THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

If you are in any doubt as to the course of action to be taken, you should consult your stockbroker, bank manager, solicitor, accountant or other professional adviser immediately. If you have sold all your Shares in **TIME dotCom Berhad ("TdC")**, you should immediately hand this Circular together with the accompanying Form of Proxy to the agent through whom the sale or transfer was effected for onward transmission to the purchaser or transferee.

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TIME

TIME dotCom Berhad

(Company No: 413292-P)
(Incorporated in Malaysia)

CIRCULAR TO SHAREHOLDERS

in relation to the

- **PROPOSED DISPOSAL OF TdC'S 100% EQUITY INTEREST IN TIMECel SDN BHD COMPRISING 1,293,884,000 ORDINARY SHARES OF RM1.00 EACH ("TIMECel SHARES") TO MAXIS COMMUNICATIONS BERHAD FOR A CASH CONSIDERATION OF UP TO RM1.475 BILLION COMPRISING RM1.325 BILLION FOR THE TIMECel SHARES AND UP TO RM150.0 MILLION FOR THE REPAYMENT OF THE INTER-COMPANY LOANS ("PROPOSED DISPOSAL"); AND**

- **PROPOSED CAPITAL REPAYMENT TO THE SHAREHOLDERS OF TdC VIA A CASH DISTRIBUTION OF RM1,265,387,500 FROM THE PROCEEDS RECEIVABLE BY TdC PURSUANT TO THE PROPOSED DISPOSAL ON THE BASIS OF 50 SEN CASH FOR EVERY ONE (1) EXISTING ORDINARY SHARE HELD IN TdC AT A DATE TO BE DETERMINED LATER**

AND

NOTICE OF EXTRAORDINARY GENERAL MEETING

Advised by

AmMerchant Bank Berhad

(Formerly known as Arab-Malaysian Merchant Bank Berhad) (23742-V)
A member of the AmBank Group

The Notice of an Extraordinary General Meeting to be held at Ballroom 2 & 3, Level 2, Nikko Hotel, Jalan Ampang, 50450 Kuala Lumpur on Wednesday, 30 April 2003 immediately upon the conclusion of TdC's Sixth Annual General Meeting (or adjournment thereof) to be held on the same day at 10:00 a.m. together with the Form of Proxy are enclosed with this Circular. Shareholders are advised to refer to the Notice of the Extraordinary General Meeting and the Form of Proxy which are enclosed. The Form of Proxy should be lodged at the registered office of the Company at Level 1, Wisma TIME, 249, Jalan Tun Razak, 50400 Kuala Lumpur not less than forty-eight (48) hours before the time appointed for holding the meeting or any adjournment thereof. The lodging of the Form of Proxy will not preclude you from attending and voting at the meeting if you are able to do so.

The last day and time for lodging the Form of Proxy is on Monday, 28 April 2003 at 10:00 a.m.

This Circular is dated 8 April 2003

For the purpose of this Circular, except where the context otherwise requires, the following abbreviations and definitions shall apply :-

Act	–	The Companies Act, 1965 and includes any amendments thereto
Access Agreements	–	Any and all of the various business, licensing and technical operations agreements as defined in the Conditional SPA
AmMerchant Bank	–	AmMerchant Bank Berhad {formerly known as Arab-Malaysian Merchant Bank Berhad} (23742-V)
Board	–	The Board of Directors of TdC
BSC	–	The Base Station Controller which is primarily used for call maintenance
BTS	–	The Base Transceiver Station which is primarily used to provide the base station radio transmission and reception
Business	–	The business to be carried out by the JV Company as described in the Initial Business Plan or any subsequent Business Plan
Business Plan	–	The business plan for the JV Company from time to time mutually agreed to by the JVSA Parties including the Initial Business Plan and any subsequent Business Plan, each as may from time to time be amended modified or replaced
CCM	–	Companies Commission of Malaysia
Conditional SPA	–	The conditional sale and purchase agreement entered into between TdC and Maxis dated 18 September 2002 for the Proposed Disposal
Consideration	–	The amount of RM1.325 billion for the sale by TdC and purchase by Maxis of the TIMECel Shares to be fully satisfied in cash
CSFB	–	Credit Suisse First Boston (Singapore) Limited, the Company's international financial adviser in respect of the Proposed Disposal
Cut-Off Date	–	5 p.m on 30 April 2003 or such other date as may be agreed by TdC and Maxis
EBITDA	–	Earnings before interest, taxation, depreciation and amortisation
EGM	–	Extraordinary general meeting
Enterprise Value or EV	–	The value of equity plus debt less cash and cash equivalents
Entitlement Date	–	The date on which shareholders must be registered in the Record of Depositors in order to participate in the Proposed Capital Repayment. The aforesaid entitlement date will be announced once determined by the Board
FIC	–	Foreign Investment Committee

