the time appointed for the taking of the poll, and in default the instrument of proxy

Fold here

affix
postage
here

Mega Corporate Services Sdn Bhd

Level 15-2, Faber Imperial Court,
Jalan Sultan Ismail,
50774 Kuala Lumpur

Fold here

TIME dotCom Berhad
413292-P

Level 1, Wisma TIME
249 Jalan Tun Razak
50400 Kuala Lumpur
T +603 2720 8000
F +603 2720 0199
www.time.com.my