

TIME dotCom Berhad 413292-P

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TIME dotCom Berhad 413292-P

annual report 2001

we listen
annual report 2001





*TIME dotCom
stands ready;
ready to listen,
ready to see,
ready to act.*

our core values

- we are one team
- customer satisfaction is everyone's job
- accountability
- be passionate about what we do
- give and get value in everything we do;
be good to do business with
- build our brand
- integrity
- show innovation
- tolerate some changes

errata

To: The Shareholders of TIME dotCom Berhad

Please be advised that there is a typographical error in **page 83** of the Annual Report 2001. The affirmation date of declaration by the officer primarily responsible for the financial management of the Company should read **"29th day of April 2002"** instead of **"22nd of April 2002"**.

our vision

is about enriching and enhancing people's lives through the services we provide.

corporate mission

TIME dotCom's mission is to be the leading provider of integrated telecommunication services in Malaysia with a group identity and brand synonymous with high quality and comprehensive services.



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" Welcome to TIME dotCom, Malaysia's integrated communications solutions provider. We offer a complete and comprehensive range of services to both the domestic and international markets, from voice and data communications to broadband, Internet, global managed services, mobile, payphones and various multimedia solutions designed with you in mind. "



notice of annual general meeting

NOTICE IS HEREBY GIVEN that the Fifth Annual General Meeting of the Company will be held at Ballroom 1 & 2, Level 2, Hotel Nikko Kuala Lumpur, 165 Jalan Ampang, 50450 Kuala Lumpur on Friday, 24 May 2002 at 10.00 a.m. for the purpose of transacting the following businesses:

agenda

as ordinary business

1. To receive the Audited Accounts for the financial year ended 31 December 2001 together with the Directors' Report and Report of the Auditors thereon. **Resolution 1**
2. To re-elect the following Directors retiring in accordance with Article 99 of the Company's Articles of Association and being eligible, offered themselves for re-election:
 - (a) Dato' Ir. Wan Muhamad Wan Ibrahim **Resolution 2**
 - (b) Puan Elakumari Kantilal **Resolution 3**
 - (c) Puan Salmah Sharif **Resolution 4**
 - (d) Encik Abdul Kadir Md Kassim **Resolution 5**
 - (e) Ms Gee Siew Yoong **Resolution 6**
 - (f) Encik Kamaludin Abdul Kadir **Resolution 7**
3. To approve the Directors' remuneration for the financial year ended 31 December 2001. **Resolution 8**
4. To appoint Messrs Deloitte KassimChan as Auditors and to authorise the Directors to fix their remuneration. **Resolution 9**

as special business

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

5. "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 the Kuala Lumpur Stock Exchange." **Resolution 10**
6. To transact any other business of which due notice shall have been given.

By Order of the Board

LEE PHUAY SOO
(LS 0005782)
Company Secretary

Kuala Lumpur
2 May 2002

notice of annual general meeting *cont'd*

notes:

1. A member of the Company entitled to attend and vote at the meeting may appoint one or more proxies to vote in his stead. A proxy may but need not be a member of the Company and a member of the Company may appoint any person to be his proxy. Section 149(1)(b) of the Companies Act, 1965 shall not be applicable.
2. The instrument appointing a proxy or other authority, if any, under which it is signed or notarially certified copy of that power or authority shall be deposited at the registered office, not less than forty-eight (48) hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote, 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 10

The proposed adoption of Ordinary Resolution 10 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

1. Directors who are standing for re-election are as follows:
Dato' Ir. Wan Muhamad Wan Ibrahim
Puan Elakumari Kantilal
Puan Salmah Sharif
Encik Abdul Kadir Md Kassim
Ms Gee Siew Yoong
Encik Kamaludin Abdul Kadir
2. Details of attendance of the Directors at Board meetings held during the financial year are as follows:

name	number of meetings held during appointment	number of meetings attended
Dato' Ir. Wan Muhamad Wan Ibrahim	6	6/6
Puan Elakumari Kantilal	9	9/9
Puan Salmah Sharif	9	9/9
Encik Abdul Kadir Md Kassim	2	1/2
Ms Gee Siew Yoong	2	2/2
Encik Kamaludin Abdul Kadir	2	2/2

3. All Board meetings were held at Level 1, Wisma TIME, 249 Jalan Tun Razak, 50400 Kuala Lumpur. The date and time of the Board meetings are as follows:

date	11 Jan	27 Feb	12 April	8 May	20 June	1 Aug	24 Aug	5 Sept	24 Sept	15 Nov	6 Dec
time	10.00 a.m.	3.00 p.m.	9.30 a.m.	10.00 a.m.	10.00 a.m.	9.30 a.m.	9.30 a.m.	9.30 a.m.	9.30 a.m.	9.00 a.m.	9.00 a.m.

4. Further details of the Directors who are standing for re-election at the Fifth Annual General Meeting are set out on pages 8 - 10.

corporate information

board of directors

Dato' Ir. Wan Muhamad Wan Ibrahim
(Chairman)
Puan Elakumari Kantilal
Puan Salmah Sharif
Encik Abdul Wahid Omar
Encik Abdul Kadir Md Kassim
Ms Gee Siew Yoong
Encik Kamaludin Abdul Kadir

audit committee

Ms Gee Siew Yoong (Chairman)
Puan Elakumari Kantilal
Encik Kamaludin Abdul Kadir

remuneration committee

Ms Gee Siew Yoong (Chairman)
Puan Salmah Sharif
Encik Kamaludin Abdul Kadir

nomination committee

Encik Abdul Kadir Md Kassim
Ms Gee Siew Yoong
Encik Kamaludin Abdul Kadir

tender board committee

Dato' Ir. Wan Muhamad Wan Ibrahim
(Chairman)
Puan Elakumari Kantilal
Encik Abdul Wahid Omar
Mr Robert Carlile Fox

company secretary

Ms Lee Phuay Soo
(LS 0005782)

registered office

Level 1, Wisma TIME
249, Jalan Tun Razak
50400 Kuala Lumpur
tel: +60 3 2720 8000
fax: +60 3 2720 3743

share registrar

Mega Corporate Services Sdn Bhd
Level 11-2, Faber Imperial Court
Jalan Sultan Ismail
50250 Kuala Lumpur
tel: +60 3 2692 4271
fax: +60 3 2732 5399

principal solicitor

Messrs Rashid & Lee

auditors

Deloitte KassimChan
Level 19, Uptown 1
1, Jalan SS21/58
Damansara Uptown
47400 Selangor

principal banker

Bumiputra-Commerce Bank Berhad

stock exchange listing

Main Board of the Kuala Lumpur
Stock Exchange

TIME dotCom listens and acts . . .



We wish we could have stayed longer.



TIME Retail Flagship offers convenient bill payments, broadband surfing and shopping for your communication needs while you enjoy your coffee!

profile of the board of directors

YBhg Dato' Ir. Wan Muhamad Wan Ibrahim

Chairman

Non-Executive and Non-Independent Director

YBhg Dato' Ir. Wan Muhamad Wan Ibrahim, a Malaysian aged 61, was appointed as Director of TIME dotCom on 26 July 2001 and as Chairman on 15 November 2001. He 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) as Senior Vice President of Marketing until his retirement in 1996. Thereafter, he served as the first Chief Executive Officer of TM Touch Sdn Bhd until 1999. He has over 33 years of experience in the telecommunications industry.

Dato' Wan Muhamad is the Chairman of the Tender Board Committee. He is also a Director of TIME dotNet Berhad.

He has no securities holdings in the Company and its subsidiaries and no family relationship with any Director and/or major shareholder of the Company, and has not been convicted of any offences in the past 10 years.



Puan Elakumari Kantilal

Non-Executive and Non-Independent Director

Puan Elakumari Kantilal, a Malaysian aged 45, was appointed as Director of TIME dotCom on 8 March 2001. She 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 with the Ministry of Finance from 1986 to 1994. She joined Khazanah Nasional Berhad in 1994 and is currently the General Manager.

Puan Elakumari is a member of the Audit Committee and Tender Board Committee. She is also a Director of TIME Engineering Berhad and Faber Group Berhad.

She has no securities holdings in the Company and its subsidiaries and no family relationship with any Director and/or major shareholder of the Company, and has not been convicted of any offences in the past 10 years.



Puan Salmah Sharif

Non-Executive and Non-Independent Director

Puan Salmah Sharif, a Malaysian aged 41, was appointed as Director of TIME dotCom on 8 March 2001. She holds a Bachelor of Law from Universiti Teknologi MARA and was admitted as an Advocate and Solicitor at the High Court of Malaysia in 1990. She began her career as Legal Officer with the Malaysian Industrial Estates Sdn Bhd in 1987 and became the Company Secretary in 1989. She has been the Company Secretary and Legal Advisor of Khazanah Nasional Berhad since 1994.

Puan Salmah is a member of the Remuneration Committee. She is also a Director of TIME Engineering Berhad, Renong Berhad and EPE Power Corporation Berhad.

She has no securities holdings in the Company and its subsidiaries and no family relationship with any Director and/or major shareholder of the Company, and has not been convicted of any offences in the past 10 years.



profile of the board of directors *cont'd*

Encik Abdul Wahid Omar

Non-Executive and Non-Independent Director

Encik Abdul Wahid Omar, a Malaysian aged 38, was appointed as Director of TIME dotCom on 22 October 2001. He is a member of the Association of Chartered Certified Accountants (United Kingdom) and Malaysian Institute of Accountants. He began his career with KPMG Peat Marwick in 1987, then served Bumiputra Merchant Bankers Berhad from 1989 to 1991. He was Senior Vice President, Finance, Administration & Secretarial of Kumpulan Fima Berhad from 1991 to 1994, and subsequently Director of Group Corporate Services cum Divisional Director, Capital Market & Securities with Amanah Capital Partners Berhad from 1994 to 2001. He then joined Telekom Malaysia Berhad as Chief Financial Officer in 2001. He is currently Managing Director and Chief Executive Officer of United Engineers (Malaysia) Berhad and Executive Vice Chairman of Renong Berhad. He also serves as a member of the Investment Panel of Lembaga Tabung Haji.

Encik Wahid is a member of the Tender Board Committee. He is also a Director of Pharmaniaga Berhad, Projek Penyelenggaraan Lebuhraya Berhad, Intria Berhad, PLUS Expressway Berhad, Projek Lebuhraya Utara Selatan Berhad and Linkedua (Malaysia) Berhad.

He has no securities holdings in the Company and its subsidiaries and no family relationship with any Director and/or major shareholder of the Company, and has not been convicted of any offences in the past 10 years.



Encik Abdul Kadir Md Kassim

Non-Executive and Non-Independent Director

Encik Abdul Kadir Md Kassim, a Malaysian aged 61, was appointed as Director of TIME dotCom on 22 October 2001. He holds a Bachelor of Law from University of Singapore, and served the Malaysian Administrative and Diplomatic Service and Judicial and Legal Service between 1966 and 1973, holding various senior positions. He is currently a partner of Messrs Kadir, Andri Aidham & Partners and also a Committee Member of the Kuala Lumpur Stock Exchange, Labuan International Financial Exchange Inc., Malaysian Exchange of Securities Dealing & Automated Quotation Berhad and a member of the Board of Governors of Yayasan Bursa Saham Kuala Lumpur.

Encik Kadir is a member of the Nomination Committee. He is also a Director of Danamodal Nasional Berhad, Suria Capital Holdings Berhad, Ho Hup Construction Company Berhad and United Engineers (Malaysia) Berhad.

He has no securities holdings in the Company and its subsidiaries and no family relationship with any Director and/or major shareholder of the Company, and has not been convicted of any offences in the past 10 years.



profile of the board of directors *cont'd*

Ms Gee Siew Yoong

Non-Executive Independent Director

Ms Gee Siew Yoong, a Malaysian aged 53, was appointed as Director of TIME dotCom on 22 October 2001. She is a member of the Malaysian Association of Certified Public Accountants and Malaysian Institute of Accountants. She started her career with Price Waterhouse in 1969, and joined Selangor Pewter Group as Financial Controller from 1981 to 1985. She was seconded to USA between 1983 and 1994 and appointed as Director and Chief Executive Officer of Seneca Crystal Inc. (a company undergoing re-organisation under Chapter XI of the US Bankruptcy Code). She later became Personal Assistant to the Executive Chairman of Lipkland Group. From 1987 to 1991, she was the Executive Director and Chief Executive of Supreme Finance (M) Berhad. She then served Land & General Berhad from 1993 to 1997 as Group Divisional Chief, Management Development Services before joining Multi-Purpose Capital Holdings Berhad from 1997 to 1999 as Executive Assistant to the Chief Executive.

Ms Gee is the Chairman of Audit Committee and Remuneration Committee. She is also a Director of Bell & Order Berhad and Crest Petroleum Berhad.

She has no securities holdings in the Company and its subsidiaries and no family relationship with any Director and/or major shareholder of the Company, and has not been convicted of any offences in the past 10 years.



Encik Kamaludin Abdul Kadir

Non-Executive Independent Director

Encik Kamaludin Abdul Kadir, a Malaysian aged 59, was appointed as Director of TIME dotCom on 24 October 2001. He holds a Bachelor of Engineering (Elect.) from University of Auckland, P. Eng. He has extensive experience in the telecommunications industry, both with telecommunications services and telecommunications equipment systems supplier sectors. He was also involved in major technology matters during his service with the Ministry of Defence from 1972 to 1983. He also represents Lembaga Tabung Angkatan Tentera on the Board of Ericsson (Malaysia) Sdn Bhd and Ericsson Academy (M) Sdn Bhd and is presently pursuing business in the ICT industry.

Encik Kamaludin is a member of the Audit Committee, Remuneration Committee and Nomination Committee.

He has no securities holdings in the Company and its subsidiaries and no family relationship with any Director and/or major shareholder of the Company, and has not been convicted of any offences in the past 10 years.



TIME dotCom listens and acts . . .

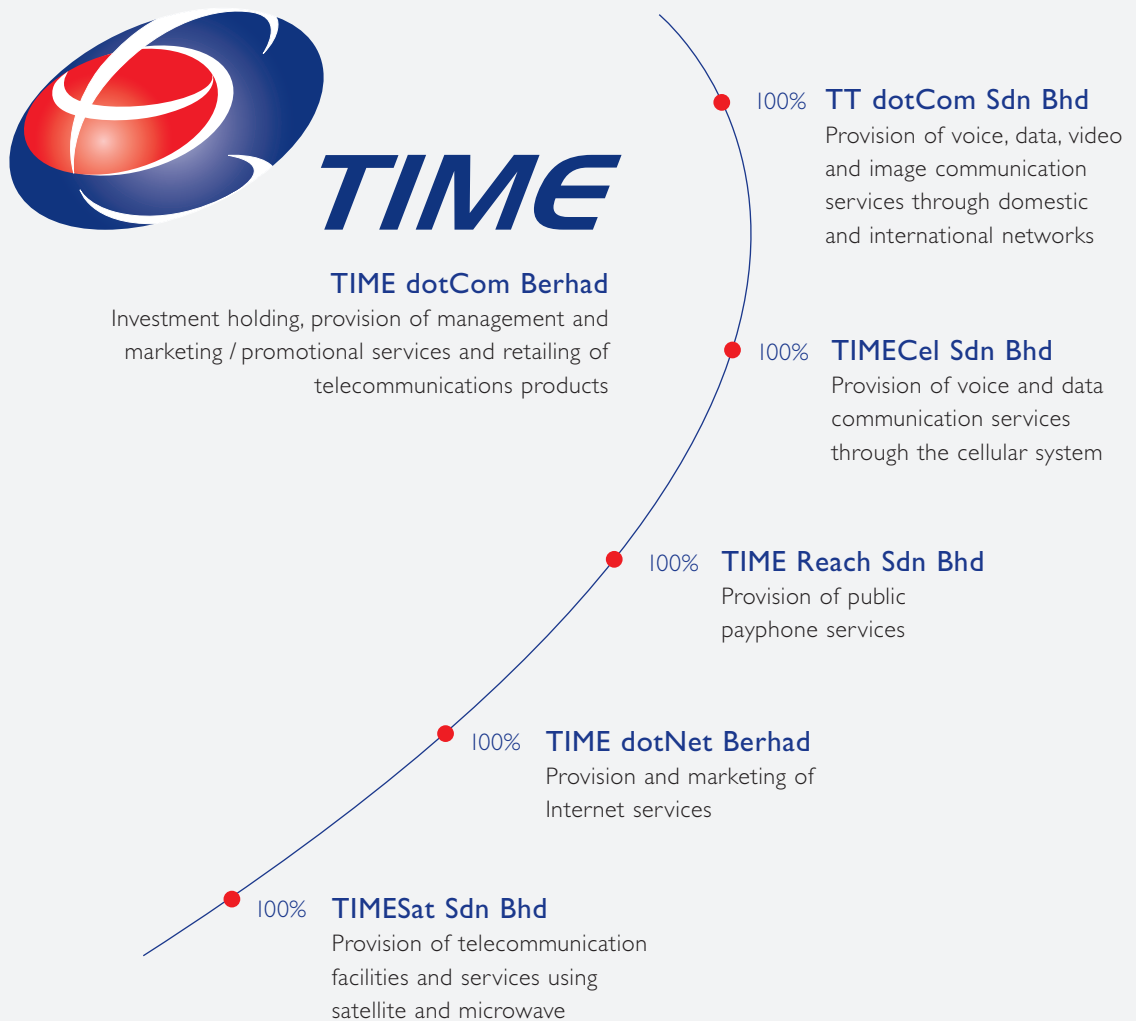


Video conferencing utilising TIME Leased Line.

I wish my boss were here now.



corporate structure



chairman's statement



Dear Shareholders,

The most significant development in the year was undoubtedly the listing and quotation of TIME dotCom shares on the Main Board of the Kuala Lumpur Stock Exchange (KLSE) on 12 March 2001. Moving forward, TIME dotCom Berhad and its Group companies focused on building corporate brand awareness and presence in the domestic telecommunications and multimedia industry.

On behalf of the Board, I hereby present this inaugural Annual Report of TIME dotCom Berhad for the financial year ending 31 December 2001.

financial review

The global economic slowdown and global electronics downturn have taken a toll on the Malaysian economy. TIME dotCom adopted a proactive and prudent approach to cope with the market conditions.