GDP	–	Gross Domestic Product
GSM	–	Global System for Mobile Communications, a standard for digital mobile telephone transmissions
High Court	–	High Court of Malaya
Inter-Company Loans	–	The inter-company loans in the form of loans and advances made by TdC and TIMECel's Related Corporations to TIMECel from time to time as described further in Section 2.2 of this Circular
Initial Business Plan	–	The initial business plan to be mutually agreed between the JVSA Parties no later than four (4) months from completion of the Conditional SPA
IP	–	Internet Protocol, a packet transmission standard for transmission of data, voice, video and other information
IPO	–	Initial public offering
JV	–	Joint venture
JV Condition Precedent	–	The condition as set out in Clause 3.1.12 of the Conditional SPA in respect of the JV agreement which has since been executed on 20 March 2003
JV Company	–	The private company limited by shares and incorporated in Malaysia under the Act to be formed between TT dotCom and Maxis Broadband in respect of the JVSA
JVSA	–	The JV and shareholders' agreement entered into between TT dotCom and Maxis Broadband pursuant to Clause 3.1.12 of the Conditional SPA dated 20 March 2003
JVSA Parties	–	TT dotCom and Maxis Broadband
Key Principles	–	The key guiding principles for the proposed JV agreement which are set out in Appendix 2 of the Letter Of Offer
KLSE	–	Kuala Lumpur Stock Exchange (30632-P)
Letter Of Offer	–	The letter dated 12 December 2002 from Maxis to TdC for the purposes of, inter-alia, fixing the Consideration for the Proposed Disposal
Maxis	–	Maxis Communications Berhad (158400-V)
Maxis Broadband	–	Maxis Broadband Sdn Bhd (234053-D)
Maxis Mobile	–	Maxis Mobile Sdn Bhd (229892-M)
MCMC	–	Malaysian Communications and Multimedia Commission, the regulatory body governing the Malaysian telecommunications industry
MI	–	Minority interest
Migration Agreements	–	The agreements referred to in Schedule 5 of the Conditional SPA in respect of the Migration Plan

Migration Plan	–	The plan outlining the integration of TIMECel's business operations into Maxis after completion of the Proposed Disposal
MSC	–	The Mobile Switching Centre which is responsible for routing or switching calls from the originator to its destination
NBV	–	Net book value
NTA	–	Net tangible assets
Operative Date	–	The date six (6) months from completion of the Conditional SPA or such other date as the JVSA Parties may agree in the Initial Business Plan
PCN	–	Personal Communications Network
PLUS	–	Projek Lebuhraya Utara-Selatan Bhd (154158-H)
POI	–	Points of Interconnection
Proposed Capital Repayment	–	Proposed capital repayment to the shareholders of TdC via a cash distribution of RM1,265,387,500 from the proceeds receivable pursuant to the Proposed Disposal on the basis of 50 sen cash for every one (1) existing Share held in TdC at the Entitlement Date
Proposed Disposal	–	Proposed disposal of TdC's 100% equity interest in TIMECel comprising 1,293,884,000 Shares to Maxis for a cash consideration of up to RM1.475 billion comprising RM1.325 billion for the TIMECel Shares and up to RM150.0 million for the repayment of the Inter-Company Loans
Proposals	–	Collectively, the Proposed Disposal and Proposed Capital Repayment
RM and sen	–	Ringgit Malaysia and sen respectively
Range	–	The indicative price range for the sale and purchase of the TIMECel Shares of between RM1.3 billion and RM1.6 billion
Record of Depositors	–	A record maintained by the Malaysian Central Depository Sdn Bhd pursuant to Chapter 24.0 of its rules, including any amendments thereof
Related Corporation(s)	–	A corporation(s) that is deemed to be related to TdC, TIMECel or Maxis (as the context requires) within the meaning of Section 6 of the Act
ROC	–	Registrar of Companies
SC	–	Securities Commission
Share(s)	–	Ordinary share(s) of RM1.00 each

Sub-Licence Agreement	–	The Sub-Licence Agreement dated 22 September 1999 between TIMECel and PLUS pursuant to which PLUS granted TIMECel the exclusive right and sub-licence to enter upon and occupy for the purpose of constructing structures, telecommunication towers and buildings and thereafter for the purpose of erecting, storing and maintaining telecommunications equipment on the areas along the expressways operated by PLUS or such relevant concessionaire pursuant to concessions granted by the Government of Malaysia other than the second bridge crossing between Tuas in Singapore and Tanjong Kupang in Johor and the toll road linking the second crossing to the north-south inter-urban expressway along Peninsular Malaysia extending from Bukit Kayu Hitam, Kedah to Johor Bahru, Johor, for a period of ten (10) years commencing from 1 January 1998. TIMECel is entitled to renew the said sub-licence for a further period which is to be determined by PLUS by giving at least three (3) months' notice in writing prior to the expiry of the sub-licence
Supplemental Agreement	–	The supplemental agreement to the Conditional SPA and the Letter Of Offer dated 20 March 2003 entered into between TdC and Maxis to amend, modify and vary certain terms and conditions of the Conditional SPA and the Letter Of Offer
TdC or Company	–	TIME dotCom Berhad (413292-P)
TdC Group or Group	–	TdC and its subsidiaries
TIMECel	–	TIMECel Sdn Bhd (73315-V), a wholly-owned subsidiary of TdC
TIMECel Shares	–	The 1,293,884,000 Shares in TIMECel to be disposed pursuant to the Proposed Disposal, representing the entire equity interest in TIMECel
Trade Payables	–	All debts incurred in the ordinary course of business by TIMECel which are outstanding for a period of sixty (60) or more days and due and payable by TIMECel to TIMECel's Related Corporations
TT dotCom	–	TT dotCom Sdn Bhd (52371-A), a wholly-owned subsidiary of TdC
US	–	United States of America
USD	–	US Dollars
VoIP	–	Voice over Internet Protocol, a software feature installed that enables a router to carry voice traffic over an IP network

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LETTER FROM THE BOARD TO THE SHAREHOLDERS OF TdC CONTAINING THE FOLLOWING:-

APPENDICES

TIME dotCom Berhad

(Company No: 413292-P)
(Incorporated in Malaysia)

Registered Office :

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

8 April 2003

Directors

YBhg. Dato' Ir. Wan Muhamad Wan Ibrahim *(Chairman)*
Dato' Abdul Rahim bin Abu Bakar *(Independent Director)*
Mr Tan See Yin *(Managing Director)*
Encik Ahmad Pardas Senin
Puan Elakumari Kantilal
Puan Salmah Sharif
Encik Abdul Kadir Md Kassim
Ms Gee Siew Yoong *(Independent Director)*
Encik Kamaludin Abdul Kadir *(Independent Director)*

To : The Shareholders of TdC

Dear Sir / Madam,

- **PROPOSED DISPOSAL OF TdC'S 100% EQUITY INTEREST IN TIMECel COMPRISING 1,293,884,000 SHARES TO MAXIS FOR A CASH CONSIDERATION OF UP TO RM1.475 BILLION COMPRISING RM1.325 BILLION FOR THE TIMECel SHARES AND UP TO RM150.0 MILLION FOR THE REPAYMENT OF THE INTER-COMPANY LOANS; AND**
- **PROPOSED CAPITAL REPAYMENT TO THE SHAREHOLDERS OF TdC VIA A CASH DISTRIBUTION OF RM1,265,387,500 FROM THE PROCEEDS RECEIVABLE BY TdC PURSUANT TO THE PROPOSED DISPOSAL ON THE BASIS OF 50 SEN CASH FOR EVERY ONE (1) EXISTING SHARE HELD IN TdC AT A DATE TO BE DETERMINED LATER**

1. INTRODUCTION

On 18 September 2002, AmMerchant Bank, on behalf of TdC, announced that the Company has on even date entered into a conditional sale and purchase agreement with Maxis for the proposed disposal of its entire equity interest in TIMECel.

Pursuant to the terms of the Conditional SPA, the indicative price for the sale and purchase of the TIMECel Shares is in the range of RM1.3 billion and RM1.6 billion which is non-binding on the parties. The actual consideration shall be negotiated and agreed upon following the notification of completion of the due diligence review on TIMECel by Maxis.

As stipulated in the Conditional SPA, TdC and Maxis (**"Parties"**) shall, within fifteen (15) days from Maxis's notification of completion of the due diligence review (or such longer period as the Parties may agree), negotiate and agree on the actual consideration for the TIMECel Shares. TdC received notice from Maxis on 25 November 2002 that it had completed its due diligence review of TIMECel.

Subsequently, on 12 December 2002, AmMerchant Bank, on behalf of TdC, announced that following the notice of completion of the due diligence review by Maxis on TIMECel, the Parties have on even date reached an agreement on the Consideration for the Proposed Disposal. The Parties agreed to fix the consideration for the Proposed Disposal at up to RM1.475 billion including the repayment of up to RM150.0 million of the Inter-Company Loans. In other words, the Consideration for the TIMECel Shares is RM1.325 billion and up to RM150.0 million for the repayment of the Inter-Company Loans. The details of the arrangement with regards to the Inter-Company Loans are set out in Section 2.2 of this Circular.

In accordance with the terms of the Conditional SPA, a deposit of RM50 million was paid on 12 December 2002 to AmTrustee Berhad {formerly known as Arab-Malaysian Trustee Berhad}, the escrow account holder. The escrow account holder will place the deposit in an interest-bearing account, and upon completion of the Conditional SPA, the deposit and interest accrued thereon shall be paid to TdC. The balance of the Consideration shall be payable upon completion of the Conditional SPA.

The Proposed Disposal is conditional upon, inter-alia, the execution of a JV agreement which will be based upon the broad parameters set out in Schedule 6 of the Conditional SPA and the Key Principles. In this connection, on 20 March 2003, AmMerchant Bank, on behalf of TdC, announced that TT dotCom and Maxis Broadband have on even date entered into a JVSA. Concurrent with the execution of the JVSA, the Parties entered into the Supplemental Agreement on 20 March 2003 to amend, modify and vary certain terms and conditions of the Conditional SPA and the Letter Of Offer.

Apart from the Proposals, there are no other corporate exercises which have been announced and pending completion prior to the printing of this Circular.