In line with the approach adopted, the Board has approved changes in the Company's accounting treatments, including the early adoption of the Malaysian Accounting Standards Board (MASB) Standard 27 governing the capitalisation of borrowing costs. MASB 27 is only mandatory for the Company in respect of our financial statement ending 31 December 2003. During the year, we also reviewed the accounting treatment to align the computation of amortisation charges to appropriately reflect economic prospects. Resulting from these moves the Group incurred a loss before tax of RM43.6 million. Prior to the adoption of the revised accounting treatment, the Company was close to achieving its profit targets. The Group would have achieved 86% of the projected Profit Before Tax (PBT) target as set out in the IPO Prospectus on revenue of RM957 million for the full year (which represented a 30% year-on-year growth in revenue).

chairman's statement *cont'd*

financial review *cont'd*

The loss sustained does not, however, detract from the fact that the Group achieved positive Earnings Before Interest, Tax, Depreciation and Amortisation (EBITDA). The fundamentals of the Group remain strong as reflected in the quality of the Balance Sheet.

dividend

As anticipated in the Prospectus, no dividend will be declared for the financial year ended 31 December 2001.



operations review

The successful completion of the listing exercise has given the Group a clean financial slate to work on. Among TIME dotCom's key strengths is the 5,200 km fibre optic trunk network, including a main fibre optic route of 900 km along the North South Expressway. With data traffic projected to overtake voice traffic, this backbone is a competitive advantage to TIME dotCom in the roll-out of advanced services in the future.

During the year, TIME dotCom Group adopted a more customer-centric and service oriented approach in the marketing of its products and services. To this end, the Group was reorganised to focus on customer segments, service and product innovation and embarked on a 12-month action plan to expand and upgrade the network and product offerings in key areas. TIME dotCom's new business and operating strategy is that the customer is always at the centre of activity undertaken by the Group. It is a commitment that runs through the entire organisation.

Keeping pace with subscriber growth, TIME dotCom has invested more than RM150 million to upgrade its GSM 1800 mobile infrastructure to improve network capacity and coverage. Other investments include RM34 million in an Advanced Intelligent Network (AIN) platform deploying the latest technology to cater for an increasing traffic volume and support future development, and RM15 million in a state-of-the art Customer Call Centre.

We are a pioneer in marketing total packages to provide convenient and cost-effective communications solutions to both consumer and business segments. We also provide a total end-to-end solution that integrates fixed lines, mobile and Internet services into one customised package and single bill. Providing the market with innovative products is part of our core business.

We continue to build a wide network of partnerships and collaborations with application and other service providers and equipment providers, gaining from the skills and experience of world-class experts. These collaborators include some of the world's leaders in communications industries. To increase market penetration, TIME dotCom has established strategic alliances with major property developers and hotels, enabling the Group to reach targeted customer segments.

chairman's statement *cont'd*

prospects for 2002

For the coming year, TIME dotCom Group will focus on the growing markets of data, broadband and higher speed mobile services where we are already a serious contender with a long-term competitive edge.

We foresee a high demand for affordable, 'always-on' Internet services from Small and Medium Enterprises and Industries(SME/SMIs). Broadband is making its impact on the market with rapid roll-out of new multimedia services like e-banking, e-commerce, distant learning and enhanced web-based applications. By leveraging our existing fibre infrastructure and with cutting edge broadband technologies, we are able to gain access directly to business and residential customers for the delivery of next generation broadband services.

In the coming year, over RM400 million has been identified for network upgrade and expansion, both for fixed and mobile infrastructure. This will translate into access to more new buildings, further penetration of existing buildings, increase in broadband access and further improvements to the mobile coverage along the NSE, NKVE and ELITE to achieve more than 90% coverage of those expressways, thus cementing our foothold and strengths in these areas.

Our customers can look forward to more choices in mobile data services. As we move from the basic digital phone network to high speed mobile data infrastructure, the freedom of choice that will be presented to our customers will not only be in the new assortment of applications, but also the wider range of access devices. With our experience in managing Internet-based content and application services, we will not only build a better mobile network, but also provide the reasons for people to subscribe to our mobile service.

Telecommunications will continue to impact every aspect of our lives. For this reason alone, it is safe to predict that the future of the industry and TIME dotCom remain bright. With the right strategies and resources, TIME dotCom is poised to assert a greater presence in the local and international telecommunications industry.

appreciation

In closing, I would like to record my appreciation to the staff for their hard work and commitment in transforming TIME dotCom Group into the stronger organisation it is today. My gratitude is extended to our treasured customers, shareholders and business associates. My appreciation also goes to the Kuala Lumpur Stock Exchange, Securities Commission and other regulatory authorities for their co-operation in the listing of TIME dotCom on the Main Board of the KLSE.

We saw the departure of familiar names on the Board and addition of new members. YBhg Tan Sri Abu Talib Othman, YBhg Tan Sri Halim Saad, YBhg Dato' Zaidan Haji Othman, Mr Michael Lim Hee Kiang and Dr Ismail Abdul Rashid resigned during the year. We thank these gentlemen for their contributions and the key roles they played in the successful listing of TIME dotCom.

I welcome Puan Elakumari Kantilal, Puan Salmah Sharif, Encik Abdul Wahid Omar, Encik Abdul Kadir Md Kassim, Ms Gee Siew Yoong and Encik Kamaludin Abdul Kadir to the Board. These new members bring to the Board a wealth of knowledge and experience.

I thank you all.

Dato' Ir. Wan Muhamad Wan Ibrahim
Chairman

chief executive officer's statement



Dear Shareholders,

In this inaugural Annual Report of TIME dotCom Berhad, I am happy to share with you some of the strategies and plans that have been put in place to enhance TIME dotCom's position in the Malaysian telecommunications industry.

The financial year ended 31 December 2001 marked TIME dotCom Berhad's first period of operation as a public listed company.

You would be aware that 2001 was an especially tough year for stock markets globally. A global economic slowdown and the ripple effects of the NASDAQ sell-off had a bearing on the performance of our counter. We recognise that our published results were not close to the original plans in the Prospectus. Our financial focus during the year was also to improve EBITDA margins and cash flow management and we achieved these objectives. Looking to the future, we have put in place strategies, people and structures to cope with the toughening market conditions and place the Group in a better position for medium to long term growth. Please allow me to elaborate on some of these changes which have taken place and are taking place in the Group which recognise the Group's role in the Malaysian telecommunications industry and economy.

a customer oriented strategy

The Group's heritage includes infrastructure built around a nationwide fibre optic trunk network which supports a considerable customer base, particularly corporate customers. The listing exercise gave TIME dotCom a clear financial advantage over the other telecommunication companies (telcos). However, to give TIME dotCom the best chance of success in an increasingly competitive business, we needed to co-ordinate and exploit fully the synergies within the Group, using the strength of our infrastructure to gain access to a broader audience and customer base.

chief executive officer's statement *cont'd*

a customer oriented strategy *cont'd*

Achieving this objective meant we had to change the way we organised our operating units. The old model had outlived its usefulness. We undertook a major organisational transformation in August last year to achieve the following objectives:

- Deliver the best possible customer experience
- Bring together some administrative activities for consistency, economy and effectiveness
- Focus on key market segments
- Enable organisational learning and development
- Rebuild the TIME brand

Today's more discerning and demanding customers expect one-stop shopping, consistency in the brand experience and a high service ethic. Thus the key to how TIME dotCom should organise itself best revolved around the customer experience. Our conviction is that consistency in high-quality customer experience will help build TIME's brand and reputation and this in turn will ensure repeat business. How successful we are in this will be the acid test.

our role in the Malaysian economy

We see our role as:

- Contributing to national vision of a k-economy and information society by continually developing applications and solutions useful in a broadband context
- Making broadband services more widely available
- Facilitating the take up of e-commerce and e-business
- Helping to make the economy and industry more attractive by striving for higher quality of service and customer service and bringing innovative products and ways of doing business to the market
- Helping to avoid duplication of infrastructure where commercial sense allows for sharing

Although competition in the mobile sector has taken root, dominance in the fixed sector has meant that the full benefits of competition are not yet realised. As ICT output as a percentage of GDP grows, and in a growing economy, we recognise the important role which ICT plays and the role which the Group plays in making the contributions described above.

In this context, we recognise and operate according to four truths:

1. We are an interdependent business - in order to provide the best possible customer experience, we must understand our roles and know how to work together effectively as a team.
2. We are in an interdependent industry - through interconnect and various other kinds of partnership and collaboration, to win we must 'collaborate and compete'. A wide range of business partners is important.
3. We are in a service industry. Although technology is a key enabler, it is through the total customer experience and the quality of our service which we can differentiate.
4. We work in a regulated environment. Regulation is not just about compliance, but about making useful contributions to the set of rules under which we operate, for the benefit of the industry, the economy and our stakeholders.

Each of these truths is reflected in our programmes, how we are organised, and our messages to business partners and competitors.

platform for growth

Our Core Business Units are organised around customer segments and product management. Each unit is a team with its own profit and loss responsibility. The key markets identified comprise Wholesale, Corporate and Government, SME/SMIs, Mobile and Payphone services. Product management is charged with continually developing and delivering affordable, appealing, profitable and useful innovation.

chief executive officer's statement *cont'd*

platform for growth *cont'd*

Our support functions are Customer Services, Network Services, Market Communications, Finance, Strategic Development and Organisational Development.

Our core values - what TIME dotCom stands for and what we believe in - are crafted around the best chance at achieving success. A new culture is evolving whereby customer satisfaction has become the responsibility of every employee in the Group. Everyone is expected to support customers, deliver quality service and results and build brand awareness and presence. Our senior management team has spent time in the Group's customer service call centre. All this is part of ensuring the totality of the customer experience.

I am pleased to report that our efforts have begun bearing fruit. In a consumer satisfaction survey carried out by the Malaysian Communications and Multimedia Commission, TIME dotCom shared the top position with another company for fixed line services from amongst five.



operational highlights

Reflecting the commitment towards a new level of customer service, TIME dotCom opened its first integrated retail flagship in Bangsar (a second in Johor Bahru has had a 'soft' opening) and invested some RM15 million in equipment to upgrade our Customer Service and Support Centre to streamline service group wide. The operations of this centre are based on world class standards. Since its inception, service levels have been commendable.

In the year under review we increased our innovation with a new product or service rolled out every month in the second half of the year. Among the many new products and services introduced, we continued to build on the success of TIME GOLD to offer other value added features such as TIME GOLD 'Close 2 Home' service and TIME GOLD Cherish.

The launch of TIME Business Solutions (supported by a marketing and sales team dedicated to SME/SMIs) is the company's contribution to catalysing e-commerce for the Small and Medium Industries (SMI) and Small and Medium Enterprises (SME) markets. TIME dotCom also scored a first in launching commercial high speed, always-on broadband services targeted at business and residential customers. TIME Broadband BizNET was launched in September targeted at businesses with the need for high speed Internet access service. This track record has continued into the new year with TIME Conference, a value added service, that gives business people the flexibility to conduct multi-party meetings anywhere and anytime.

chief executive officer's statement *cont'd*

operational highlights *cont'd*

The year also saw TIME dotCom embarking on a marketing and promotional blitz. Among the many campaigns initiated during the year, the most memorable were the launch of TIME dotCom's new corporate TV commercial, our participation at ASEAN Communications and Multimedia 2001 where TIME dotcom showcased its latest innovations and more recently, the series of road shows nationwide. The year also saw TIME dotCom unveiling its totally redesigned and refocused website (www.time.com.my). Offering fresh new content and interactive services organised into useful categories, it is designed to cater for and be attractive to all stakeholders, not just customers.

In an ongoing effort to improve the coverage and quality of its networks, TIME dotCom invested RM34 million in a new AIN (Advanced Intelligent Network) platform to improve the quality of transmission. TIME dotCom's mobile network was also upgraded at a cost of over RM150 million to cater for a growing demand for its mobile network services. When completed in the first half 2002, customers on the upgraded TIMECel mobile network will enjoy quality services that rank among the best in the country. The upgrade will also put TIME dotCom in a competitive position for the eventual roll-out of 3G.



We continue to manage our payphone business by focusing on the more profitable areas and providing a useful service to many.

Integral to the improvement process, TIME dotCom recognises the importance of corporate governance to protect the interests of its stakeholders. As such, we have adopted measures to strengthen corporate governance across the Group in compliance with the Malaysian Code on Corporate Governance and the revamped Listing Requirements of the KLSE.

While growing our businesses, TIME dotCom has not forgotten its responsibility as a corporate citizen. In addition to contributions to economic development, we support many charitable organisations and worthy causes through our corporate sponsorship programmes. TIME dotCom has also introduced an Internet Education Programme to instil the importance of the Internet among the younger generation of Malaysians, preparing them for Digital Age.

prospects

For the foreseeable future, we continue to expect growth in Malaysia's telecommunications industry. TIME dotCom has already established itself well in key segments of the Malaysian telecommunications industry, in particular:

chief executive officer's statement *cont'd*

prospects *cont'd*

- Content and applications collaboration and development for Internet and wireless-based services
- High speed broadband in corporate areas and commercial hot spots
- GPRS testing and roll-out in preparation for a 3G environment
- Corporate fixed wireline and wireless services
- Wholesale supply of network bandwidth to operators and other international carriers

In the fixed line sector, presently the biggest contributor to TIME dotCom's revenue, we plan to increase market share by focusing on our corporate services. We also see broadband as an important revenue and profit generator for the Group. Having wired over 1,400 commercial buildings nationwide, TIME dotCom has the foundations in place to attain a leadership position in corporate broadband services.

Mobile is another key sector within the Group's strategy to gain market share. At around 27% penetration rate in the mobile market, Malaysia still has some way to go before reaching saturation level. GPRS has been under commercial trial and is due for commercial roll-out this year. This kind of service is a precursor to the 3G revolution, and early roll-out gives us a head start in gaining valuable experience in the management of high speed data transmission services. Given its experience in infrastructure, network, content and applications collaboration, TIME dotCom has the right fundamentals to be cost-effective and skilled in the development and deployment of high speed mobile services.

TIME dotCom's task for the coming year is to ensure that the strategies and platforms put in place in 2001 live up to expectations for the benefit of our customers, employees and ultimately, our shareholders. There is still much to accomplish, but leveraging on the many strengths and strong assets in the Group - the groundwork done to date, the future looks promising.

acknowledgements

TIME dotCom owes its gratitude and appreciation for the help and support it has received from several quarters, namely the Kuala Lumpur Stock Exchange and Securities Commission, CDRC, Bank Negara Malaysia, Government and statutory authorities, bankers and business associates. A special note of thanks is extended to our many customers and shareholders.

A recognition of the special role played by the Ministry of Energy, Communications & Multimedia and the Malaysian Communications and Multimedia Commission should be made, for it is through the programmes of these bodies that the industry has the best chance of working together for a better market and better economy.

The staff and management of TIME dotCom Group have been remarkable in their dedication and professionalism in what was a most challenging year. Last but not least, I wish to record my sincere appreciation to the members of our Board of Directors, past and present, who have been very supportive of all we have set out to achieve.

I thank all of you.

Robert Carlile Fox
Chief Executive Officer

TIME dotCom listens and acts . . .



TIME GOLD offers up to 50% discounts on IDD and STD calls.

I wish I could hear a familiar voice anytime.



corporate governance statement

Malaysian code on corporate governance (“Code”)

The Board of Directors is committed to ensuring the highest standards of corporate governance in the Group. Currently, the Group is working towards full application of the principles set out in Part 1 of the Code, as well as compliance with the Best Practices in Corporate Governance set out in Part 2 of the Code.

board of directors board

Substantial changes in the Board of Directors occurred during the financial year 2001. Two Directors resigned in January and March 2001 respectively and subsequently, due to corporate restructuring exercise, five Directors resigned in October 2001. The existing seven Directors were appointed in March, July and October 2001 respectively.

board balance

The existing Board of Directors consists of a non-executive Chairman and six other non-executive Directors, two of whom are independent. Together, the Board of Directors has a good mix of business, technical, financial and legal expertise to lead and control the Company. The profile of the Board of Directors is featured on pages 8 to 10 of the Annual Report.

The roles of the Chairman and Chief Executive Officer are separated. The Board of Directors delegates the authority of implementing its policies and decisions, overseeing the operations and business development to the Chief Executive Officer as the head of the management of the Company.

The Board of Directors has identified Ms Gee Siew Yoong as the Senior Independent Director, to whom minority shareholders' concerns may be conveyed.

There is a schedule of matters reserved for the Board of Directors' decision, which includes the approval of business plan, annual budget, major investment and financial decisions and key policies.

board meetings

11 Board meetings were held during the financial year ended 31 December 2001. Details of attendance of each Director are shown below:

director	number of meetings held during appointment	number of meetings attended
Tan Sri Abu Talib Othman (resigned on 25.10.2001)	9	9/9
Dato' Zaidan Hj Othman (resigned on 22.10.2001)	9	8/9
Tan Sri Halim Saad (resigned on 3.10.2001)	9	3/9
Mr Michael Lim Hee Kiang (resigned on 24.10.2001)	9	9/9
Dr Ismail Abdul Rashid (resigned on 24.10.2001)	7	6/7

corporate governance statement *cont'd*

board meetings *cont'd*

director	number of meetings held during appointment	number of meetings attended
Encik Khairuddin Zainal (resigned on 22.3.2001)	2	2/2
Mr Ng Eng Chong (resigned on 12.1.2001)	1	nil
Dato' Ir. Wan Muhamad Wan Ibrahim	6	6/6
Puan Elakumari Kantilal	9	9/9
Puan Salmah Sharif	9	9/9
Encik Abdul Wahid Omar	2	2/2
Encik Abdul Kadir Md Kassim	2	1/2
Ms Gee Siew Yoong	2	2/2
Encik Kamaludin Abdul Kadir	2	2/2

supply of information

The Board of Directors is supplied with all necessary information by way of Board papers prior to Board meetings.

The Board of Directors has access to independent professional advice at the Company's expense, as well as the services of the Company Secretary.

appointments

Appointment of new Directors and members of Board Committee will be recommended by the Nomination Committee, and approved by the Board of Directors.

There is an orientation programme in place for new Directors, including visit to the business offices to facilitate their understanding of the Company and discharge of duties. All Directors have attended the Mandatory Accreditation Programme conducted by the Kuala Lumpur Stock Exchange.

re-election

All Directors are subject to re-election at the interval of at least once every 3 years according to the Articles of Association.

corporate governance statement *cont'd*

nomination committee

The Nomination Committee was established in September 2001 in accordance with the Code. It comprises entirely of non-executive Directors and majority of whom are independent, namely, Encik Abdul Kadir Md Kassim, Ms Gee Siew Yoong and Encik Kamaludin Abdul Kadir.

The Board of Directors intends to activate the Nomination Committee to carry out the functions prescribed by its terms of reference.

remuneration committee

The Remuneration Committee was established in September 2001 in accordance with the Code. It comprises entirely of non-executive Directors, namely, Ms Gee Siew Yoong (Chairman), Puan Salmah Sharif and Encik Kamaludin Abdul Kadir.

The Remuneration Committee met twice during the financial year ended 31 December 2001 to deliberate on its terms of reference and the remuneration framework of non-executive Directors.

directors' remuneration

The remuneration framework for non-executive Directors was recommended by the Remuneration Committee and approved by the Board of Directors. The package comprising fees and reimbursement of meeting allowance was aimed to attract and retain Directors of calibre, skills and experience needed to lead and control the Company effectively.