The purpose of the Circular is to provide you with the details of the Proposals together with your Board's recommendation and to seek your approval for the relevant resolutions on the Proposals to be tabled at the forthcoming EGM.

2. PROPOSED DISPOSAL

2.1 Details Of The Proposed Disposal

Pursuant to the terms of the Conditional SPA and the Letter Of Offer, TdC is proposing to dispose the TIMECel Shares to Maxis for a cash consideration of up to RM1.475 billion, comprising RM1.325 billion for the TIMECel Shares and up to RM150.0 million for the repayment of the Inter-Company Loans.

2.2 Salient Terms Of The Proposed Disposal

The salient terms of the Proposed Disposal are as follows :-

(i) TdC shall dispose its 100% equity interest in TIMECel comprising 1,293,884,000 Shares to Maxis, the Consideration of which is to be fully satisfied in cash;

(ii) The indicative price for the sale and purchase of the TIMECel Shares is in the range of RM1.3 billion and RM1.6 billion. The Range shall be indicative and non-binding on the Parties;

(iii) The Parties have mutually agreed to a period of no later than forty-five (45) days from the date of the Conditional SPA for Maxis to undertake and complete a due diligence review on TIMECel. In the event the due diligence review by Maxis cannot be completed within the said period, the due diligence shall be extended by a period of fifteen (15) days;

Following the notification of completion of the due diligence review, the Parties shall, within fifteen (15) days from the said notification (or such longer period as the Parties may agree), negotiate and agree on the actual consideration for the TIMECel Shares. In the event that the Consideration cannot be agreed upon, the Conditional SPA shall automatically terminate with immediate effect;

(iv) On the day the Consideration is agreed upon, Maxis shall pay a deposit sum of RM50 million **("Deposit")** into an escrow account which will be released to TdC on completion of the Conditional SPA;

(v) The balance of the Consideration less the Deposit shall be payable on completion of the Conditional SPA;

(vi) In addition to the approvals required as set out in Section 9 of this Circular, the Proposed Disposal is conditional, inter-alia, upon the following being satisfied or waived on or before the Cut-Off Date :-

(a) the execution of a JV agreement, wherein the Parties shall agree on areas and terms of cooperation in the fixed line business for the establishment of a JV which will provide all future fixed line services to new corporate business or residential customers (excluding any existing fixed line business and customers of either party's subsidiaries, TT dotCom and Maxis Broadband, with access and capacity to be provided as appropriate on commercial terms by TT dotCom and/or Maxis Broadband).

In this respect, the JVSA was executed on 20 March 2003, the salient features of which are as follows :-

(1) Structure Of The JV Company

(a) the JVSA Parties shall use a private company limited by shares and incorporated in Malaysia under the Act to carry out the Business, which is more particularly described in the Initial Business Plan or any Business Plan, as soon as practicable after the JVSA Parties have decided upon the Initial Business Plan; and

(b) the JVSA Parties shall procure or provide funding to the JV Company to operate the Business in accordance with the Initial Business Plan and any subsequent Business Plan.

(2) Shareholding

(a) on the Operative Date, the issued share capital of the JV Company shall be held in equal proportion in accordance with the Initial Business Plan. The JVSA Parties shall review the shareholding of the JVSA Parties and the Business within twelve (12) months from the Operative Date; and

(b) the JVSA Parties will be the only shareholders in the JV Company.

(3) Business Of The Company

(a) the business of the JV Company shall be limited to projects as may be agreed between the JVSA Parties and undertaken by the JV Company on a case by case basis;

(b) the new network or infrastructure requirements of the Business which TT dotCom shall be prepared to provide and/or fund on competitive terms and the mechanism for the provision and/or funding of such requirements shall be set out in the Initial Business Plan and subsequent Business Plan provided that Maxis Broadband shall not be precluded from providing and/or funding any new network or infrastructure requirements only in the event TT dotCom decides not to provide and/or fund, which Maxis Broadband shall in the event it decides to provide and/or fund such requirements, offer to make available such requirements to the JV Company on competitive terms;

(c) the JV Company shall not at any time, save as otherwise agreed in writing between the JVSA Parties, be involved, either directly or indirectly, in any activities or undertake to carry on any activities other than the Business; and

(d) the JVSA Parties shall procure that the JV Company only source services from the JVSA Parties and their related corporations with network facilities provider licences on commercial arms' length terms and subject to the execution of service level agreements and/or service level guarantees which are more particularly defined and mutually agreed upon by the JVSA Parties in the Initial Business Plan and subsequent Business Plans provided that the JV Company may subject to mutual agreement between the JVSA Parties source services from other suppliers if neither of the JVSA Parties are able to provide such services on commercial arms' length terms. Service level agreements and/or service level guarantees, if required, shall be provided directly to the customers of the JV Company by the JVSA Parties or their relevant related corporations.

(4) Obligations Of The JVSA Parties

Nothing in the JVSA shall prevent either of the JVSA Parties from competing with the other JVSA Party in the areas of their business activities except in the area of the Business.

(5) Funding

(a) the JVSA Parties must ensure that as from the Operative Date, they shall subscribe and pay for the shares in the JV Company and/or provide funds to the JV Company in accordance with their respective entitlements and the Initial Business Plan or any subsequent Business Plan;

(b) each JVSA Party acknowledges and agrees that any breach of the funding obligation as agreed and set out in the Initial Business Plan and any subsequent Business Plan by a JVSA Party will cause loss or damage to the JV Company and the other JVSA Party and accordingly, any breach of the funding obligation may be enforced by the JV Company or the other JVSA Party against the JVSA Party in breach by requiring the JVSA Party in breach to fulfill its funding obligation. This right is in addition to any other right that the JV Company or JVSA Party may have under the JVSA; and

(c) the JVSA Parties must not provide their shares as security, or create or give any encumbrance over their shares in favour of any other party without the prior written consent of all shareholders which may be withheld by each of them at their absolute discretion.

(6) Distribution Of Profits

The JVSA Parties agree that the JV Company shall distribute such amount of the profit of the JV Company available for distribution by way of dividend in respect of each financial year as the JVSA Parties think fit, subject to the JV Company's reserves and provisions as required at law and subject also to the JV Company retaining such as is sufficient to meet its normal and foreseeable working capital requirement. Distribution of dividends as between the JVSA Parties shall be in accordance with their respective entitlements or in accordance with the terms of issue of the shares in the JV Company.

(7) Termination

Amongst others, the JVSA will be terminated if the JVSA Parties do not agree to an Initial Business Plan by the end of four (4) months from completion of the Conditional SPA or by any extension thereof as may be mutually agreed in writing and / or upon the termination of the Conditional SPA.

The terms of the JVSA depart from the terms agreed in Schedule 6 of the Conditional SPA and the Key Principles. However, the Parties have agreed under the Supplemental Agreement that the execution of the JVSA by the JVSA Parties shall irrevocably and unconditionally be deemed to be fulfillment of the JV Condition Precedent.

(b) the execution of the Migration Agreements relating to the Migration Plan following completion. Schedule 5 of the Conditional SPA provides for agreements to be established or executed between (i) Maxis and (ii) TdC or its relevant Related Corporations prior to completion in connection with the Migration Plan to be implemented by Maxis after completion of the Conditional SPA. The eight (8) specific areas identified in Schedule 5 of the Conditional SPA for which the Migration Agreements are envisaged are as follows :-

(1) intellectual property;
(2) distribution channels;
(3) customer care and billing systems;
(4) customer service support and use of call centre;
(5) network;
(6) employees;
(7) domestic roaming; and
(8) other services, rights, assets or materials provided by TdC or its relevant Related Corporations to TIMECel.

The Migration Agreements are expected to be established or executed on or before the Cut-Off Date.

(c) The completion of the Conditional SPA is also conditional upon TdC undertaking all the necessary actions to reflect the authorised and issued and paid-up capital of TIMECel as RM1,293,884,000 divided into 1,293,884,000 Shares, all of which have been issued and are fully paid-up and to otherwise correct discrepancies in the secretarial records, including :-

(i) amendment of all records and the re-submission of all relevant documents with the ROC; and

(ii) obtain court orders including pursuant to Sections 63, 64 and/or 355 of the Act.

(vii) Should there be an event of default or either party decides not to proceed to completion even though all conditions precedent have been met and/or waived, the defaulting party will have to pay RM50 million in liquidated damages to the non-defaulting party;

(viii) Other situations whereby the Conditional SPA may be terminated include, inter-alia, material breaches of warranties and / or undertakings which cannot be remedied and non-fulfilment of any conditions precedent;

(ix) TdC is not liable in respect of any claims made under the Conditional SPA by Maxis involving or relating to a breach or an alleged breach of a representation, warranty or undertaking as contained in the Conditional SPA unless and until the aggregate amount in respect of the claims exceeds RM10 million and in any case, such claims are limited to a maximum of RM75 million, other than the breach of warranties on the title or ownership to the Shares in TIMECel, whether or not arising out of any claims by a third party or third parties. TdC further agrees to indemnify Maxis and TIMECel against any penalties and default penalties for offences which may have been committed under the Act;

(x) Maxis agrees not to claim for the additional cost incurred and the loss from the delay in completion of the Conditional SPA suffered by Maxis by virtue of the Supplemental Agreement on the condition that TdC performs its obligations under the Conditional SPA and the Letter Of Offer as amended, modified and varied by the Supplemental Agreement; and

(xi) TdC is not liable in respect of any claim unless Maxis has given TdC written notice of the said claim, stating in reasonable detail the nature of the said claim and if practicable, the amount claimed within the period of eighteen (18) months from the completion of the Conditional SPA in respect of the said claim unless it relates to a warranty relating to tax in respect of which there is no such time limit.

In accordance with item (iv) above, Maxis had via its Letter Of Offer agreed to a total financial commitment of RM1.475 billion, comprising RM1.325 billion being the price payable for the acquisition of TIMECel Shares and its undertaking to procure TIMECel to settle up to RM150.0 million of the Inter-Company Loans, subject to the terms and conditions of the Letter Of Offer and subject further to all the terms and conditions contained in the Conditional SPA, as modified and / or supplemented by the terms and conditions of the Letter Of Offer.