Details of Directors' remuneration during the financial year are as follows:

	fees (RM)	fixed monthly allowances (RM)	meeting allowances (RM)	benefits in kind (RM)
executive directors	Nil	Nil	5,500.00	Nil
non-executive directors	52,678.00	78,194.00	49,000.00	374.00

The number of Directors whose total remuneration fall within the following bands during the financial year are as follows:

	executive directors	non-executive directors
RM50,000 and below	1	12
above RM50,000	Nil	1

corporate governance statement *cont'd*

shareholders

The Board of Directors acknowledges the need for the shareholders and stakeholders to be fully informed of all material developments of the Company.

dialogue with investors

In addition to various announcements and disclosures made to the Kuala Lumpur Stock Exchange, the Company has regular dialogues with institutional investors, fund managers and analysts with the aim of fostering understanding about the Company and its activities.

annual general meeting

The Company will use its Annual Report and Annual General Meeting as a means of communicating with investors.

In addition, the Company's website at <http://www.time.com.my> also caters for communication with shareholders.

accountability and audit

financial reporting

In presenting the financial reporting, the Board of Directors aims to present a balanced and understandable assessment of the Company's position. The Board of Directors considers the Company has adopted applicable accounting standards, consistent policies and supported by reasonable judgement.

directors responsibility statement

The Board is responsible for ensuring that the financial statements give a true and fair view of the state of affairs of the Group and the Company as at the end of the accounting period and of their profit and loss and cashflows for the period then ended. In preparing the financial statements, the Directors have ensured that applicable approved accounting standards in Malaysia and the provisions of the Companies Act, 1965 have been applied.

internal control

The Board of Directors acknowledges their responsibility for the Company's system of internal control, which is embedded in various work processes and procedures. The system is designed to mitigate and manage risk in the pursuit of the business objectives as well as safeguard shareholders' investment in the Company and the Company's assets. However, such system can only provide reasonable but not absolute assurance against mis-statement or loss.

Some salient features of the internal control mechanism are:

- Clearly defined segregation and delegation of authorities and responsibilities between the Board of Directors, Board committees, Chairman, Chief Executive Officer and Heads of Business Units in the form of Discretionary Authority Limits.
- Clearly documented internal procedures in the form of Standard Operating Procedures and Key Business Processes.
- Clearly documented Code of Conduct and Discipline, Code of Ethics and Core Values.
- Regular supply of information to the management and the Board of Directors and Board committees, where appropriate, for monitoring purposes.
- Internal audit visits, review and process.

corporate governance statement *cont'd*

relationship with the auditors

The role of the Audit Committee in relation to the external auditors is described in the Audit Committee Report. The Audit Committee will meet with the external auditors at least once a year without the presence of the management.

audit committee

The Audit Committee reviews the financial results of the Company and monitors the work and findings of the external and internal auditors. The Audit Committee met regularly with due notice, including on occasions without the presence of the management.

Details of the Audit Committee and its activities are set out in the Audit Committee Report.

other compliance information

sanctions and/or penalties

There were no sanctions and/or penalties imposed as the Company and its subsidiaries, directors or management by the relevant regulatory bodies.

non-audit fees

Non-audit fees paid to the external auditors for the financial year ended 31 December 2001 amounted to RM 87,600.44.

material contracts

There were no material contracts of the Company and its subsidiaries, involving the Directors' and major shareholders' interests, either still subsisting at the end of the financial year ended 31 December 2001 or entered into since the end of the previous financial year.



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To: The Shareholders

TIME dotCom BERHAD ANNUAL REPORT 2001 - ERRATUM

TIME dotCom Berhad wishes to inform the Kuala Lumpur Stock Exchange and the shareholders of the following additional disclosure for the Annual Report 2001:-

Page 26, Corporate Governance Statement

The Company wishes to make the following additional disclosure as the last item of other compliance information set out in Page 26:-

"The status of the utilisation of the Initial Public Offering's proceeds as at 31 March 2002 is as follows:-

	Raised (RM million)	Utilised (RM million)	Balance (RM million)
To finance its telecommunications business	498.4	181.8	316.6
To defray expenses relating to the listing exercise	60.0	48.8	11.2
	558.4	230.6	327.8

The amount utilised under the telecommunication business was for network expansion and working capital."

We apologise for the inadvertent omission.

By Order of the Board

LEE PHUAY SOO
Company Secretary
(LS 0005872)

Dated: 20 May 2002
Kuala Lumpur

audit committee report

The Board of Directors is pleased to issue the following report on the Audit Committee and its activities for the financial year ended 31 December 2001.

constitution

The Audit Committee was established by the Board of Directors on 27 September 2000.

composition

The present Audit Committee comprises of three (3) members, of whom two (2) are independent Directors. The Chairman of the Audit Committee is an independent Director and a member of the Malaysian Institute of Accountants. The composition of the Audit Committee complies with the KLSE Listing Requirements.

members

Members of the Audit Committee during the financial year ended 31 December 2001 are as follows:

Tan Sri Abu Talib Othman (Chairman)	Independent Non-Executive Director	(Resigned on 25.10.2001)
Dato' Zaidan Haji Othman	Non-Independent Non-Executive Director	(Resigned on 16.5.2001)
Mr Michael Lim Hee Kiang	Independent Non-Executive Director	(Resigned on 24.10.2001)
Ms Gee Siew Yoong (Chairman)	Independent Non-Executive Director	(Appointed on 15.11.2001)
Puan Elakumari Kantilal	Non-Independent Non-Executive Director	(Appointed on 8.5.2001)
Encik Kamaludin Abdul Kadir	Independent Non-Executive Director	(Appointed on 15.11.2001)

terms of reference

The terms of reference of the Audit Committee are as follows:

- Review the quarterly and year-end financial statements focusing particularly on any changes in accounting policies and practices, significant adjustments, going concern assumption and compliance with accounting standards and legal requirements.
- Consider the appointment of the external auditor.
- Discuss the nature and scope of the audit with the external auditor.
- Discuss problems arising from the audit.
- Review the external auditor's management letter and response.
- Review the adequacy of scope, functions and resources of the internal audit function, internal audit plan and results, appointment, resignation or termination of senior audit staff and assessment of performance of the internal audit function.
- Consider any related party transactions.
- Consider the major findings of investigation and response.
- Consider other topics defined by the Board of Directors.

In the discharge of its duties, the Audit Committee has the rights prescribed under the Listing Requirements of KLSE and the support of the Company Secretary.

audit committee report *cont'd*

meetings

A total of four (4) Audit Committee meetings were held during the financial year ended 31 December 2001. The dates of the Audit Committee meetings are 17 May 2001, 17 August 2001, 12 October 2001 and 11 December 2001.

Details of attendance of each member of the Audit Committee are as follows:

	number of meetings held during appointment	number of meetings attended
Tan Sri Abu Talib Othman	3	3/3
Dato' Zaidan Haji Othman	Nil	Nil
Michael Lim Hee Kiang	3	3/3
Puan Elakumari Kantilal	4	4/4
Ms Gee Siew Yoong	1	1/1
Encik Kamaludin Abdul Kadir	1	1/1

summary of activities

During the financial year ended 31 December 2001, the Audit Committee has carried out activities in accordance with its terms of reference, which include:

- (a) Review and recommend the quarterly results for approval by the Board of Directors.
- (b) Discuss the annual audit plan, and the nature and scope of audit with the external and internal auditors.
- (c) Consider the results of audit and reports by the external and internal auditors.
- (d) Consider the policy and approach of risk management framework.
- (e) Consider matters relating to corporate governance in compliance with the revamped Listing Requirements of KLSE and the Malaysian Code on Corporate Governance.

internal audit function

During the financial year ended 31 December 2001, the internal audit function was outsourced to TIME Engineering Berhad and HBN Management Sdn Bhd. Regular and systematic review of the system of internal controls were undertaken to support the Audit Committee to discharge its duties and responsibilities.

A number of internal control weaknesses were identified during the year. All of which have been, or are being addressed. None of the weaknesses have resulted in any material losses, contingencies or uncertainties that would require disclosure.

management team



seated from left to right :

Mek Yam Jusoh

aged 46, is the Director of Wholesale, Carrier and Regulatory. She holds a Bachelor of Technology in Electrical Electronics from Brunel University, UK and a MBA from Cranfield Business School. Prior to joining TIME dotCom Group in 1993, she has held several portfolios in the telecommunications industry.

Karan Henrik Ponnudurai

aged 36, is the Senior General Manager of Product Management. He graduated in Electrical Engineering from University of Malaya and Stanford University, USA, where he held a University scholarship. Prior to joining TIME dotCom Group in November 2001, Karan was a Vice President for Softbank Corporation. He has had extensive operational and business experience in the communications industry in various countries.

Mohamad Fauzi Omar

aged 44, is the Director of Mobile Services. He holds a MBA from a joint programme by IMC (UK) and NOU (Can) and Associate Chartered Institute of Marketing (UK). He joined TIME dotCom Group in February 2002. He has 19 years of experience in the oil and gas as well as telecommunications industries, with over 10 years in mobile services.

Siti Hamidah Hamat

aged 43, is the Director of Corporate Accounts & Government. She holds a Bachelor of Science in Business Administration majoring in Finance from St. Louis University, USA. She joined TIME dotCom Group in 2000 as Special Project Director of the Office of Chief Executive. She has 13 years of experience in the securities, project management and property development industries.

Safuan Basir

aged 34, is the General Manager of Strategic Development. He graduated from Nottingham Trent University and obtained his professional certification from Emille Wolfe College of Accountancy, UK. He is a Chartered Accountant and an associate member of ACCA. He joined TIME dotCom Group in October 2001. He has managerial, accountancy and finance experience in various industries.

Navaratnam Krishnan

aged 42, is the Director of Internal Audit. He holds a MBA from Herriot-Watt University, UK and is a member of Malaysian Institute of Internal Auditors, MIM and Malaysian Institute of Training and Development. He was with Renong Group since 1990 before joining TIME dotCom Group in 2000. He has 22 years of experience in auditing in various industries.

management team *cont'd*

seated from left to right cont'd:

Lawrence Cheah

aged 42, is the Interim Head of Customer Services. He holds a Bachelor of Science in Computer Science from California State University, Chico, USA. He joined TIME dotCom Group in 1995. He has 18 years of experience in the banking, IT and telecommunications industries.

standing from left to right:

Yap Sow Wan

aged 46, is the Unit Head of Organisational Development. She holds a Master in Education, Training & Development from University of Sheffield, UK and is a professional member of International Society for Performance Improvement in the USA. She joined TIME dotCom Group in July 2001. She has extensive experience in the field of learning, process improvement, instructional design and organisational development.

Andrew Cheong

aged 38, is the Senior General Manager of Business & Multimedia Services - SME and Retail Division. He holds a Bachelor of Science from the University of Oregon, USA. He joined TIME dotCom Group in July 2001. He has more than 14 years of experience in the telecommunications, high tech, banking and fast moving customer industries.

Khairuddin Zainal

aged 41, is the Director of Payphone Services. He holds a Bachelor of Science in Civil and Environmental Engineering from the University of Wisconsin, USA. He joined TIME dotCom Group in 1999. He has held several portfolios in engineering and consultancy.

Robert Carlile Fox

aged 45, is the Chief Executive Officer of TIME dotCom Group. He graduated with BA, LLB (UNSW) and was a Sloan Fellow at Stanford University Graduate School of Business, with MSc (Management) from Stanford University. He joined TIME dotCom in July 2001. He started his career with Baker & McKenzie, an international firm of attorneys and solicitors and was with British Telecom for several years. He has many years of senior management experience in different industries, including telecommunications.

Koh Lai Huat

aged 43, is the Chief Financial Officer. He holds a MBA in International Business from Schiller International University. He is also a fellow member of ACCA. He was the Chief Operating Officer of TIME Engineering Berhad in 2000 prior to joining TIME dotCom Group in November 2001. He has many years of working experience in the finance area of various industries.

Tan Eng Suan

aged 38, is the Director of Business & Multimedia Services and Acting Head of Network Services. He holds a Bachelor of Engineering in Mechanical Engineering and is an associate member of City and Guilds Association. He joined TIME dotCom Group in 1995. Prior to joining the Group, he was with Andersen Consulting for seven years.

Karimah Tan Abdullah

aged 43, is the General Manager of Market Communications. She holds a Bachelor of Science from National University of Singapore. She was with Renong Group since 1995 prior to joining TIME dotCom Group in 2000. She has vast experience in marketing communications with several leading advertising agencies.

Lee Phuay Soo

aged 35, is the Unit Head of Legal & Secretarial. She graduated with LLB (Hons) from University of Malaya in 1992 and was admitted as an Advocate and Solicitor of the High Court of Malaya in 1993. She holds a MBA from University of Hull, UK. She joined TIME dotCom Group in March 2002. She has many years of legal and company secretarial experience in various industries.

TIME dotCom listens and acts . . .



*Wireless Internet for instant access and
convenient connectivity to the Internet.*

I wish I could work away from the office.



calendar of events



17 January

TIME Retail Flagship Official Opening

Official opening of the first TIME dotCom Integrated Retail Flagship in Bangsar. The event was officiated by YB Datuk Amar Leo Moggie, Minister of Energy, Communications & Multimedia. The lifestyle store provides a convergence of technology and services under one roof for customers' convenience.

22 January

Issuance of TIME dotCom's Prospectus

The issuance of TIME dotCom's prospectus marked the Initial Public Offer of its shares to the Malaysian public. Reputed as the year's biggest IPO, the offer opened from 22 January until 8 February 2001.

30 January

**Analysts Briefing & Press Conference on
TIME dotCom Initial Public Offer (IPO)**

An analyst briefing was held prior to the listing of TIME dotCom on the Main Board of the KLSE.

7 February

TIME e-Payment Launch

Launched a free payment service, called TIME e-Payment, that puts online payment transactions at customer's fingertips.

12 February

TIMENet 24x7 Marathon Surf

TIMENet launched TIMENet 24x7 Marathon Surf contest for a period of 12 weeks which carried a grand prize of RM50,000. The contest was aimed at encouraging people to surf TIMENet.



1 March

TIME Reach and AT&T Signing Ceremony

TIME Reach signed an agreement with AT&T to support the AT&T Home Country Direct Access Service through its payphones located in KLIA.

calendar of events *cont'd*



12 March **TIME dotCom Listing on the Main Board of the Kuala Lumpur Stock Exchange**

TIME dotCom made its debut on the Main Board of the Kuala Lumpur Stock Exchange. The TIME dotCom counter is traded under the 'Infrastructure Project Companies' sector, using the abbreviated stock name "TIMECOM".

23 March **"TIME & Service Providers - A Winning Combination" Event**

TIME dotCom introduced its Wholesale Business Solutions to its customers to add value to its already wide array of innovative products & services at an event themed "TIME & Service Providers - A Winning Combination."

28 March **TIME Product Wizard Launch**

TIME dotCom introduced the most comprehensive web-based application that guides users to one or more of TIME dotCom's products and services - the TIME Product Wizard.

28 March - 20 April **TIME dotCom Customised Solutions Presentation**

TIME dotCom introduced its new Corporate solutions for its products and services that have been customised and integrated to meet customers' communication needs. The event was held at various locations in Kuala Lumpur, Selangor, Pulau Pinang and Johor.

2 April **TIME e-Procurement Launch**

TIME dotCom launched TIME e-Procurement, a solution to streamline its purchasing processes via the Internet.

14 April **TIMENet's 24x7 Marathon Surf Contest Prize Giving Ceremony for Week 1 - 6**

In a move to reward its surfers, TIMENet gave away prizes to winners of the 24x7 Marathon Surf selected from Week 1 until Week 6 of the contest period.



23 April **Build Transfer Concessionaire (BTC) Signing Ceremony**

TIME dotCom signed a Memorandum of Understanding with Konsortium Dewan Holdings to appoint DewanSite Dot.Com Sdn Bhd, a subsidiary of Konsortium Dewan Holdings as one of its Build Transfer Concessionaires.

30 April **Press Preview of TV Commercial and Launch of TIME dotCom Products & Services Guide**

TIME dotCom gave the Media a preview of the Company's 90 seconds television commercial as part of its Corporate Advertising Campaign to create awareness and maintain the corporate and brand presence of the company. The event also marked the launch of TIME dotCom's Products & Services Guide.



4 May **Cheque Presentation Ceremony to Pusat Harian Kanak-kanak Spastik Bandar Ipoh**

As part of its community service project, TIME dotCom sponsored ten units of artificial limbs for the spastic and handicapped children of Pusat Harian Kanak-Kanak Spastik Bandar Ipoh. The contribution was valued at RM30,000.

8 June **Launch of TIME Broadband HomeNET**

TIME dotCom launched Malaysia's first commercial high speed broadband service, TIME Broadband HomeNET, targeted at residential customers at world competitive rates. For the first phase, the service was made available to selected residential customers in Bangsar.

12 June

TIMENet's 24x7 Marathon Surf Contest Grand Prize and Weeks 7-12 Prize Giving Ceremony

TIMENet gave away the grand prize of RM50,000 to the lucky winner of its "24x7 Marathon Surf" at a ceremony held at TIME Retail Flagship in Bangsar. Prizes for winners of week 7 till week 12 were also given away.



14 June

SMI One-Stop Solution Centre 2001

TIME dotCom Group participated in this annual fair held for the small and medium sized industries.



20 June

Appointment of Chief Executive Officer

TIME dotCom officially announced to KLSE the appointment of Robert Carlile Fox as its Chief Executive Officer with effect from 4 July 2001.



22 June

TIMECel's "Ziana Zain in the Park Concert" Press Conference

A press conference was held at TIME Retail Flagship, Bangsar to promote the musical sponsorship of "Ziana Zain in the Park Concert" which was later held in August 2001.

26 June

TIMECel Sdn Bhd Officially Adopted Its New Name

TIME Wireless Sdn Bhd officially changed its name to TIMECel Sdn Bhd.

16 July

UiTM International Teachers Conference

TIME dotCom was one of the co-sponsors of the International Teachers Conference organised by Universiti Teknologi MARA held at Concorde Shah Alam.

24 July

**Launch of TIME GOLD Functionality
for GMPC Card**

TIME GOLD debut as one key service functionality of the Government Multi Purpose card (GMPC), also known as "MyKad". The event which was officiated by YAB Dato' Seri Dr Mahathir bin Mohamad was held at the Malaysian Technology Park, Bukit Jalil.

2 August

Inter Operator Joint SMS Facility

TIMECel together with four other mobile operators signed a Memorandum of Understanding to provide Inter Operator Short Message Service (SMS) facility.



9 August

**TIMECel 017 Presents "The Battle for
Red Supremacy"**

TIMECel announced its sponsorship of the English FA Charity Shield match between Manchester United and Liverpool aired 'live' over NTV7. The Press Conference was held at the Retail Flagship Bangsar.