The salient terms of the Letter Of Offer as agreed upon by the Parties are as follows :-

(a) In respect of the Inter-Company Loans, Maxis is to undertake to procure TIMECel to settle in full the Inter-Company Loans to TdC and the relevant Related Corporations of TIMECel on the next business day after completion of the Conditional SPA. The Parties have agreed that the amount of the Inter-Company Loans to be repaid by TIMECel to TdC and TIMECel's relevant Related Corporations shall not exceed a maximum of RM150.0 million **("Maximum Loans Amount")**. Any sums owing, outstanding or payable by TIMECel in respect of the Inter-Company Loans in excess of the Maximum Loans Amount shall be unconditionally and irrevocably waived and foregone by TdC. TdC shall also procure that all the relevant Related Corporations of TIMECel who are lenders in respect of the Inter-Company Loans unconditionally and irrevocably waive and forego such excess sums, if any, owing to them;

(b) In respect of the Trade Payables, Maxis is to undertake to procure TIMECel to settle in full the Trade Payables to TdC and the relevant Related Corporations of TIMECel on the next business day after completion of the Conditional SPA. The Parties have agreed that the amount of the Trade Payables to be paid by TIMECel to TdC and TIMECel's relevant Related Corporations shall not exceed a maximum of RM72.0 million **("Maximum Payables Amount")**. Any sums owing, outstanding or payable by TIMECel in respect of the Trade Payables in excess of the Maximum Payables Amount shall be unconditionally and irrevocably waived and foregone by TdC. TdC shall also procure that all the relevant Related Corporations of TIMECel who are creditors in respect of the Trade Payables unconditionally and irrevocably waive and forego such excess sums, if any, owing to them;

(c) As a condition precedent to completion of the Conditional SPA, Maxis requires TdC to enter into fresh negotiations on the Sub-Licence Agreement with PLUS for rental of BTS sites along the PLUS Expressway with a view to revising the rental to a fixed monthly sum per site basis and consistent with current market benchmark and the Sub-Licence Agreement being amended accordingly; and

(d) Notwithstanding items (a) and (b) above, any amounts payable by TIMECel which are incurred or which are to be paid after 12 December 2002 and the settlement of which is funded by TdC with the prior written approval of the joint steering committee established pursuant to the Conditional SPA shall also give rise to an Inter-Company Loan which shall be reimbursed by TIMECel to TdC. Maxis shall procure TIMECel to repay such Inter-Company Loan on the next business day after completion of the Conditional SPA.

Based on the audited accounts of TIMECel for the financial year ended 31 December 2002, the Inter-Company Loans and Trade Payables outstanding are RM151,549,487 and RM69,308,741 respectively.

2.3 Basis Of Arriving At The Consideration

The Consideration for the Proposed Disposal was arrived at based on negotiations on a willing buyer willing seller basis after taking into account the Enterprise Value of TIMECel and the potential additional value from synergies arising from the acquisition of TIMECel by Maxis.

The Board had engaged the services of CSFB to act as its financial adviser with respect to the Proposed Disposal. CSFB assisted the Company in analysing and evaluating the business, operations and financial position of TIMECel for the purpose of evaluating the price payable for the Proposed Disposal and also assisted the Company in analysing the valuation parameters for the Proposed Disposal, utilising standard international benchmarks.

The Consideration for the Proposed Disposal as agreed by the Parties on 12 December 2002 falls within the Range stated in the Conditional SPA and having considered the financial advice from CSFB, the Board is of the view that the Consideration is fair and reasonable.

Based on the audited accounts of TIMECel for the financial year ended 31 December 2002, the NTA of TIMECel is RM955.209 million or RM0.74 per Share. The price payable for the TIMECel Shares of RM1,325.0 million or RM1.02 per Share represents a premium of about RM369.79 million or RM0.28 sen over TIMECel's NTA and NTA per Share respectively.

2.4 Shares Disposed Free From Encumbrances

The TIMECel Shares shall be disposed free from any and all encumbrances including any interest or equity of any person (including without prejudice to the generality of the foregoing, any right to acquire, option or right of pre-emption), or any title retention, mortgage, charge, pledge, lien or assignment, or other encumbrance, priority or security interest or arrangement of whatsoever nature over or in the relevant property, and together with all rights attaching thereto as at the date of completion of the Conditional SPA.

2.5 Original Cost Of Investment

TdC's original cost of investment in the TIMECel Shares was RM1.85 billion which was incurred on 26 December 2000.

2.6 Liabilities To Be Assumed

There are no liabilities and/or indebtedness of TIMECel to be assumed by Maxis pursuant to the Proposed Disposal. These liabilities and/or indebtedness shall remain with TIMECel.

However, as mentioned under Section 2.2 of this Circular, Maxis undertakes to procure TIMECel to settle in full the Inter-Company Loans and Trade Payables to TdC and the relevant Related Corporations of TIMECel on the next business day after completion of the Conditional SPA.

3. BACKGROUND INFORMATION ON THE COMPANIES INVOLVED IN THE PROPOSED DISPOSAL

3.1 The Acquiror, Maxis

Maxis was incorporated in Malaysia under the Act as a private limited company on 19 December 1986 under the name of Binariang Sdn Bhd. On 5 September 1997, it was converted to a public limited company and changed its name to Binariang Berhad. It assumed its present name on 12 July 1999. Maxis was subsequently listed on the Main Board of the KLSE on 8 July 2002.

The present authorised share capital of Maxis is RM2,000,000,000 comprising 20,000,000,000 ordinary shares of RM0.10 each, of which 2,450,875,000 ordinary shares of RM0.10 each have been issued and fully paid-up.

The principal activities of Maxis are those of investment holding and the provision of management services to its subsidiaries. Its subsidiaries are principally involved in the operations of mobile telephony, national public switched telephony and international switched telephony networks. In addition, its subsidiaries are engaged in the provision of multimedia related services, property investment, investment holding and management services, collection of telecommunications revenue for companies within the Maxis group of companies and wireless multimedia services.

3.2 The Vendor, TdC

TdC was incorporated in Malaysia under the Act as a public company on 11 December 1996 under the name of TIME Telecommunications Holdings Berhad. It adopted its present name on 17 January 2000.

The present authorised share capital of TdC is RM5,000,000,000 comprising 5,000,000,000 Shares, of which 2,530,775,000 Shares have been issued and fully paid-up.

TdC is principally involved in investment holding, provision of management and marketing / promotional services and retailing of telecommunications products. The TdC Group is principally an integrated telecommunications provider and through its subsidiaries, provides voice, data, video and image communication services, cellular transmission of voice and data, payphone services, data communications facilities and services using wireline and wireless mediums. Its subsidiaries also provide and market internet services.

3.3 The Acquiree, TIMECel

TIMECel was incorporated in Malaysia under the Act as a private limited company on 20 July 1981 under the name of Electronics and Telematique (Malaysia) Sdn Bhd. It subsequently changed its name to Sapura Digital Sdn Bhd on 23 March 1995. On 4 July 1997, it changed its name to TIME PCN Sdn Bhd. It changed its name again to TIME Wireless Sdn Bhd on 28 August 1997. It assumed its present name on 26 June 2001.

The present authorised share capital of TIMECel is RM1,900,000,000 comprising 1,900,000,000 Shares. The present issued and paid-up share capital of TIMECel is RM1,293,884,000 comprising 1,293,884,000 Shares.

TIMECel is principally involved in the provision of voice and data services through a mobile cellular system.

Based on the audited accounts of TIMECel for the financial year ended 31 December 2002, TIMECel registered a loss after taxation of RM106.129 million. As at 31 December 2002, TIMECel's audited NTA is RM955.209 million.

Further information on TIMECel is set out in Appendix I of this Circular.

4. PROPOSED UTILISATION OF PROCEEDS

TdC proposes to utilise the total proceeds receivable pursuant to the disposal of the TIMECel Shares of RM1.325 billion and the repayment of the Inter-Company Loans of up to RM150.0 million in the following manner :-

	RM
Proposed Capital Repayment	1,265,387,500
Provision for possible warranty claims pursuant to the Conditional SPA	75,000,000
Working capital of the TdC Group	131,612,500
Estimated expenses relating to the Proposed Disposal	3,000,000
	1,475,000,000

5. PROPOSED CAPITAL REPAYMENT

5.1 Details Of The Proposed Capital Repayment

Upon completion of the Proposed Disposal, TdC proposes to distribute RM1,265,387,500 from the proceeds receivable pursuant to the Proposed Disposal to the shareholders of TdC on the basis of 50 sen cash for every one (1) existing Share held in TdC at the Entitlement Date to be determined later by the Board.

The cash will be paid to the shareholders of the Company whose names appear on the Record of Depositors as at the Entitlement Date.

5.2 Implementation Of The Proposed Capital Repayment

In order to facilitate the Proposed Capital Repayment, TdC proposes to reduce its share premium in accordance with the provisions of Section 64 of the Act by an amount equal to the amount to be distributed pursuant to the Proposed Capital Repayment of RM1,265,387,500. Based on the audited accounts of the Company as at 31 December 2002, the share premium of TdC are RM3,215,761,000. Pursuant to the Proposed Capital Repayment, the share premium of the Company will reduce to RM1,950,373,500, as shown in the table under Section 8.1 of this Circular.

Section 64(1) of the Act provides that *"Subject to confirmation by the court, a company may if so authorised by its articles by special resolution reduce its share capital in any way and in particular, without limiting the generality of the foregoing, may do all or any of the following:-*

(a) extinguish or reduce the liability on any of its shares in respect of share capital not paid-up;

(b) cancel any paid-up capital which is lost or unrepresented by available assets; or

(c) pay off any paid-up share capital which is in excess of the needs of the company,

and may so far as necessary alter its memorandum by reducing the amount of its share capital and of its shares accordingly."