11 & 12 August

**TIMECel 017 Presents "Ziana Zain In
The Park Concert"**

TIMECel was the major sponsor of Malaysian diva, Ziana Zain's comeback concert aptly named "Ziana Zain In The Park Concert" held at the Putra World Trade Centre (PWTC).



21 August

TIME Together # 1 for Klang Valley Staff

"TIME Together # 1" was held for staff based in the Klang Valley at the Dewan Wawasan, Bangunan PGRM Cheras, Kuala Lumpur. Similar events were subsequently held for the regional staff in Kuantan, Penang, Johor Bahru, Kuching and Kota Kinabalu.

26 - 28 August

Tamil Internet Exhibition

TIME dotCom participated in the Tamil Internet Exhibition held at the Putra World Trade Centre.

30 August

TIME GOLD's Spirit of Merdeka Launch

"TIME GOLD Spirit of Merdeka" promotion which offered attractive discounts on calls was launched.



5 - 9 September

KLSE Investors' Week

TIME dotCom participated for the first time in the KLSE Investors' Week held at the Exchange Square Kuala Lumpur.



7 September

TIMECel Appreciation Dinner

TIMECel hosted a dinner in appreciation of its loyal customers at the Mandarin Oriental Hotel Kuala Lumpur. The dinner included a prize giving ceremony for winners of "Get Storming with TIMECel SMS Contest".

11 September

**Opening of TIME dotCom
Consolidated Customer
Service Centre**

TIME dotCom opened its state-of-the-art Consolidated Customer Service Centre at Menara AA Kuala Lumpur.



28 September
TIME dotCom Introduced
Broadband Service to Businesses

TIME dotCom launched the high speed and always-on Internet access service targeted at businesses under the brand name, TIME Broadband BizNET. Plaza Mont' Kiara was the first commercial roll-out.

19 October
Launch of TIME dotCom's Intranet
Service, TIME e-Station

TIME e-Station, the TIME dotCom Intranet platform, was launched to serve as another communications conduit for the Group. TIME e-Station aims to provide all staff with easy access to vital information on the group.



25 October
Signing Ceremony of TIMECel's Network
Upgrade Programme with Nokia

TIMECel signed a contract with Nokia (M) Sdn Bhd for the supply and installation of its GSM 1800 infrastructure in a move to upgrade and expand its network.



29 October
Signing Ceremony of Massive Multimedia
Online Game LEGENDS

TIMENet officially signed a collaboration arrangement with NexonAsia Online Pte Ltd to introduce the massive multiplayer online game (MMOG), LEGENDS, to the Malaysian market.

calendar of events *cont'd*

**30 October -
2 November**

**ASEAN Communications & Multimedia
Exhibition and Forum 2001**

TIME dotCom participated in the ASEAN Communications & Multimedia Exhibition and Forum 2001 at the MINES Kuala Lumpur. TIME dotCom's showcase of comprehensive and innovative communications solutions attracted large crowds at the exhibition.



30 October

**Launch of TIME dotCom's Remodelled
Corporate Website**

TIME dotCom unveiled its redesigned and refocused Corporate Website that provides a better customer experience.

1 November

**Muzik Muzik/Juara Lagu 2001
Press Conference**

TIMENet announced its collaboration with TV3 for Muzik Muzik 2001 Semi-finals at a Press Conference held at Bangsar Retail Flagship. TIMENet was the official Webcaster for this prestigious musical event.



12 November

Juara Lagu Press Conference

TIME dotCom announced its sponsorship of TV3's Juara Lagu 2001 at a Press Conference held at Bangsar Retail Flagship.

15 November

Appointment of TIME dotCom's Chairman

TIME dotCom officially announced the appointment of YBhg Dato' Ir. Wan Muhamad Wan Ibrahim as Chairman of the Company.

**30 November -
2 December**

**TIME Group
Roadshow, Ipoh**

TIME dotCom staged a series of roadshows at popular shopping malls throughout the country to provide useful insights to the company's latest product offerings. The roadshow kicked-off in Ipoh Parade.

1 December

TIME GOLD Festive Flat Rate

In celebration of the festive season, TIME GOLD launched its TIME GOLD Festive Flat Rate promotion where subscribers enjoy flat rates of 20 sen for STD and Mobile calls and RM1.00 for IDD calls during off peak hours to selected countries.



7 - 9 December

TIME Group Roadshow, Kuantan

TIME Group Roadshow continued to attract large crowds at Kuantan Parade.

11 December

Wholesale Seminar

A seminar for wholesale customers was held at the J.W. Marriott Hotel Kuala Lumpur.

28 - 30 December

TIME Group Roadshow, Klang

TIME dotCom Group Roadshow for the year ended at the popular Klang Parade.



30 December

Juara Lagu 2001

TIME dotCom's sponsorship of TV3's Juara Lagu 2001 wrapped up an eventful year for the Group. TIME dotCom also provided webcasting and SMS facility for this prestigious musical event.

review of operations



overview

Moving forward from the public listing exercise, TIME dotCom has established itself as one of the major players in the industry. As the operator of the only 100% fibre optic trunk network in Malaysia, TIME dotCom has effectively positioned itself as an integrated communications solutions provider.

TIME dotCom's subsidiaries provide the following services:

Fixed Line Services: TT dotCom Sdn Bhd provides fixed line, voice and data communications and other value added services under the 'TIME' brand.

Mobile Services: TIMECel Sdn Bhd, formerly known as TIME Wireless Sdn Bhd, provides digital mobile communication services carrying the prefix code number of 017 under the 'TIMECel' brand.

Payphone Services: TIME Reach Sdn Bhd provides public payphone services throughout Malaysia under the 'TIME' brand.

Internet Services: TIME dotNet Berhad provides dial-up and broadband Internet services to commercial and residential customers under the 'TIMENet' brand.

review of operations *cont'd*



lines of business

fixed line, broadband and internet services

TIME dotCom is the second largest fixed line provider in Malaysia and the only large scale provider of facilities-based fixed line services targeted at the corporate sector. During the year in review, TIME dotCom's fixed line business focused on increasing market penetration and expanding its customer base. The Group continued to deliver a suite of voice and data services, global IP, Frame Relay, ATM and other multimedia products and services to all its customer segments.

The Group is now at the forefront in providing broadband solutions with the launch of its TIME Broadband HomeNET, BizNET and SoNET services. As Malaysia's first commercial high speed, 'always-on' broadband service, TIME Broadband utilises a hybrid of wireless last mile and fibre optic/copper delivery, optimising the Company's 100% fibre optic trunk network. TIME Broadband allows streaming of the latest multimedia games, music and video clips, voice chat and other streaming media at blazing connection speeds of up to 2048 Kbps.

As content applications grow and through fixed wireless and wireline technologies, customers now enjoy a multitude of services provided by TIME Broadband, including high speed data file transfers and other advanced web applications.

TIME dotCom shares the Government's aspirations of moving Malaysia towards a k-economy. As the Company's full-fledged Internet Service Provider (ISP), TIMENet is set to increase the size of the Malaysian virtual community by providing quality access and support services to an increasingly demanding Internet savvy market. TIMENet offers high quality and reliable dial-up Internet access and other innovative solutions to business and individual customers, such as web hosting and web designing, bundled with corporate, educational and infotainment applications.

TIME dotCom is also one of the leading leased Internet bandwidth providers in Malaysia, serving both the corporate markets and second tier service providers. In the borderless world of the Digital Economy, the Group is well positioned to become a centre for Asia-centric information by combining its outstanding services with its extensive digital fibre optic network and state-of-the-art technology.

TIMENet actively participated and initiated significant events during the year. TIMENet Planet, a web hosting service was launched in January, followed by the TIMENet '24x7 Marathon Surf' promotion in February. TIMENet was also the official web promoter for CLEO magazine's 'Most Eligible Bachelor' contest in March. Various other innovative promotions and contests were carried out throughout the year via www.time.net.my.

review of operations *cont'd*

fixed line, broadband and internet services *cont'd*

The Group supports over 15 international routes directly and offers IDD services to all countries in the world. International capacity is maintained so as to enable the Group to offer global managed services (through an affiliation with Equant) and other international services such as international leased circuits. The Group collaborates with regional and other carriers providing services into and out of Malaysia.

In the indirect access area, TIME GOLD has already established itself as the leading Voice over Internet Protocol (VoIP) service in the country. Riding high on its earlier success, TIME GOLD continued to enhance the service, bringing even more benefits to users. The TIME GOLD 'Close 2 Home', a Home Country Direct value added service, that was launched during the year has proven a boon to Malaysians travelling overseas, providing them with ease and convenience of calling home. In the prepaid business, the TIME Kontact card has dominated key market segments as the card of choice.

mobile

During the year 2001, TIMECel channelled its efforts on increasing its customer base, extending its International Roaming facilities, upgrading and launching new value added services as well as expanding its network coverage. Pursuant to becoming the first to commercially trial its General Packet Radio Service (GPRS) service in Malaysia in December 2000, TIMECel continued to test its high speed Internet Protocol network as a precursor to the third generation (3G) wireless systems.

In 2001, TIMECel further extended its International Roaming facilities to cover 70 countries and 115 Roaming Partners.



To stay ahead in a competitive market, several promotions were launched during the year. TIMECel's Bonus and Premier promotions were launched in the first half of 2001, culminating in the 'Get Storming with TIMECel SMS' contest.

In an interdependent industry, TIMECel subscribes to a 'collaborate and compete' approach. Consistent with the approach, TIMECel joined the other mobile operators in Malaysia to roll out inter-operator Short Message Service (SMS) in August 2001 to its customers.

Mobile services have become a critical component of total consumer solutions with the convergence of computing, communications and Internet technologies. By capitalising on its extensive infrastructure and with the backing of a strong and dynamic team, TIMECel will continually bring to its customers leading-edge technologies in mobile communications in the most cost-effective manner.

review of operations *cont'd*

payphone

TIME dotCom through subsidiary TIME Reach Sdn Bhd, is principally engaged in the operations and maintenance of its network of 43,000 payphones throughout Malaysia under the brand name 'TIME'. The focus of the payphone services is the heavily populated areas in the country, where accessibility and convenience are prime considerations in determining the locations.

To remain competitive, the Group continued with efforts to improve the operational efficiency of the payphone unit. TIME Reach also earned accreditation to ISO 9002:1994 on 12 March 2001. The scope of registration covers the provision of new business development for public communication services.



As part of its strategy to boost profitability, the Group has embarked on a rationalisation programme whereby less profitable payphones have been retired, as well as a relocation programme to enhance revenue per phone and reduce operating costs.

For the year under review, TIME Reach won several major payphone installation projects at high traffic locations throughout the country.

As part of its ongoing improvement programme, TIME Reach signed a Service Agreement with AT&T Asia Pacific Group Ltd to provide Home Country Direct Access Service (HCDA) through payphones at the Kuala Lumpur International Airport. In September, TIME Reach together with Premium AG Sdn Bhd produced a prototype payphone booth with a new look and design.

In gearing up for future competitiveness, the Group is looking at more cost-effective ways to manage its payphone operations.

focus on customer segments

wholesale

In support of the Government's policy objectives to promote Malaysia as a communications hub, TIME dotCom has set up a team to focus on the wholesale market for voice, data, global managed and Internet services.

To realise the full potential of its assets, efforts have been made to expand the Group's Wholesale business beyond its traditional boundaries. Key initiatives taken by the Group include enhancing global coverage through significant investments in the establishment of network infrastructure such as SMW3, APCN and APCN2. TIME dotCom is now directly connected to various countries across the globe, including ASEAN neighbours, Hong Kong, United States, United Kingdom, Japan and Australia.

review of operations *cont'd*

wholesale *cont'd*

TIME dotCom's coverage has been further enhanced through collaborative efforts with major international and global carriers. The strength of TIME dotCom's seamless connectivity has facilitated the provisions of a full suite of competitively priced products and services. These include hubbing, enhanced voice services such as Home Country Direct (HCD), International Toll Free Service (ITFS), International Private Lines as well as the Internet.



corporate & government

TIME dotCom aims to profitably grow the Corporate and Government businesses in key industry markets and geographic regions. To meet the needs of this business segment, TIME dotCom provides total communications solutions for multinationals, local corporations, government agencies and major industries such as finance services and the hospitality industry.

TIME dotCom is more than just a voice carrier for businesses seeking reliable communications solutions to meet their growing needs. TIME dotCom's Corporate and Government business unit offers world-class voice and data solutions, managed network services and mobile services to world renowned and respected companies.

The focus of TIME dotCom's Corporate and Government business unit is to provide customers with communication solutions tailored to their needs. It aims to differentiate itself from the competition through total commitment to customer satisfaction with a team of dedicated sales professionals throughout Malaysia.

review of operations *cont'd*



SME/SMI

Malaysia's Small and Medium Enterprises and Industries (SME/SMIs) have been identified by TIME dotCom as another major customer segment. In October 2001, TIME Business Solutions was rolled out specifically targeted at the SME/SMI markets to enjoy the features and effectiveness of being connected to TIME dotCom's network. Reliable security measures, fast commissioning, dedicated network monitoring and round the clock customer service are some of the key factors contributing to the effectiveness of the products. TIME Business Solutions also offers consolidated billing for multi-services.

TIME Business Solutions consists of innovative, affordable and cost-effective packages including fixed line, mobile and Internet services bundled into four attractive packages, namely TIME Business Basic, TIME Business Plus, TIME Business Premium and TIME Business Pro. Each package is competitively priced and tailored to meet specific requirements of SME/SMIs.

The Group continued to provide an alternative measure to accelerate network expansion and line penetration through the Build Transfer Concessionaire Programme. This is a venture programme whereby contractors are invited to sell TIME dotCom's Voice Grade Services (VGS) and build the last mile network in established SME/SMIs and Corporate markets.

individuals

TIME dotCom's individual customers continued to benefit from a wide array of new and innovative products rolled out during the year. This segment is best serviced through dealer channels with customer service provided directly by TIME dotCom.

TIME GOLD and TIME Kontact, as described earlier, have been well received by this customer segment.

Following the success of TIME Tone, TIME Tone Plus was launched as a value added service to existing single line TIME Tone customers. It offers a multitude of advanced features like Call Waiting and Three-Way Calling to cater to the customers' different communication needs. These features can be activated or deactivated by using Dual-Tone Multi-Frequent (DTMF) commands from customers' telephones, with the exception of Exclusive Hotline and Three-Way Calling Services, which are always active.

review of operations *cont'd*



individuals *cont'd*

TIME Broadband HomeNET gives residential customers fast connection speeds of up to 448 Kbps. Customers get to enjoy the latest multimedia games, music and video clips and other streaming media in full splendour. With TIME Broadband, there are no dial-ups and frequent disconnections. It offers unlimited Internet access to surf the web, download e-mails, facilitate online banking, research projects and even play games for a fixed monthly fee.

TIMECel Postpaid and Prepaid Services have been designed to meet the customers' needs to stay in touch at affordable prices. Market trends indicate a move towards prepaid.

customer service

TIME dotCom acknowledges the importance of customer experience in helping to build its brand and reputation.

The launch of our new state-of-the-art Customer Call Centre in September 2001 is a manifestation of the Group's commitment to bring customer service excellence to a new level. The centre consolidates all calls from the Group's customers throughout the nation, including the mobile, fixed line, Internet and payphone operations. Service levels have been commendable; the Group earned the distinction of sharing pole position with another service operator in a Consumer Satisfaction Survey conducted by the Malaysian Communications and Multimedia Commission for fixed line services.

review of operations *cont'd*

customer service *cont'd*

The Customer Call Centre received over 3.5 million calls during the year. Our highly trained Customer Service Consultants responded to over 93% of these calls, of which 77% were attended to within 20 seconds. In addition, the Group received over 80,000 written requests in 2001. Of these, 74% were resolved between 5 hours and 5 working days. These statistics continue to improve.

Considerable improvements were made to the billing operations following a billing system upgrade and billing operations improvement exercise, completed in April and September respectively. As a result of these improvements, for the last quarter of 2001, the Group was able to bill 99% of service within 30 days of the service being used, with 99.7% of the bills sent to customers 14 days before their due dates.

The TIME Integrated Retail Flagship at Bangsar also provides easy access for customer services.

In addition, there are also 25 TIMECel branches throughout the country. These branches were set up to support dealers and consumers, providing comprehensive services such as activation, payment, SIM resolution, enquiries and cancellation of mobile services.



network operations and development

Managing the efficient roll-out of the fixed network to new sites and upgrading capacity are key components of providing services to new and existing customers.

The Group's network upgrade and expansion programmes progressed effectively. Amongst these are the RM34 million investment to upgrade the network to a new Advanced Intelligent Network (AIN) platform to enhance the quality of the services offered to TIME GOLD and TIME GOLD Premium customers; the RM150 million upgrade to the mobile network infrastructure for enhanced capacity and coverage; and the deployment of fixed wire line and wireless cutting edge technology solutions for broadband delivery.

review of operations *cont'd*



network operations and development *cont'd*

The Group also signed a Memorandum of Understanding (MoU) in November 2001 with four other mobile communications operators paving the way for the sharing of new telecommunications infrastructure. This will facilitate the optimisation and consolidation of the respective resources to provide quality services to customers.

Several major payphone installation projects awarded to TIME Reach were completed and they included locations at University Putra Malaysia (UPM) and Selayang Capital Complex in the Central Region; Menara Kota in Kota Tinggi and the LIMA 2001 Exhibition Centre in Langkawi.

The number migration programme from 7 digits to 8 digits telephone numbers for the Group's fixed lines customers in the Klang Valley, was also successfully completed by September 2001, ahead of the deadline. This exercise was conducted in phases, with ample advance notice given to customers to avoid any inconveniences to them.

Staying at the forefront of technology is also essential to our success. TIME dotCom is continually searching for new cost-effective means of providing last mile broadband access, including fixed wireless and other technologies.

people

TIME dotCom sees its people and know-how as the key elements of the Group's strategic assets. As the Group undergoes a major transformation, the capacity to deliver results would rest largely on the work force. That is why the Group has always been and remains committed to building people. The Group has put in place a structured learning and human resource development programme not only to meet corporate goals but also to ensure the personal growth of employees. We aim to fill all vacancies from within the Group, thus enabling people a chance to progress in their careers.

Many of our training programmes have a technical orientation. In 2001, selected employees were trained to acquire the necessary technical skills to keep them abreast of new technologies and systems. At TIME dotCom, we practise a cascading system which has allowed those selected for training to impart their newly acquired knowledge to the members of their respective work groups. This has enabled us to nurture a pool of in-house experts, thereby ensuring a continuous learning cycle.

review of operations *cont'd*

people *cont'd*

Against the background of changes, we recognised that a paradigm shift in our mindsets was needed to achieve our goals. Our values - customer focus, teamwork, integrity, accountability, innovation - are embedded in all we do. In the last quarter of 2001, the Management introduced TIME dotCom's internal guiding principles and core values which formed the foundation of the new work culture.

Motivational courses were included in the 2001 training calendar. These courses are important not only in getting people to pull together and work as a team, but also help in managing change. In this respect, our people have shown that they are equal to the many challenges, maintaining the same high levels of productivity.

communications with stakeholders

TIME dotCom recognises the importance of communications as a tool to enhance its relationship with the various publics, both internal and external. With our internal audience, this objective has been achieved through TIME e-Station, the Group's Intranet system, which provides staff with easy access to vital information as well as latest developments within the Group via an electronic platform.



TIME dotCom's highly interactive corporate website (www.time.com.my) allows customers, shareholders and the public to seek product and corporate information and services. Organised into useful categories with intuitive, consistent navigation, the site offers fresh new content and interactive services; geared towards the Group's four customer segments, namely Individual customers and Business customers from the three market segments comprising Corporate and Government, Wholesale and Small and Medium Enterprises/ Industries (SME/SMIs).

TIME dotCom's brand image (using the 'TIME' brand name) is consistently communicated to our various publics. During the year, the Group continued to aggressively promote its products and services under the TIME branding. New products and services that were launched were supported by various marketing communications initiatives, which included advertising, direct marketing, promotions, brand associations and public relations, to maintain market presence and top of mind awareness.

Relating to customers more and more via the web is an ongoing activity of the Group, to further promote e-business and e-commerce as well as for the convenience of our customers.

review of operations *cont'd*



communications with stakeholders *cont'd*

The Group participated in major exhibitions and staged several road shows at strategic locations throughout the country to reach potential customers with more insights and information on the Group's latest product offerings. Product catalogues, detailing the Group's latest products and services were also produced. The marketing communication efforts will intensify as the competition presents further challenges in this sector.

corporate citizenship

In today's interconnected world, no business can operate as an entity unto itself. For TIME dotCom, this means earning the respect of the various communities in which it operates as a valued neighbour and friend. In doing so, we are demonstrating our core value of putting people first and responding to the expectations of society, sharing our success to help improve the quality of life in the community.

TIME dotCom continued to support several charitable organisations and worthy causes during the year. Notably, the Group sponsored the donation of artificial limbs for spastic and handicapped children of Pusat Harian Kanak-kanak Spastik Bandar Ipoh. Other recipients include the Sri Saujana Handicapped Children's Home welfare fund, while the Kelab Kekacatan Fizikal Selangor received a donation of wheelchairs.

In September, a public helpline, TeleSelamat, was launched by the mobile telecommunications industry to address concerns relating to Radio Frequency (RF) waves and the adverse impact it may have on the health of the public. TIMECel contributed towards this community service through the helpline as well as the distribution of pamphlets to educate the public on RF issues.

Perhaps TIME dotCom's most significant contribution to the community last year was the launch of the Internet Education Programme in June. The six-month programme was part of TIMENet's efforts to instil the importance of the Internet among young Malaysians, preparing them to embrace the Digital Age. The pilot phase of the programme was carried out in 52 schools around the Klang Valley, with a series of activities to provide students with a better insight on the role of the Internet in an era of modernisation and information communications technology. Through educational programmes such as this, the Group aims to assist Malaysian youths to acquire the necessary information communications skills, thereby contributing towards the nation's growth.



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The Financial Management Of The Company

directors' report

The directors of **TIME dotCom Berhad** hereby submit their report and the audited financial statements of the Group and the Company for the financial year ended 31 December 2001.

principal activities

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

The principal activities of the subsidiary companies are disclosed in Note 4 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.

significant event

During the financial year, the Company's entire issued and paid-up share capital comprising 2,530,775,000 ordinary shares of RM1.00 each were quoted on the Main Board of the Kuala Lumpur Stock Exchange under the "Infrastructure Project Companies" sector pursuant to the debt restructuring scheme as mentioned in Note 2 to the Financial Statements.

results of operations

The results of operations of the Group and of the Company for the financial year are as follows:

	The Group RM'000	The Company RM'000
Loss before tax	43,596	61,155
Income tax expense	1,107	—
Net loss for the year	44,703	61,155

In the opinion of the directors, the results of operations of the Group and of the Company during the financial year have not been substantially affected by any item, transaction or event of material and unusual nature other than the effects in respect of the change in accounting estimate, goodwill written off, provision for diminution in value of investment and prior period adjustments as mentioned in Notes 13, 14, 15 and 29 to the Financial Statements.

dividends

No dividend has been paid or declared by the Company since the end of the previous financial year. The directors also do not recommend any dividend payment in respect of the current financial year.

reserves and provisions

There were no material transfers to or from reserves or provisions during the financial year other than those disclosed in the financial statements.

directors' report *cont'd*

issue of shares and debentures

During the financial year, the issued and fully paid up share capital of the Company was increased from RM2,356,093,000 comprising 2,356,093,000 ordinary shares of RM1.00 each to RM2,530,775,000 comprising 2,530,775,000 ordinary shares of RM1.00 each by:

- i. the public issue by the Company of 169,227,000 new ordinary shares of RM1.00 each at an issue price of RM3.30 per ordinary share; and
- ii. placement by the Company of 5,455,000 new ordinary shares of RM1.00 each at a placement price of RM3.30 per ordinary share

pursuant to the listing of and quotation for the Company's shares on the Kuala Lumpur Stock Exchange.

The resulting share premium amounting to RM401,769,000 has been credited to share premium account.

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

The Company has not issued any debentures during the financial year.

share options

No options have been granted by the Company to any parties during the financial year to take up unissued shares of the Company.

No shares have been issued during the financial year by virtue of the exercise of any option to take up unissued shares of the Company. As at the end of the financial year, there were no unissued shares of the Company under options.

other financial information

Before the income statements and balance sheets of the Group and the Company were made out, the directors took reasonable steps:

- a. to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of allowance for doubtful debts, and had satisfied themselves that all known bad debts had been written off and that adequate allowance had been made for doubtful debts; and
- b. to ensure that any current assets which were unlikely to realise their book values in the ordinary course of business have been written down to their estimated realisable values.

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

- a. which would render the amount written off for bad debts or the amount of allowance for doubtful debts in the financial statements of the Group and of the Company inadequate to any substantial extent; or
- b. which would render the values attributed to current assets in the financial statements of the Group and the Company misleading; or
- c. which have arisen which render adherence to the existing method of valuation of assets or liabilities of the Group and the Company misleading or inappropriate; or
- d. not otherwise dealt with in this report or financial statements which would render any amount stated in the financial statements of the Group and the Company misleading.

directors' report *cont'd*

other financial information *cont'd*

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

- a. any charge on the assets of the Group and the Company which has arisen since the end of the financial year which secures the liability of any other person; or
- b. any contingent liability of the Group and the Company which has arisen since the end of the financial year.

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

In the opinion of the directors, no item, transaction or event of a material and unusual nature has arisen in the interval between the end of the financial year and the date of this report which is likely to affect substantially the results of operations of the Group and the Company for the succeeding financial year.

directors

The following directors served on the Board of the Company since the date of the last report:

Dato' Ir. Wan Muhamad Wan Ibrahim (*appointed on 26.7.2001*)
Elakumari Kantilal (*appointed on 8.3.2001*)
Salmah Sharif (*appointed on 8.3.2001*)
Abdul Wahid Omar (*appointed on 22.10.2001*)
Abdul Kadir Md. Kassim (*appointed on 22.10.2001*)
Gee Siew Yoong (*appointed on 22.10.2001*)
Kamaludin Abdul Kadir (*appointed on 24.10.2001*)
Tan Sri Abu Talib Othman (*resigned on 25.10.2001*)
Dr. Ismail Abdul Rashid (*appointed on 22.3.2001 and resigned on 24.10.2001*)
Michael Lim Hee Kiang (*resigned on 24.10.2001*)
Dato' Zaidan Haji Othman (*resigned on 22.10.2001*)
Tan Sri Halim Saad (*resigned on 3.10.2001*)
Khairuddin Zainal (*resigned on 22.3.2001*)
Ng Eng Chong (*resigned on 12.1.2001*)

directors' interests

None of the directors in office as at the end of the financial year held shares or had beneficial interest in the shares of the Company and of its related companies during and at the end of the financial year.

Under the Company's Articles of Association, the directors are not required to hold any shares in the Company.

directors' report *cont'd*

directors' benefits

Since the end of the previous financial year, none of the directors of the Company has received or become entitled to receive any benefit (other than the benefits included in the aggregate amount of emoluments received or due and receivable by directors as disclosed in the Financial Statements) by reason of a contract made by the Company or a related corporation with the director or with a firm of which he is a member, or with a company in which he has a substantial financial interest.

During and at the end of the financial year, no arrangement subsisted to which the Company was a party whereby directors of the Company might acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

holding company

During the financial year, TIME Engineering Berhad, a company incorporated in Malaysia ceased to be the holding company following the completion of the listing of the Company. The Company is now an associated company of TIME Engineering Berhad.

auditors

The auditors, Messrs. Deloitte KassimChan, have indicated their willingness to continue in office.

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

DATO' IR. WAN MUHAMAD WAN IBRAHIM

ABDUL WAHID OMAR

Kuala Lumpur
22 April 2002

report of the auditors *to the members of TIME dotCom Berhad*

We have audited the accompanying balance sheets as of 31 December 2001 and the related statements of income, changes in equity and cash flows for the year then ended. These financial statements are the responsibility of the Company's directors. Our responsibility is to express an opinion on these financial statements based on our audit.

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 reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the directors, as well as evaluating the overall financial statements presentation. We believe that 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 the 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 the Company as of 31 December 2001 and of the results and the cash flows of the Group and the Company for the year ended on that date; and
 - ii. the matters required by Section 169 of the Act to be dealt with in the financial statements and consolidated financial statements; and
- b. the accounting and other records and the registers required by the Act to be kept by the Company and by the subsidiary companies have been properly kept in accordance with the provisions of the Act.

We are satisfied that the financial statements of the subsidiary companies that have been consolidated with the financial statements of the Company 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 as required by us for these purposes.

Our reports on the financial statements of the subsidiary companies were not subject to any qualification and did not include any comment made under Sub-section (3) of Section 174 of the Act.

DELOITTE KASSIMCHAN
AF 0080
Chartered Accountants

NG MENG KWAI
1303/5/02 (J/PH)
Partner
22 April 2002

income statements *for the year ended 31 December 2001*

	Note	The Group		The Company	
		2001 RM'000	2000 RM'000	2001 RM'000	2000 RM'000
Revenue	5	957,631	–	7,549	–
Cost of sales		(653,140)	–	(287)	–
Gross profit		304,491	–	7,262	–
Sales and marketing expenses		(85,301)	–	(7,135)	–
Administrative expenses		(99,540)	(4,008)	(9,908)	(4,008)
Information technology expenses		(28,607)	–	(137)	–
Other operating expenses		(97,111)	–	(5,017)	–
Amount of goodwill written off	14	(60,746)	–	–	–
Provision for diminution in value of investment in subsidiary company	15	–	–	(62,239)	–
Other operating income		7,849	1,408	18	1,408
		(363,456)	(2,600)	(84,418)	(2,600)
Loss from operations	6	(58,965)	(2,600)	(77,156)	(2,600)
Finance costs	7	(3,987)	–	–	–
Income from other investments	8	19,356	10	16,001	10
Loss before tax		(43,596)	(2,590)	(61,155)	(2,590)
Income tax expense	10	(1,107)	–	–	–
Net loss for the year		(44,703)	(2,590)	(61,155)	(2,590)
Basic loss per ordinary share (RM)	11	0.02	2.59		

balance sheets *as of 31 December 2001*

		The Group		The Company	
	Note	2001 RM'000	2000 RM'000	2001 RM'000	2000 RM'000
ASSETS					
Property, plant and equipment	12	83,652	89,704	3,406	526
Telecommunications network	13	3,485,808	3,386,456	–	–
Goodwill on consolidation	14	1,383,132	1,443,878	–	–
Investment in subsidiary companies	15	–	–	5,197,462	5,215,101
		4,952,592	4,920,038	5,200,868	5,215,627
Current Assets					
Inventories	16	19,404	20,861	250	–
Trade receivables	17	209,061	202,083	48	–
Other receivables and prepaid expenses	18	129,515	228,427	5,806	18,025
Amount owing by subsidiary companies	19	–	–	138,116	–
Amount owing by related parties	20	11,514	69,389	176	1,086
Fixed deposits with licensed banks		716,853	240,189	636,144	–
Cash and bank balances		10,670	13,355	2,057	659
		1,097,017	774,304	782,597	19,770
Current Liabilities					
Trade payables		160,836	193,457	87	–
Other payables and accrued expenses	21	147,842	220,605	4,820	4,397
Amount owing to subsidiary companies	19	–	–	302,357	12,553
Amount owing to related parties	20	46,337	69,170	–	8,760
Tax liabilities		1,941	1,423	–	–
		356,956	484,655	307,264	25,710
Net Current Assets/(Liabilities)		740,061	289,649	475,333	(5,940)
Net Assets		5,692,653	5,209,687	5,676,201	5,209,687
Represented by:					
Issued capital	22	2,530,775	2,356,093	2,530,775	2,356,093
Share premium	23	3,215,761	2,862,774	3,215,761	2,862,774
Accumulated loss		(53,883)	(9,180)	(70,335)	(9,180)
Shareholders' Equity		5,692,653	5,209,687	5,676,201	5,209,687

The accompanying Notes form an integral part of the Financial Statements.

statements of changes in equity

for the year ended 31 December 2001

	Issued capital RM'000	Share premium RM'000	Accumulated loss RM'000	Total/Net RM'000
The Group				
Balance at 1 January 2000	1,000	–	(6,590)	(5,590)
Shares issued during the year	2,355,093	2,862,774	–	5,217,867
Net loss for the year	–	–	(2,590)	(2,590)
Balance at 31 December 2000	2,356,093	2,862,774	(9,180)	5,209,687
Shares issued during the year	174,682	401,769	–	576,451
Share issue expenses	–	(48,782)	–	(48,782)
Net loss for the year	–	–	(44,703)	(44,703)
Balance at 31 December 2001	2,530,775	3,215,761	(53,883)	5,692,653

The Company				
Balance at 1 January 2000	1,000	–	(6,590)	(5,590)
Shares issued during the year	2,355,093	2,862,774	–	5,217,867
Net loss for the year	–	–	(2,590)	(2,590)
Balance at 31 December 2000	2,356,093	2,862,774	(9,180)	5,209,687
Shares issued during the year	174,682	401,769	–	576,451
Share issue expenses	–	(48,782)	–	(48,782)
Net loss for the year	–	–	(61,155)	(61,155)
Balance at 31 December 2001	2,530,775	3,215,761	(70,335)	5,676,201

cash flow statements *for the year ended 31 December 2001*

	The Group	
	2001	2000
Note	RM'000	RM'000
Cash Flows From Operating Activities		
Loss before tax	(43,596)	(2,590)
Adjustments for:		
Amortisation of telecommunications network	158,770	–
Goodwill written off	60,746	–
Allowance for doubtful debts:		
Trade receivables	53,815	–
Other receivables	6,370	–
Depreciation of property, plant and equipment	22,906	220
Interest expense	3,987	–
Telecommunications network written off	1,389	–
Property, plant and equipment written off	1	28
Gain on disposal of property, plant and equipment	(1,220)	–
Interest income	(19,356)	(10)
Operating profit/(loss) before working capital changes	243,812	(2,352)
Decrease in:		
Inventories	1,457	–
Receivables	89,624	898,809
Decrease in payables	(128,217)	(901,204)
Cash from/(used in) operations	206,676	(4,747)
Tax paid	(589)	–
Net cash from/(used in) operating activities	206,087	(4,747)
Cash Flows From Investing Activities		
Interest received	19,356	83
Proceeds from disposal of property, plant and equipment	1,374	–
Acquisitions of subsidiary companies *	–	252,885
Purchase of property, plant and equipment	(26,612)	(296)
Additions to telecommunications network	(249,908)	–
Net cash (used in)/from investing activities	(255,790)	252,672
Cash Flows From Financing Activities		
Proceeds from issue of shares	576,451	2
Share issue expenses	(48,782)	–
Interest paid	(3,987)	–
Net cash from financing activities	523,682	2
Net Increase In Cash And Cash Equivalents	473,979	247,927
Cash And Cash Equivalents At Beginning Of Year	253,544	5,617
Cash And Cash Equivalents At End Of Year	24 727,523	253,544

cash flow statements *for the year ended 31 December 2001 cont'd*

Note

* Analysis Of Acquisition Of Subsidiary Companies in 2000

The fair value of the assets acquired and the liabilities assumed are as follows:

	RM'000
Property, plant and equipment	89,178
Telecommunications network	3,386,456
Inventories	20,861
Receivables	565,206
Payables	(541,940)
Tax liabilities	(1,423)
Fixed deposits with licensed bank	240,189
Cash and bank balances	12,696
Net assets acquired	3,771,223
Goodwill on consolidation	1,443,878
Total purchase consideration	5,215,101
Purchase consideration settled by issue of shares	5,215,101
Cash and cash equivalents acquired	252,885
Net cash inflow *	252,885

	Note	The Company 2001 RM'000	2000 RM'000
Cash Flows From Operating Activities			
Loss before tax		(61,155)	(2,590)
Adjustments for:			
Provision for diminution in value of investment in subsidiary company		62,239	—
Depreciation of property, plant and equipment		996	220
Property, plant and equipment written off		1	28
Interest income		(16,001)	(10)
Loss before working capital changes		(13,920)	(2,352)
(Increase)/Decrease in:			
Inventories		(250)	—
Receivables		(125,035)	898,809
Increase/(Decrease) in payables		281,554	(901,204)
Net cash from/(used in) operating activities		142,349	(4,747)
Cash Flows Used In Investing Activities			
Interest received		16,001	83
Purchase of property, plant and equipment		(3,877)	(296)
Additions to investment in subsidiary companies		(44,600)	—
Net cash used in investing activities		(32,476)	(213)
Cash Flows From Financing Activities			
Proceeds from issue of shares		576,451	2
Share issue expenses		(48,782)	—
Net cash from financing activities		527,669	2
Net Increase/(Decrease) In Cash And Cash Equivalents		637,542	(4,958)
Cash And Cash Equivalents At Beginning Of Year		659	5,617
Cash And Cash Equivalents At End Of Year	24	638,201	659

The accompanying Notes form an integral part of the Financial Statements.

notes to the financial statements

1. principal activities

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

The principal activities of the subsidiary companies are disclosed in Note 4.

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

2. debt restructuring scheme

During the financial year, the Company had fully implemented the essential features of its debt restructuring scheme ("Scheme") formulated by the Corporate Debt Restructuring Committee.

As part of the implementation of the Scheme, the following significant events occurred during the financial year:

- a. On 22 January 2001, the prospectus for the initial public offering of the Company, comprising public issue and placement by the Company of 174,682,000 new ordinary shares and public offers for sale, restricted offer for sale and placement by TIME Engineering Berhad (its former holding company), was issued by the Company.
- b. On 12 March 2001, the Company's entire issued and paid up share capital comprising 2,530,775,000 ordinary shares of RM1.00 each were listed on the main board of the Kuala Lumpur Stock Exchange ("KLSE") under "Infrastructure Project Companies" sector.

With the listing of the Company's entire issued and paid up share capital on the KLSE, the Scheme was substantially completed.

The final step of the Scheme, which is the capital reduction of certain of its subsidiary companies, is presently being implemented.

As at 31 December 2001, the capital reduction of TIMESat Sdn Bhd and TIMECel Sdn Bhd (formerly known as TIME Wireless Sdn Bhd) has been completed.

3. basis of preparation of financial statements

The financial statements have been prepared in accordance with the provisions of the Companies Act, 1965 and the applicable approved accounting standards of the Malaysian Accounting Standards Board.

4. significant accounting policies

Basis of Accounting

The financial statements of the Group and the Company have been prepared under the historical cost convention.

notes to the financial statements *cont'd*

Basis of Consolidation

The consolidated financial statements include the audited financial statements of the Company and of all its subsidiary companies (all incorporated in Malaysia) made up to the end of the financial year, as follows:

Direct	Percentage of Group's Effective Ownership		Principal Activities
	2001 %	2000 %	
TT dotCom Sdn Bhd	100	100	Provision of voice, data, video and image communication services through its established domestic and international network.
TIMECel Sdn Bhd (formerly known as TIME Wireless Sdn Bhd)	100	100	Provision of voice and data through the cellular system.
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.

Subsidiary companies are consolidated using the acquisition method of accounting. On acquisition, the assets and liabilities of the relevant subsidiary companies are measured at their fair values at the date of acquisition.

The results of subsidiary companies acquired or disposed off during the financial year are included in the consolidated financial statements from the effective date of acquisition or up to the effective date of disposal.

All significant inter-company transactions and balances are eliminated on consolidation.

Revenue

Revenue of the Company consists of management fees received/receivable from subsidiary companies 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.

notes to the financial statements *cont'd*

Foreign Currency Conversion

Transactions in foreign currencies are converted into Ringgit Malaysia at the exchange rates prevailing at the transaction dates or, where settlement has not yet been made at the end of the financial year, at the approximate exchange rates prevailing at that date. All foreign exchange gains or losses are taken up in the income statements.

The principal closing rates used in translation of foreign currency amounts are as follows:

Foregin currency	31.12.2001 RM	31.12.2000 RM
I US Dollar	3.800	3.800
I Australian Dollar	1.939	2.108

Income Tax

The tax effects of transactions are recognised, using the 'liability' method, in the year such transactions enter into the determination of net income, regardless of when they are recognised for tax purposes. However, where timing differences would give rise to net deferred tax asset, the tax effects are recognised generally on actual realisation.

Property, Plant and Equipment and Depreciation

Property, plant and equipment are stated at cost less accumulated depreciation.

Freehold land is not depreciated while leasehold land and buildings are amortised over the unexpired lives of the leases.

Gain or loss arising from the disposal of an asset is determined as the difference between the estimated net disposal proceeds and the carrying amount of the asset, and is recognised in the income statements.

Depreciation of other property, plant and equipment is computed on the straight-line method at rates based on the estimated useful lives of the various assets.

The annual depreciation rates are as follows:

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

Investment in Subsidiary Companies

Subsidiary companies are those companies in which the Group has power to exercise control over the financial and operating policies so as to obtain benefits from their activities.

Investment in subsidiary companies, which is eliminated on consolidation, is stated in the Company's financial statements at cost. Where there is an indication of impairment in value of the investment, the carrying value of the investment is written down immediately to its recoverable amount.

notes to the financial statements *cont'd*

Telecommunications Network

a. 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 licences 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 had been granted by the Ministry to the Group in August 2001. These new licences are not technology specific but based on activity:

	Effective date
Network facilities	
TT dotCom Sdn Bhd	25 July 2001 to 30 November 2014
TIMECel Sdn Bhd (formerly known as TIME Wireless Sdn Bhd)	25 July 2001 to 23 December 2013
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
TIMECel Sdn Bhd (formerly known as TIME Wireless Sdn Bhd)	25 July 2001 to 23 December 2013
TIMESat Sdn Bhd	25 July 2001 to 24 July 2011
Application services	
TT dotCom Sdn Bhd	25 July 2001 to 30 November 2014
TIMECel Sdn Bhd (formerly known as TIME Wireless Sdn Bhd)	25 July 2001 to 23 December 2013
TIME Reach Sdn Bhd	25 July 2001 to 31 March 2005
TIMESat Sdn Bhd	25 July 2001 to 30 October 2006

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.

notes to the financial statements *cont'd*

The construction of the telecommunications network is carried out in phases based generally on geographical areas as determined by the Company. The commissioning of the network is accordingly carried out at the completion of each phase of construction. Pre-commissioning network cost is not amortised. Commissioned network cost relating to payphone licence is amortised on a straight line basis over ten years while commissioned network cost/Internet Services Provision ("ISP") infrastructure cost relating to other licences is amortised to each balance sheet date over the duration of the licence period/estimated useful lives of 14 years (for ISP infrastructure) in accordance with the following formula:

$$\frac{\text{Cumulative revenue to date}}{\text{Projected total revenue * during the licence period/estimated useful lives}} \times \text{Commissioned network cost/ISP infrastructure cost}$$

* Revenue is net of discounts and interconnect charges.

b. Interest capitalised

i. Pre-commissioning interest

Pre-commissioning interest on loans obtained to finance the construction of the network which require a substantial period of time to get them ready for their intended use are capitalised and included as part of pre-commissioning network cost.

ii. Post commissioning interest

This represented interest on loans obtained to finance the construction of the commissioned phases of the network incurred subsequent to commissioning until full repayment of such loans other than that relating to the payphone licence which is charged to the income statement when incurred. In prior years, capitalised interest is amortised to each balance sheet date over the duration of the licence period in accordance with the following formula:

$$\frac{\text{Cumulative revenue to date}}{\text{Projected total revenue * during the licence period}} \times \text{Projected total post commissioning interest to be incurred}$$

* Revenue is net of discounts and interconnect charges.

In prior years, although the recognition of post commissioning interest in this manner represented a departure from the provisions of International Accounting Standard 23 "Capitalisation of Borrowing Costs", however, the directors were of the opinion that this accounting policy matched more appropriately of the Group's interest charges incurred on borrowings for the construction of the telecommunications network with its revenue during the licence period, having regard to:

- the nature of the licences being close ended;
- the terms of the licences requiring the Group to finance the construction of the telecommunications network; and
- the significance of interest charges as an integral cost component in the set up of the telecommunications network business under the licences.

During the financial year, following the early adoption of Malaysian Accounting Standards Board Standard 27 (MASB 27): Borrowing Costs, the Group changed the accounting policy to cease the capitalisation of borrowing costs upon the commissioning of the telecommunications network. The effects of this accounting change on the financial statements are disclosed in Note 29.

notes to the financial statements *cont'd*

c. Projected total revenue during the licence period

The projected total revenue during the licence period is based on directors' best estimates and is reviewed by the directors at least once every three years.

During the financial year, a review was made by the directors on the projected total revenue over the licence period of its international and domestic and mobile network. The effects of this change in estimate on the financial statements are disclosed in Note 13.

Goodwill on Consolidation

Goodwill arising on consolidation represents the excess of the purchase price over the fair value of the net tangible assets of subsidiary companies. Goodwill on consolidation is written down only when there is a permanent impairment in its carrying value.

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 distribution costs and all other estimated costs to completion.

Receivables

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

Cash Flow Statements

The Group and the Company adopt the indirect method in the preparation of the cash flow statements.

Cash equivalents are short term, highly liquid investments with maturities of three months or less from the date of acquisition and are readily convertible to known amounts of cash and which are subject to insignificant risks of changes in value.

5. revenue

	The Group		The Company	
	2001	2000	2001	2000
	RM'000	RM'000	RM'000	RM'000
Fixed line	353,355	—	—	—
Mobile	373,039	—	—	—
Payphone	219,340	—	—	—
Internet services	11,530	—	—	—
Management fee receivable from subsidiary companies	—	—	7,182	—
Others	367	—	367	—
	957,631	—	7,549	—

notes to the financial statements *cont'd*

6. loss from operations

		The Group		The Company	
	Note	2001 RM'000	2000 RM'000	2001 RM'000	2000 RM'000
After charging:					
Interconnect charges		220,049	—	—	—
Staff costs		130,848	2,118	7,844	2,118
Amortisation of telecommunications network:	13				
Current year		74,485	—	—	—
Increase in cumulative amortisation at beginning of year		84,285	—	—	—
		158,770	—	—	—
Telecommunications maintenance charges		57,668	—	—	—
Network and leased line charges		54,998	—	—	—
Allowance for doubtful debts:					
Trade receivables		53,815	—	—	—
Other receivables		6,370	—	—	—
Depreciation of property, plant and equipment	12	22,906	220	996	220
Site and equipment rental		20,973	—	—	—
Payphone line rental		17,817	—	—	—
Rental of:					
Premises		16,391	370	1,771	370
Motor vehicles		253	140	194	140
Equipment		469	—	17	—
Fee for wayleave and right of use pertaining to telecommunications facilities		11,340	—	—	—
Telecommunications network written off		1,389	—	—	—
Directors' remuneration	9	274	93	186	93
Audit fee:					
Statutory		180	35	28	35
Special		—	4	—	4
Management fee payable to related party		229	—	—	—
Property, plant and equipment written off		1	28	1	28
And crediting:					
Gain on disposal of property, plant and equipment		1,220	—	—	—
Net realised gain on foreign exchange		437	—	11	—
Rental income		208	—	—	—

Staff costs include salaries, bonuses, contributions to employees' provident fund, and all other staff related expenses.

notes to the financial statements *cont'd*

7. finance costs

	The Group	
	2001	2000
	RM'000	RM'000
Interest on:		
Amount owing to related parties	2,922	—
Hire purchase	25	—
Others	1,040	—
	3,987	—

8. income from other investments

	The Group		The Company	
	2001	2000	2001	2000
	RM'000	RM'000	RM'000	RM'000
Interest income from short-term deposits	19,356	10	16,001	10

9. directors' remuneration

	The Group		The Company	
	2001	2000	2001	2000
	RM'000	RM'000	RM'000	RM'000
Executive directors:				
Fees	—	—	—	—
Other emoluments	94	—	6	—
	94	—	6	—
Non-executive directors:				
Fees	131	93	131	93
Other emoluments	49	—	49	—
	180	93	180	93
	274	93	186	93

The estimated monetary value of benefits-in-kind received and receivable by the TIME dotCom Berhad directors otherwise than in cash from the Group and the Company amounted to RM7,525 (RMNil in 2000) and RM374 (RMNil in 2000), respectively.

notes to the financial statements *cont'd*

10. income tax expense

	The Group		The Company	
	2001	2000	2001	2000
	RM'000	RM'000	RM'000	RM'000
Estimated current tax payable	1,107	–	–	–

Although the Group made a loss during the financial year, provision for estimated current tax payable has been made on interest and rental income of certain subsidiary companies received during the financial year as there are no current year business losses available to offset against the interest and rental income earned.

No provision for estimated current tax payable has been made in the Company in 2001 as there is no taxable income.

No provision for estimated current tax payable has been made in the Group and the Company in 2000 as there is no taxable income.

As explained in Note 4, the tax effects of timing differences which would give rise to net deferred tax asset are recognised generally on actual realisation. As at 31 December 2001, the estimated amount of deferred tax asset, calculated at current tax rate which is not recognised in the financial statements, is as follows:

	Deferred Tax Asset/(Liability)			
	The Group		The Company	
	2001	2000	2001	2000
	RM'000	RM'000	RM'000	RM'000
Tax effects of:				
Timing differences in respect of deficit/(excess)				
of tax capital allowances over book depreciation	(681,629)	(544,866)	(37)	19
Unabsorbed capital allowances	727,128	613,196	335	84
Unutilised tax losses	314,895	314,316	2,305	2,156
Others	39,575	(63,400)	–	–
Net Deferred Tax Asset	399,969	319,246	2,603	2,259

The unabsorbed tax losses and capital allowances are subject to agreement with the Inland Revenue Board.

11. earnings per share

The basic loss per ordinary share is calculated by dividing the Group's net loss of RM44,703,000 (RM2,590,000 in 2000) by the weighted average number of ordinary shares in issue during the year of 2,501,661,000 (1,000,000 in 2000).

notes to the financial statements *cont'd*

12. property, plant and equipment

The Group	Land and buildings and improvements RM'000	Motor vehicles RM'000	Office equipment, furniture and fittings RM'000	Loose tools RM'000	Computer systems RM'000	Telecom-munications equipment RM'000	Total RM'000
Cost							
At beginning of year	50,688	23,730	48,803	25,583	67,370	16,233	232,407
Additions	2,613	195	3,291	2,973	17,540	–	26,612
Reclassified to telecommunications network (Note 13)	–	–	–	–	–	(16,233)	(16,233)
Disposal/Write off	–	(3,140)	(108)	–	(1,064)	–	(4,312)
At end of year	53,301	20,785	51,986	28,556	83,846	–	238,474
Accumulated Depreciation							
At beginning of year	14,417	20,983	36,144	23,697	40,832	6,630	142,703
Current depreciation	1,427	1,738	6,380	1,808	11,553	–	22,906
Reclassified to telecommunications network (Note 13)	–	–	–	–	–	(6,630)	(6,630)
Disposal/Write of	–	(3,058)	(64)	–	(1,035)	–	(4,157)
At end of year	15,844	19,663	42,460	25,505	51,350	–	154,822
Net Book Value							
31 December 2001	37,457	1,122	9,526	3,051	32,496	–	83,652
31 December 2000	36,271	2,747	12,659	1,886	26,538	9,603	89,704
Depreciation charge for 2000	–	38	119	–	63	–	220

notes to the financial statements *cont'd*

12. property, plant and equipment *cont'd*

The Company	Improvements RM'000	Office equipment, furniture & fittings RM'000	Motor vehicles RM'000	Computer systems RM'000	Total RM'000
Cost					
At beginning of year	–	542	190	317	1,049
Additions	2,532	982	17	346	3,877
Write off	–	(1)	–	–	(1)
At end of year	2,532	1,523	207	663	4,925
Accumulated Depreciation					
At beginning of year	–	243	114	166	523
Current depreciation	506	302	55	133	996
Write off	–	–	–	–	–
At end of year	506	545	169	299	1,519
Net Book Value					
31 December 2001	2,026	978	38	364	3,406
31 December 2000	–	299	76	151	526
Depreciation charge for 2000	–	119	38	63	220

Land and buildings comprise the following:

The Group	Cost RM'000	Accumulated depreciation RM'000	Net book value	
			2001 RM'000	2000 RM'000
Freehold land	14,554	–	14,554	14,554
Land under long lease	90	22	68	70
Land under short lease	7,467	2,277	5,190	5,563
Land and buildings under long lease	350	24	326	331
Land and buildings under short lease	8,982	1,338	7,644	7,853
Buildings	7,707	1,274	6,433	6,587
Buildings and improvements	14,151	10,909	3,242	1,313
	53,301	15,844	37,457	36,271

notes to the financial statements *cont'd*

12. property, plant and equipment *cont'd*

The net book value of leasehold land and buildings of the Group comprises the following:

	The Group	
	2001	2000
	RM'000	RM'000
Unexpired lease period		
Land under long lease		
81 - 85 years	68	70
Land under short lease		
11 - 15 years	5,190	5,563
Land and building under long lease		
71 - 75 years	326	331
Land and buildings under short lease		
31 - 35 years	1,478	1,552
36 - 40 years	2,756	2,818
41 - 45 years	2,782	2,841
46 - 50 years	628	642
	7,644	7,853
	13,228	13,817

Included in property, plant and equipment of the Group and of the Company are fully depreciated assets which are still in use, with a cost of approximately RM107,042,000 (RM81,818,000 in 2000).

13. telecommunications network

The Group	Domestic and international RM'000	Mobile RM'000	Payphone RM'000	ISP infrastructure RM'000	Total RM'000
Cost					
At beginning of year	2,460,737	1,433,114	376,909	24,409	4,295,169
Prior period adjustments (Note 29)	(329,802)	(278,420)	—	—	(608,222)
As restated	2,130,935	1,154,694	376,909	24,409	3,686,947
Additions	165,029	66,081	1,334	17,464	249,908
Reclassified from property, plant and equipment (Note 12)	16,233	—	—	—	16,233
Write off	—	(802)	(2,157)	—	(2,959)
At end of year	2,312,197	1,219,973	376,086	41,873	3,950,129

notes to the financial statements *cont'd*

13. telecommunications network *cont'd*

The Group	Domestic and international RM'000	Mobile RM'000	Payphone RM'000	ISP infrastructure RM'000	Total RM'000
Cumulative Amortisation					
At beginning of year	44,079	38,547	236,486	1	319,113
Prior period adjustments (Note 29)	(8,757)	(9,865)	–	–	(18,622)
As restated	35,322	28,682	236,486	1	300,491
Current amortisation	67,558	57,122	33,704	386	158,770
Reclassified from property, plant and equipment (Note 12)	6,630	–	–	–	6,630
Write off	–	–	(1,570)	–	(1,570)
At end of year	109,510	85,804	268,620	387	464,321
Net Book Value					
31 December 2001	2,202,687	1,134,169	107,466	41,486	3,485,808
31 December 2000	2,095,613	1,126,012	140,423	24,408	3,386,456

The Group	Domestic and international RM'000	Mobile RM'000	Payphone RM'000	ISP infrastructure RM'000	Total 2001 RM'000	Total 2000 RM'000
Comprise as follows:						
Network cost:						
Commissioned network	2,124,471	1,069,383	376,086	41,873	3,611,813	3,328,622
Network in progress	187,726	150,590	–	–	338,316	358,325
	2,312,197	1,219,973	376,086	41,873	3,950,129	3,686,947
Less: Cumulative amortisation	(109,510)	(85,804)	(268,620)	(387)	(464,321)	(300,491)
	2,202,687	1,134,169	107,466	41,486	3,485,808	3,386,456

During the current financial year, a review was undertaken by the directors of the Company on the projected total revenue during the licence period of the Group's telecommunications licences pertaining to its domestic and international and mobile network and consequently, a revision was made to the projected total revenue during the licence period.

The projected total revenue during the licence period form the basis of amortisation of the Group's telecommunications network.

The effect of this change in estimate on the financial statements of the Group is an increase in the cumulative amortisation of commissioned network as of 31 December 2000 of RM84,285,023 for its domestic and international and mobile network and is taken up in the income statement as part of amortisation of telecommunications network for the current year (Note 6).

notes to the financial statements *cont'd*

13. telecommunications network *cont'd*

The amortisation of commissioned network of RM74,485,200 for the current financial year have been calculated after taking into account the revised projection made by the directors (Note 6).

Included in mobile telecommunications network in 2000 are assets of the subsidiary company amounting to RM40,515,000 of which title has been retained by the suppliers and is in the process of being transferred to the subsidiary company. Subsequent to the completion of the debt restructuring scheme of the former holding company, the title has been released.

14. goodwill on consolidation

	The Group	
	2001	2000
	RM'000	RM'000
At beginning of year	854,278	—
Prior period adjustments (Note 29)	589,600	—
As restated	1,443,878	—
Arising from acquisition of subsidiary companies:		
As previously reported	—	854,278
Prior period adjustments (Note 29)	—	589,600
As restated	—	1,443,878
Less: Amount written off in respect of impairment of value of investment in a subsidiary company	(60,746)	—
At end of year	1,383,132	1,443,878

15. investment in subsidiary companies

	The Company	
	2001	2000
	RM'000	RM'000
Unquoted shares, at cost,	5,259,701	5,215,101
Less: Provision for diminution in value of investment in subsidiary company	(62,239)	—
	5,197,462	5,215,101

On 26 December 2000, the acquisition by the Company of the entire equity interest of TT dotCom Sdn Bhd, TIMECel Sdn Bhd (formerly known as TIME Wireless Sdn Bhd), TIME Reach Sdn Bhd and TIMESat Sdn Bhd were completed.

The effects of these acquisition on the financial position of the Group as at 31 December 2000 are disclosed in the cash flow statements.

notes to the financial statements *cont'd*

16. inventories

	The Group		The Company	
	2001	2000	2001	2000
	RM'000	RM'000	RM'000	RM'000
At cost:				
Trading merchandise	2,048	1,626	250	—
Spares	15,128	16,855	—	—
Phone cards	2,228	2,380	—	—
	19,404	20,861	250	—

17. trade receivables

	The Group		The Company	
	2001	2000	2001	2000
	RM'000	RM'000	RM'000	RM'000
Trade receivables	371,763	310,970	48	—
Less: Allowance for doubtful debts	(162,702)	(108,887)	—	—
	209,061	202,083	48	—

18. other receivables and prepaid expenses

	The Group		The Company	
	2001	2000	2001	2000
	RM'000	RM'000	RM'000	RM'000
Other receivables	94,798	194,912	5,027	18,025
Interest receivables	30,267	30,376	779	—
Less: Allowance for doubtful debts	(10,080)	(8,911)	—	—
	114,985	216,377	5,806	18,025
Prepaid expenses	14,530	12,050	—	—
	129,515	228,427	5,806	18,025

notes to the financial statements *cont'd*

19. holding company and related company transactions

During the financial year, TIME Engineering Berhad, a company incorporated in Malaysia ceased to be the holding company following the completion of its debt restructuring scheme. The Company is now an associated company of TIME Engineering Berhad.

The amount owing by/to subsidiary companies which are interest free and have no fixed repayment terms, arose mainly from intercompany advances and expenses paid on behalf.

Expenses recovered from subsidiary companies during the financial year are as follows:

	The Company	
	2001	2000
	RM'000	RM'000
Net interest expense recovered		
– TT dotCom Sdn Bhd	–	19,536
– TIMECel Sdn Bhd (formerly known as TIME Wireless Sdn Bhd)	–	17,056
Interest expense	–	36,657
Interest income	–	(65)
Net interest expense recovered	–	36,592

Significant transactions during the year between the Company and its subsidiary companies are shown in Note 31.

20. amount owing by/to related parties

Related parties are TIME Engineering Berhad ("TEB") (the former holding company and presently a corporate shareholder of the Company) and its subsidiary and associated companies, Renong Berhad and its subsidiary and associated companies and companies that are related to Khazanah Nasional Berhad (Khazanah Nasional Berhad became a major corporate shareholder during the financial year).

Amount owing by related parties comprises:

	The Group		The Company	
	2001	2000	2001	2000
	RM'000	RM'000	RM'000	RM'000
Promissory notes of TEB	–	53,500	–	–
Amount owing by TEB	176	14,662	176	–
Amount owing by other related parties	11,338	1,227	–	1,086
	11,514	69,389	176	1,086

Promissory notes of TEB held by the Group in 2000 arose as a result of the implementation of the Scheme.

notes to the financial statements *cont'd*

20. amount owing by/to related parties *cont'd*

The amount owing by/to related parties, which have no fixed repayment terms, arose mainly from trade transactions and payments made on behalf.

As at 31 December 2001, interest payable included in amount owing to related parties of the Group amounted to RM1,086,000 (RM116,000 in 2000).

Significant transactions with related parties during the financial year are shown in Note 31.

21. other payables and accrued expenses

	The Group		The Company	
	2001	2000	2001	2000
	RM'000	RM'000	RM'000	RM'000
Other payables	46,726	56,838	2,020	4,202
Interest payables	744	2,166	—	—
Accrued expenses	100,372	161,601	2,800	195
	147,842	220,605	4,820	4,397

22. share capital

	The Group and The Company	
	2001	2000
	RM'000	RM'000
Authorised:		
Ordinary shares of RM1.00 each		
At beginning of year	5,000,000	5,000
Created during the year	—	4,995,000
At end of year	5,000,000	5,000,000
Issued and fully paid up:		
Ordinary shares of RM1.00 each		
At beginning of year	2,356,093	1,000
Issued during the year	174,682	2,355,093
At end of year	2,530,775	2,356,093

notes to the financial statements *cont'd*

22. share capital *cont'd*

During the financial year, the issued and fully paid up share capital of the Company was increased from RM2,356,093,000 comprising 2,356,093,000 ordinary shares of RM1.00 each to RM2,530,775,000 comprising 2,530,775,000 ordinary shares of RM1.00 each by:

- i. the public issue by the Company of 169,227,000 new ordinary shares of RM1.00 each at an issue price of RM3.30 per ordinary share; and
- ii. placement by the Company of 5,455,000 new ordinary shares of RM1.00 each at a placement price of RM3.30 per ordinary share

pursuant to the listing of and quotation for the Company's shares on the Kuala Lumpur Stock Exchange.

The resulting share premium amounting to RM401,769,000 has been credited to share premium account as shown in Note 23.

The new shares rank *pari passu* with the then existing shares of the Company.

23. share premium (non-distributable)

	The Group and The Company	
	2001	2000
	RM'000	RM'000
At beginning of year	2,862,774	—
Arising from shares issued during the year (Note 22)	401,769	2,862,774
Share issue expenses	(48,782)	—
At end of year	3,215,761	2,862,774
Share premium arose from the following:		
Issue of 1,431,386,454 new ordinary shares at a premium of RM2.00 per ordinary share in 2000	2,862,773	2,862,773
Issue of 546 new ordinary shares at a premium of RM2.30 per ordinary share in 2000	1	1
Issue and placement of 174,682,000 new ordinary shares at a premium of RM2.30 per ordinary share, net of share issue expenses of RM48,782,000 in 2001	352,987	—
	3,215,761	2,862,774

24. cash and cash equivalents

Cash and cash equivalents included in the cash flow statements comprise the following balance sheet amounts:

	The Group		The Company	
	2001	2000	2001	2000
	RM'000	RM'000	RM'000	RM'000
Fixed deposits with licensed banks	716,853	240,189	636,144	—
Cash and bank balances	10,670	13,355	2,057	659
	727,523	253,544	638,201	659

notes to the financial statements *cont'd*

25. capital commitments

	The Group		The Company	
	2001	2000	2001	2000
	RM'000	RM'000	RM'000	RM'000
Approved and contracted for:				
Purchase and construction of telecommunications infrastructure	220,145	181,264	—	—
Approved but not contracted for:				
Purchase and construction of telecommunications infrastructure	21,939	74,170	—	—

One of its subsidiary companies, TT dotCom Sdn Bhd, is a member of Malaysian Access Forum Berhad, ("MAFB") a company incorporated in Malaysia and limited by guarantee. As a member, TT dotCom Sdn Bhd is required to pay an initial subscription fee. However, as at 31 December 2001, the amount of initial subscription fee has not been determined by MAFB.

26. other commitments

	The Group		The Company	
	2001	2000	2001	2000
	RM'000	RM'000	RM'000	RM'000
Future Minimum Lease Payments				
Non cancellable commitments for rental of office premises, data transmission, lease of computer equipment and computer network setting up				
Payable within 1 year	3,401	7,972	—	—
Payable within 2 - 3 years	947	4,278	—	—
Payable after 3 years	—	1,259	—	—
	4,348	13,509	—	—

On 12 May 2000, 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 as awarded by the Government of Malaysia to PLUS ("PLUS Concession") unless renewed by the Government of Malaysia (in which event the agreement shall terminate upon the renewed terms of the PLUS Concession).

Under the PLUS Agreement, the subsidiary company has an option (exercisable within 30 months from 12 May 2000) to purchase from PLUS the telecommunications facilities at a purchase price of RM180,000,000.

notes to the financial statements *cont'd*

27. contingent liabilities

As at 31 December 2001, the Group and the Company has the following contingent liabilities arising from the implementation of the Scheme:

	The Group		The Company	
	2001	2000	2001	2000
	RM'000	RM'000	RM'000	RM'000
Security for Promissory Notes 2000/2001 of TEB (former holding company):				
Debentures	—	1,041,519	—	328,308
Corporate guarantees	—	2,106,816	—	918,860
Fixed charge over shares in subsidiary companies	—	328,308	—	328,308
Fixed charge over property, plant and equipment and telecommunications network	—	66,945	—	—

As at 31 December 2001, a legal action for a claim of RM10.9 million for unfair dismissal has been brought by certain former employees against one of the subsidiary companies. The outcome of the legal case is presently not determinable and no provision for possible losses arising from the claim has been made in the financial statements.

28. segment information

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

29. prior period adjustments

As explained in Note 4, during the financial year, the Group changed its accounting policy on the capitalisation of borrowing costs in compliance with MASB 27, Borrowing Costs. In prior years, interest on loans obtained to finance the construction of the telecommunications network incurred subsequent to commissioning until full repayment of such loans, were capitalised and amortised to the income statement using a prescribed formula. Following the early adoption of MASB 27, the Group changed this policy to cease the capitalisation of borrowing costs upon the commissioning of the telecommunications network.

The effects of the accounting change are a decrease in net loss for the current year by RM7,458,000. This accounting change has been accounted for retrospectively and the effects on prior years have been taken up as prior period adjustments in the financial statements. Accordingly, the following accounts in prior years have been restated to reflect the effects of the accounting change:

	As previously reported RM'000	Prior period adjustments RM'000	As restated RM'000
As of 31 December 2000			
Telecommunications network	3,976,056	(589,600)	3,386,456
Goodwill on consolidation	854,278	589,600	1,443,878

notes to the financial statements *cont'd*

30. comparative figures

Following the change in the corporate structure of the Company, the following accounts have been reclassified to conform with the current year's presentation:

	As at 31.12.2000 RM'000	Reclassifications RM'000	As restated 31.12.2000 RM'000
The Group			
Amount owing by related companies	1,086	(1,086)	–
Amount owing by ultimate holding company	68,162	(68,162)	–
Other receivables, and prepaid expenses	95,857	132,570	228,427
Amount owing by related parties	132,711	(63,322)	69,389
Amount owing to related companies	(5,570)	5,570	–
Amount owing to ultimate holding company	(39,336)	39,336	–
Amount owing to corporate shareholder	(106)	106	–
Other payables and accrued expenses	(220,426)	(179)	(220,605)
Amount owing to related parties	(24,337)	(44,833)	(69,170)
The Company			
Amount owing by related companies	1,086	(1,086)	–
Amount owing by related parties	–	1,086	1,086
Amount owing to related companies	(43)	43	–
Amount owing to ultimate holding company	(8,717)	8,717	–
Amount owing to related parties	–	(8,760)	(8,760)

In addition, the following comparative figures have also been reclassified to reflect the underlying nature of the balances.

	As at 31.12.2000 RM'000	Reclassifications RM'000	As restated 31.12.2000 RM'000
The Group			
Trade receivables	286,501	(84,418)	202,083
Trade payables	(277,875)	84,418	(193,457)

The comparative figures in the cash flow statements have also been restated as a result of the reclassifications made.

notes to the financial statements *cont'd*

31. related party transactions

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

With related parties

Name of Company	The Group		The Company	
	2001 RM'000	2000 RM'000	2001 RM'000	2000 RM'000
TIME Engineering Berhad				
– Rental expense	7,642	370	794	370
– Interest expense	181	–	–	–
– Management fee expense	229	–	–	–
Telekom Malaysia Berhad				
– Interconnect charges	134,602	–	–	–
– Interconnect revenue	58,029	–	–	–
– Lease line revenue	4,397	–	–	–
– USO payment	8,738	–	–	–
Teras Teknologi Sdn Bhd				
– Interest expense	1,655	–	–	–
– Supply, installation, testing, commissioning, maintenance and support of Internet Services Provision infrastructure	16,066	–	–	–
Projek Lebuhraya Utara-Selatan Berhad				
– Fee for wayleave and right of use of telecommunications facilities	11,340	–	–	–
– Interest expense	1,086	–	–	–
Kinta Kellas, Plc				
– Project management service expense	7,007	–	–	–

notes to the financial statements *cont'd*

31. related party transactions *cont'd*

With subsidiary companies

Name of Company	Nature	The Company	
		2001 RM'000	2000 RM'000
TT dotCom Sdn Bhd	Management fee income	3,040	—
TIMECel Sdn Bhd (formerly known as TIME Wireless Sdn Bhd)	Management fee income	2,571	—
TIME Reach Sdn Bhd	Management fee income	1,493	—
TIME dotNet Berhad	Management fee income	78	—

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.

32. general information

The total number of employees of the Group and the Company at 31 December 2001 were 3,257 and 90 (3,132 and 73 in 2000), respectively.

The Company is a public limited liability company, incorporated and domiciled in Malaysia and is listed on the Main Board of the Kuala Lumpur Stock Exchange.

The registered office is located at Level 1, Wisma TIME, 249, Jalan Tun Razak, 50400 Kuala Lumpur.

The principal place of business is located at Level 1, Wisma TIME, 249, Jalan Tun Razak, 50400 Kuala Lumpur.

statement by directors

The directors of **TIME dotCom Berhad** state that, in their opinion, the accompanying balance sheets and statements of income, changes in equity and cash flows are drawn up in accordance with the provisions of the Companies Act, 1965 and the applicable approved accounting standards in Malaysia so as to give a true and fair view of the state of affairs of the Group and the Company as of 31 December 2001 and of the results of their businesses and the cash flows of the Group and the Company for the year ended on that date.

Signed in accordance with a resolution of the Directors,

DATO' IR. WAN MUHAMAD WAN IBRAHIM

ABDUL WAHID OMAR

Kuala Lumpur,
22 April 2002

declaration by the officer primarily responsible for the financial management of the company

I, **ROBERT CARLILE FOX**, Chief Executive Officer, the officer primarily responsible for the financial management of **TIME dotCom Berhad**, do solemnly and sincerely declare that the accompanying balance sheets and statements of income, changes in equity and cash flows, are, to my best 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 **ROBERT CARLILE FOX** at **KUALA LUMPUR** this 22nd day of April, 2002.

Before me,

COMMISSIONER FOR OATHS

stockholding analysis *as at 29 March 2002*

Authorised Share Capital	:	RM5,000,000,000/-
Issued and Paid-Up Capital	:	RM2,530,775,000/-
Class of Shares	:	Ordinary Shares of RM1.00 each
Voting Rights	:	1 vote per Ordinary Share

distribution of shareholders

Size of Holdings	No. of Shareholders	Total Holdings	%
Less than 1,000	369	158,879	negligible
1,000 to 10,000	18,641	42,437,003	1.68
10,001 to 100,000	743	20,283,876	0.80
100,001 to less than 5% of issued shares	105	305,876,955	12.09
5% and above of issued shares	6	2,162,018,287	85.43
Total	19,864	2,530,775,000	100.00

thirty (30) largest shareholders *as at 29 March 2002*

Names	No. of shares	%
1. Maju Nominees (Tempatan) Sdn Bhd Pledged Securities Accounts for TIME Engineering Berhad	522,000,000	20.63
2. Khazanah Nasional Berhad	506,160,000	20
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. Universal Trustee (Malaysia) Berhad	253,104,496	10
6. TIME Engineering Berhad	217,808,890	8.61
7. Employees Provident Fund Board	81,982,977	3.24
8. Indera Permai Sdn Bhd	57,850,000	2.29
9. CimSec Nominees (Tempatan) Sdn Bhd Danaharta Urus Sdn Bhd	45,160,454	1.78
10. CimSec Nominees (Tempatan) Sdn Bhd Danaharta Managers Sdn Bhd	34,887,353	1.38
11. Lembaga Tabung Angkatan Tentera	15,010,000	0.59
12. Universal Trustee (Malaysia) Berhad Pledged Securities Accounts for TIME Engineering Berhad	9,925,323	0.39
13. UMB Nominees (Tempatan) Sdn Bhd Utama Merchant Bank Berhad	8,801,492	0.35
14. Arab-Malaysian Nominees (Tempatan) Sdn Bhd Arab-Malaysian Trustee Bhd for BHLB Pacific Dana Al-Ihsan	7,115,000	0.28
15. CIMB Nominees (Tempatan) Sdn Bhd Commerce International Merchant Bankers Berhad	5,840,159	0.23

stockholding analysis *as at 29 March 2002 cont'd*

thirty (30) largest shareholders *as at 29 March 2002 cont'd*

	Names	No. of shares	%
16.	Affin Bank Berhad	2,640,447	0.10
17.	HSBC Nominees (Tempatan) Sdn Bhd HSBC (M) Trustee Bhd for OSK-UOB Equity Trust	1,925,000	0.08
18.	AM Nominees (Tempatan) Sdn Bhd Employees Provident Fund Board	1,590,000	0.06
19.	RHB Capital Nominees (Tempatan) Sdn Bhd RHB Bank Berhad	1,580,119	0.06
20.	Amanah Raya Berhad BHLB Pacific Double Growth Fund	1,470,000	0.06
21.	HSBC Nominees (Asing) Sdn Bhd BOB HK for ARN Newly Industrialised Economies Fund	1,289,000	0.05
22.	Uniphone Telecommunications Berhad	1,250,000	0.05
23.	Universal Trustee (Malaysia) Berhad BHLB Pacific Dana Al-Mizan	1,247,000	0.05
24.	RHB Merchant Nominees (Tempatan) Sdn Bhd RHB Sakura Merchant Bankers Berhad	1,223,336	0.05
25.	Rohas-Euco Industries Bhd	1,152,000	0.05
26.	UCIS Sdn Bhd	1,048,000	0.04
27.	K & N Kenanga Bhd IVT (BI)	880,149	0.03
28.	Alliance Merchant Bank Berhad	880,149	0.03
29.	Arab-Malaysian Nominees (Tempatan) Sdn Bhd Meridian Asset Management Sdn Bhd for Malaysian Assurance Alliance Bhd	633,000	0.03
30.	Universal Trustee (Malaysia) Berhad BHLB Pacific High Growth Fund	633,000	0.03
Total		2,448,032,245	96.73

stockholding analysis *as at 29 March 2002 cont'd*

substantial shareholders

Shareholder	Direct Interest	Percentage (%)	Indirect Interest	Percentage (%)
TIME Engineering Berhad	1,138,840,070 (a)	45.00	Nil	Nil
Khazanah Nasional Berhad	759,240,000 (b)	30.00	1,138,840,070 (c)	45.00
Syarikat Danasaham Sdn Bhd			1,138,840,070 (d)	45.00
United Engineers (Malaysia) Berhad			1,138,840,070 (e)	45.00
Renong Berhad			1,138,840,070 (f)	45.00
Kumpulan Wang Amanah Pencen	273,863,540	10.82	—	—

- a. 522,000,000, 389,081,361 and 9,949,819 shares held by Maju Nominee (Tempatan) Sdn Bhd, Bumiputra-Commerce Nominees (Tempatan) Sdn Bhd and Universal Trustee (Malaysia) Berhad.
- b. 253,080,000 shares held by Universal Trustee (Malaysia) Berhad.
- c. Deemed interest through Syarikat Danasaham Sdn Bhd.
- d. Deemed interest through United Engineers (Malaysia) Berhad.
- e. Deemed interest through Renong Berhad.
- f. Deemed interest through TIME Engineering Berhad.

directors' interest

None of the Directors or persons connected to them has any shareholding, direct or indirect, in the Company.

Dato' Ir. Wan Muhamad Wan Ibrahim, Puan Elakumari Kantilal and Puan Salmah Sharif are nominees of Khazanah Nasional Berhad, whereas Encik Abdul Wahid Omar and Encik Abdul Kadir Md Kassim are nominees of TIME Engineering Berhad.

list of properties *as at 31 December 2001*

Location	Area (Sq Metres)	Approx. Age (Years)	Tenure	Description Of Properties	Net Book Value (RM'000)
TT dotCom Sdn Bhd					
Lot No. 43 & 54 Hicom Glenmarie Industrial Park Subang, Selangor Darul Ehsan	8,995	6	Freehold	Land and building	18,016
Lot 4465, GM 155 Mukim 1 Daerah Seberang Prai Tengah Pulau Pinang	9,002	—	Freehold	Land	2,520
Lot P.T. 3930, HS(D) 6137 Mukim Tebrau Daerah Johor Bahru Jalan Riag 23 Taman Gembira Industrial Park Johor Bahru Johor Darul Takzim	10,940	5	Freehold	Land	4,946
102M Lengkuk Kampung Jawa 2 MIEL Bayan Lepas Industrial Estate, Pulau Pinang	881	19	Leasehold (60 years from 1981 to 2041)	Land and a single storey building and cabin	924
Lot 142-A Semambu Industrial Estate Kuantan Pahang Darul Makmur	10,117	17	Leasehold (66 years from 1980 to 2046)	Land and a single storey building and cabin	1,914
Kampung Sungai Bedaun Daerah Labuan Wilayah Persekutuan Labuan	32,375	—	Leasehold (99 years from 1984 to 2082)	Land	2,892
No. 1, Jalan Kilang 3 Jelapang Light Industrial Estate Ipoh, Perak Darul Ridzuan	2,162	—	Leasehold (60 years from 1976 to 2036)	Land	242
Lot 37, Kg. Sungai Bedaun Settlement Scheme Daerah Labuan Wilayah Persekutuan Labuan	12,141	—	Leasehold (99 years from 1984 to 2082)	Land	55

list of properties *as at 31 December 2001 cont'd*

Location	Area (Sq Metres)	Approx. Age (Years)	Tenure	Description Of Properties	Net Book Value (RM'000)
TT dotCom Sdn Bhd <i>cont'd</i>					
Lot No. 469 Mukim Batu Burok Kuala Terengganu Terengganu Darul Iman	809	—	Leasehold (99 years from 1975 to 2074)	Land	259
TIMECel Sdn Bhd					
No.127-527 Jalan 6/12 Kelana Jaya Urban Centre, Petaling Jaya Selangor Darul Ehsan	1,858	18	Freehold	Land and a 5 storey shophouse	4,361
No. 26 Jalan Perdagangan 10 Taman Universiti Skudai 83100 Johor Bahru Johor Darul Takzim	2,294	8	Freehold	Land and a 1 1/2 storey detached light industrial factory	1,430
Lot 26A SEDCO Likas Industrial Estate Mile 5 1/2 Tuaran, Sabah	2,837	18	Leasehold (59 years from 1975 to 2034)	Land and a double storey office cum warehouse and a 3 storey house cum office	2,873
Lot 989, Section 66 Pending Industrial Estate Lorong Jentera 93450 Kuching, Sarawak	2,614	25	Leasehold (60 years from 1975 to 2035)	Land and a double storey building	1,762
No. 997 Solok Perusahaan 3 Prai Industrial Estate 13600 Prai, Seberang Prai Pulau Pinang	1,784	23	Leasehold (99 years from 1972 to 2071)	Land and a single storey building	944

list of properties as at 31 December 2001 cont'd

Location	Area (Sq Metres)	Approx. Age (Years)	Tenure	Description Of Properties	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	9	Leasehold (99 years from 1986 to 2085)	Land and 2 lots double storey shophouse	295
6765, Jalan Kampung Gajah 12200 Butterworth Pulau Pinang	156	18	Freehold	Land and a 3 storey shop/office	401
No. 125, Medan Kikik Satu Taman Inderawasih 13600 Prai, Seberang Prai Pulau Pinang	120	10	Freehold	Land and a 3 storey shop/office	304
133G & 135 Jalan Dato' Lau Pak Khuan 31400 Ipoh Garden Ipoh, Perak Darul Ridzuan	260	10	Freehold	Land and 2 lots double storey shophouse	410
No. 21, Taman Bukit Hijau Jalan Temoh 35000 Tapah Perak Darul Ridzuan	149	5	Leasehold (99 years from 1979 to 2078)	Land and a single storey shop/office	75
No. 6, Jalan Simpang Kg. Benggali, 34000 Taiping Perak Darul Ridzuan	130	9	Leasehold (60 years from 1988 to 2048)	Land and a double storey flatted industry building	135
No. 80, Taman Seri Langat Jalan Reko, 43000 Kajang Selangor Darul Ehsan	149	11	Freehold	Land and a 3 storey shophouse	159
No. 54 & 56, Jalan Sentosa Taman Chi Liung, Off Jalan Kim Chuan Pandamaran 42000 Port Klang Selangor Darul Ehsan	279	8	Freehold	Land and 2 lots of double storey shop/office	313
No. 8-1, Jalan 4/4C Desa Melawati 53100 Ulu Klang Selangor Darul Ehsan	164	8	Freehold	Land and a 3 storey shophouse	411

list of properties as at 31 December 2001 cont'd

Location	Area (Sq Metres)	Approx. Age (Years)	Tenure	Description Of Properties	Net Book Value (RM'000)
TIME Reach Sdn Bhd <i>cont'd</i>					
No. 6 & 8, Jalan 8/B Seksyen 8, Shah Alam Selangor Darul Ehsan	307	8	Leasehold (99 years from 1998 to 2097)	Land and 2 lots of double storey shophouse	396
No. 5, Lorong 6B/91 Taman Shamelin Perkasa 56000 Kuala Lumpur	164	9	Leasehold (99 years from 1983 to 2082)	Land and a 4 storey shop/office	413
Lot No. 11 Jalan SS 6/12 Kelana Jaya 47301 Petaling Jaya Selangor Darul Ehsan	186	18	Freehold	Land and a 4 storey terrace shophouse	378
No. 363, Taman Bukit Emas Jalan Tampin, 70450 Seremban Negeri Sembilan Darul Khusus	164	6	Freehold	Land and a 3 storey shophouse	317
324A & B Taman Melaka Raya 75000 Melaka	167	15	Leasehold (99 years from 1983 to 2082)	Land and a 3 storey shophouse	207
No. 64 & 66 Jalan Wong Ah Jang 25100 Kuantan Pahang Darul Makmur	297	9	Freehold	Land and 2 lots of 3 storey shophouse	481
No. 6-01-02 Jalan Molek 1/9, Taman Molek 81100 Johor Bahru Johor Darul Takzim	236	9	Freehold	Land and a 3 storey shophouse	294
No. 33 & 35, Jalan Suasa 1 Taman Sri Skudai 81300 Johor Bahru Johor Darul Takzim	327	9	Freehold	Land and 2 lots of double storey shophouse	293
No. 53, 53A & 53B Jalan Perang, Taman Pelangi 80400 Johor Bahru Johor Darul Takzim	178	7	Freehold	Land and a 3 storey shophouse	361

list of properties *as at 31 December 2001 cont'd*

Location	Area (Sq Metres)	Approx. Age (Years)	Tenure	Description Of Properties	Net Book Value (RM'000)
TIME Reach Sdn Bhd <i>cont'd</i>					
No. 13, Jalan Timah Hitam 83000 Batu Pahat Johor Darul Takzim	137	11	Leasehold (99 years from 1988 to 2087)	Land and a 3 storey shophouse	188
No. 1-25, Kawasan Perindustrian Batu 1 Tanjung Agas, 84000 Muar Johor Darul Takzim	143	13	Leasehold (99 years from 1981 to 2080)	Land and a double storey shophouse	92
Block BC, Lot 12, Unit 6 Lorong Ikan Juara 3 Kota Kinabalu, Sabah	107	7	Leasehold (999 years from 1902 to 2901)	Land and a 4 storey shophouse	579

group corporate directory

TIME dotCom Berhad (413292-P)

Head office:

Level 1, Wisma TIME
249, Jalan Tun Razak
50400 Kuala Lumpur
Malaysia

Tel : +60 3 2720 8000

Fax: +60 3 2720 0199

Webpage: www.time.com.my

TIME Integrated 24-hours **Customer Interaction Centre**

TIME SelfCare : 1 800 387 111 or

+60 3 2730 5287

Fax: +60 3 2720 7117

Email: customerservice@time.com.my

TT dotCom Sdn Bhd (52371-A)

Level 1, Wisma TIME

249, Jalan Tun Razak

50400 Kuala Lumpur

Tel : +60 3 2720 8000

Fax: +60 3 2720 8001

TIMECel Sdn Bhd (73315-V)

(formerly known as TIME Wireless Sdn Bhd)

Level 17, MNI Twins 2

11, Jalan Pinang

50450 Kuala Lumpur

Tel : +60 3 2720 0017

Fax: +6 03 2720 7117

TIME Reach Sdn Bhd (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 10, Wisma TIME

249, Jalan Tun Razak

50400 Kuala Lumpur

Tel : +60 3 2720 8000

Fax: +60 3 2720 4466

Webpage: www.time.net.my

Email: support@isp.time.net.my

TIME Retail Flagships

Central Region

No. 10 & 12

Jalan Telawi 2

Bangsar Baru

59100 Kuala Lumpur

Tel : +60 3 2711 2711

Fax: +60 3 2711 2712

Southern Region

Lot JK 1-02

Level 1, JB City Square

No. 106 - 108, Jalan Wong Ah Fook

80000 Johor Bahru

Johor

Tel : +60 7 278 2782

Fax: +60 7 278 2781

TIMECel Branches

Central Region

Ground Floor, MNI Twins 2

No. 11, Jalan Pinang

50450 Kuala Lumpur

Tel : +60 3 2720 0017

Fax: +60 3 2720 6417

121, Jalan 2/3A

Bandar Utara Selayang

(Selayang Pasar Borong)

68100 Kuala Lumpur

Tel : +60 3 6138 1217 / 1317

Fax: +60 3 6138 3717

74, Jalan Jejaka

Taman Maluri

55100 Kuala Lumpur

Tel: +60 3 9285 0171 / 9282 0171

Fax: +60 3 9282 8171

9131, Jalan Bandar 4

off Jalan Negara

Taman Melawati

53100 Kuala Lumpur

Tel : +60 3 4106 4798

Fax: +60 3 4106 4807

30, Jalan Yong Shook Lin

46040 Petaling Jaya

Selangor

Tel : +60 3 7954 1406

Fax: +60 3 7954 1497

No. 10, Ground Floor

Jalan SS 2/67

47301 Petaling Jaya

Selangor

Tel : +60 3 7873 6689 / 6690

Fax: +60 3 7873 6673

15, Ground Floor

Jalan USJ 10/1F

UEP Subang Jaya

Selangor

Tel : +60 3 5638 4017

Fax: +60 3 5631 9017

No. 27, Ground Floor

Lebuh Pulau Pinang

Pusat Perniagaan NBC

Batu 1 1/2, Jalan Meru

41050 Klang, Selangor

Tel : +60 3 3345 3772

Fax: +60 3 3345 3879

Northern Region

75A, Lebuhraya Darul Aman

05100 Alor Setar

Kedah

Tel : +60 4 730 0017

Fax: +60 4 734 8336

23G, Ground Floor

Jalan Kampung Baru

08000 Sg. Petani

Kedah

Tel : +60 4 420 7300

Fax: +60 4 420 7304

7, Medan Istana 3

Bandar Ipoh Raya

30000 Ipoh

Perak

Tel : +60 5 236 0117

Fax: +60 5 236 0118

group corporate directory *cont'd*

TIMECel Branches *cont'd*

Northern Region *cont'd*

Unit 12, Ground Floor
Belisa Row, Jalan Burmah
10350 Pulau Pinang
Tel : +60 4 226 1017
Fax: +60 4 226 7017

B-303-1-11 Kristal Point
Jalan Sultan Azlan Shah
11900 Pulau Pinang
Tel : +60 4 630 2017
Fax: +60 4 630 2022

44, Jalan Todak 2
Seberang Jaya
13700 Seberang Perai
Pulau Pinang
Tel : +60 4 398 1171 / 2171
Fax: +60 4 398 3171

Southern Region

No. 9, Jalan Melaka Raya 11
Taman Melaka Raya
75000 Melaka
Tel : +60 6 284 1117
Fax: +60 6 282 1117

70B, Ground Floor
Bangunan Perwanis
Jalan Tun Dr. Ismail
70200 Seremban
Negeri Sembilan
Tel : +60 6 767 6085 / 6095 / 6061
Fax: +60 6 767 6076

18, Ground Floor
Jalan Molek 1/10
Taman Molek
81100 Johor Bahru
Johor
Tel : +60 7 356 0017
Fax: +60 7 355 4017

Ground Floor, 10 Jalan Kundang 3
Taman Bukit Pasir
83000 Batu Pahat
Johor
Tel : +60 7 433 3017
Fax: +60 7 433 8017

Eastern Region

B-22, Ground Floor
Jalan Tun Ismail 1
Sri Dagangan 2
25000 Kuantan
Pahang
Tel : +60 9 512 1417
Fax: +60 9 513 1629

East Malaysia

Ground Floor, Shop No. 7
Block 5 Api-Api Centre
88000 Kota Kinabalu
Sabah
Tel : +60 88 249 017 / 244 017
Fax: +60 88 262 017

Lot 265, Ground Floor
Beautiful Jade Centre
98009 Miri
Sarawak
Tel : +60 85 442 470
Fax: +60 85 442 471

No. 294, Lot 2653
Central Park Commercial Centre
3rd Mile Jalan Rock
93200 Kuching
Sarawak
Tel : +60 82 233 017
Fax: +60 82 420 017

No. 20, Ground Floor Lane 2
Jalan Tuanku Osman
96000 Sibul
Sarawak
Tel : +60 84 310 315
Fax: +60 84 329 372

TIME Payphone Branches

Central Region

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

Northern Region

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

Southern Region

No. 6, Jalan Molek 1/9
Taman Molek
81100 Johor Bahru
Johor
Tel : +60 7 355 6199
Fax: +60 7 355 4424

Eastern Region

No. 64 & 66, Jalan Wong Ah Jang
25100 Kuantan
Pahang
Tel : +60 9 514 4300
Fax: +60 9 514 4302

East Malaysia

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

group corporate directory *cont'd*

Network Services

Regional Offices

Central Region

Lot 14, Jalan UI/26
HICOM Glenmarie
40000 Shah Alam
Selangor
Tel : +60 3 5032 6000
Fax: +60 3 5032 6004

Northern Region

No. 7B, Medan Istana 3
Bandar Ipoh Raya
30000 Ipoh
Perak
Tel : +60 5 236 4475
Fax: +60 5 237 5707

No. 12, Block DI
Jalan Todak 4
Pusat Bandar Seberang Jaya
13700 Pulau Pinang
Tel : +60 4 397 0000
Fax: +60 4 370 2004

Southern Region

4th Floor, Bangunan Matang
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

9B, Jalan Melaka Raya 11
Taman Melaka Raya
75000 Melaka
Tel : +60 6 226 6700
Fax: +60 6 226 6705

Eastern Region

No. 142A,
Kawasan Perindustrian Semambu
25350 Kuantan
Pahang
Tel : +60 9 556 0692 / 0693 / 0694
Fax: +60 9 556 0691

East Malaysia

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

proxy form

TIME dotCom Berhad (413292-P)
(Incorporated in Malaysia)

No. of Ordinary Shares held

I/We, _____
(Please use block letters)

of _____

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

of _____

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 Fifth Annual General Meeting of the Company to be held at Ballroom 1 & 2, Level 2, Hotel Nikko Kuala Lumpur, 165 Jalan Ampang, 50450 Kuala Lumpur on Friday, 24 May 2002 at 10.00 a.m. and at any adjournment thereof.

(Please indicate with a "x" or "✓" in the boxes provided below how you wish your vote to be cast. If you do not do so, the proxy will vote or abstain from voting at his discretion).

	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		
Ordinary Resolution 10		

Signed this _____ day of _____ 2002.

Signature _____

Notes:

1. A member of the Company entitled to attend and vote at the meeting may appoint one or more proxies to vote in his stead. A proxy may but need not be a member of the Company and a member of the Company may appoint any person to be his proxy. Section 149(1)(b) of the Companies Act, 1965 shall not be applicable.
2. The instrument appointing a proxy or other authority, if any, under which it is signed or notarially certified copy of that power or authority shall be deposited at the registered office, not less than forty-eight (48) hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote, 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.



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TIME dotCom Berhad (413292-P)
Level 1, Wisma TIME, 249, Jalan Tun Razak,
50400 Kuala Lumpur, Malaysia.