Section 60(2) of the Act further provides that "*.... the provisions of this Act relating to the reduction of the share capital of a company shall subject to this section apply as if the share premium account were paid-up share capital of the company.*"

As the Proposed Capital Repayment involves a reduction of the share premium reserves of TdC, the High Court's approval will be required to effect the reduction. An application will be made to the High Court upon obtaining the shareholders' approval for the Proposed Capital Repayment at the forthcoming EGM.

6. RATIONALE FOR THE PROPOSALS

Presently, TIMECel has the smallest mobile subscriber base in the highly competitive mobile market. In fact, competition in the telecommunications market has been intense and is expected to further intensify, especially under the current market phase of consolidation. In addition, TIMECel has not been profitable and the management does not expect the business of TIMECel to turnaround in the near future. Accordingly, the mobile business is not expected to be sustainable in the long-run. The Proposed Disposal gives TdC an avenue to dispose of its loss-making cellular business and enable it to focus on building and enhancing its core strength, being the fixed line network services. By placing the new TdC Group on a better financial footing coupled with the new business direction to be taken after the Proposed Disposal and also with the improving Malaysian economy, the worth of the shareholders' investment in TdC may be restored over the longer-term.

The Proposed Disposal will consequently make available resources such as the unutilised proceeds raised from TdC's IPO for the development and growth of the remaining businesses of the TdC Group. As at 28 February 2003, the TdC Group has utilised approximately RM366.4 million out of the total IPO proceeds of RM558.4 million. The remaining RM192.0 million will be substantially utilised for the enhancement of TdC's fixed line network services.

After taking into account the future funding requirements and financial obligations of the TdC Group and having considered that the amount raised from the Proposed Disposal would be in excess of the immediate needs of the TdC Group going forward, the Board is of the view that the Company is in a position to distribute part of the proceeds receivable from the Proposed Disposal to the shareholders of the Company so as to return part of their investment in TdC. More importantly, the Proposed Capital Repayment is intended to reward the shareholders for their continuous support towards the TdC Group since its listing.

7. INDUSTRY OVERVIEW, PROSPECTS AND FUTURE PLANS OF THE TdC GROUP

7.1 Industry Overview And Prospects

The telecommunications industry in Malaysia has experienced rapid growth in recent years, particularly in the mobile phone and internet services segment of the industry. In fact, the market size of fixed telephones increased to 4.7 million as at end-2001 (2000 : 4.6 million) whilst that for cellular telephones was 7.5 million (2000 : 5.1 million), as shown in the table hereunder :-

	2000	2001	Growth Rate 2000-2001 (%)
Malaysian population (in million)	23.49	24.01	2.2
Fixed-line subscribers (in million)	4.63	4.71	1.7
Fixed-line penetration rate (%)	19.7	19.6	(0.5)
Mobile phone subscribers (in million)	5.12	7.48	46.1
Mobile penetration rate (%)	21.8	31.1	42.7
Internet subscribers (in million)	1.66	2.11	27.1
Internet penetration rate (%)	7.1	8.8	23.9

(Source : MCMC's statistics as at 30 September 2002)

Going by the significant growth of the mobile telephony market in recent times, it was stated in the Economic Report 2002/2003 that the number of cellular telephone subscribers was expected to grow by 38% in the year 2002 due to better services, improved technology and wider coverage. This is also in line with the Government's concerted efforts to position Malaysia as a competitive knowledge-based economy, which has resulted in a more rapid development of the information and communications technology in the country. *(Source : Economic Report 2002/2003, Ministry of Finance)*

The landscape of the telecommunications industry is currently undergoing changes due to competitive pressure, which has led to a wave of consolidation amongst industry players. Presently, several proposed mergers are taking place within the mobile telephony industry and although the mergers are expected to enhance these entities' current standing within the industry, any improvement in short-term earnings may be limited due to merger-related costs such as staff rationalisation exercise to eliminate duplication of resources, provisions for bad debts and additional depreciation charge on possible alignment of accounting policies. The most critical aspect of these merger exercises would be the manner in which the newly merged entities deal with post-merger challenges including, amongst others, the integration of different network systems, implementation of new branding strategies and alignment of operational procedures which would underline the successfulness of the merger exercise.

The fixed line telephony market is experiencing a downtrend in demand for its services, particularly among residential users. Apart from the languid increase of direct exchange lines, revenue derived from fixed line telephony has been capped by the weak increase in traffic volume and cuts in tariff rates for subscribers' trunk dialling, international direct dialling and leased lines. However, the broadband services sector will register growth over the coming years due to the proliferation of the internet and demand for broadband access. More businesses will adopt and use information, communications and technology as part of their operation and coupled with the government led incentives to bridge the digital divide to the masses, demand for broadband services will proliferate over the coming years. Revenues for broadband services were USD1.13 million in 2001 and will grow by a cumulative aggregate growth rate of 185% to USD213.43 million in 2006 *(Source: International Data Corporation, 2002)*.

Nevertheless, the Malaysian economy is envisaged to strengthen in 2003, led by further improvements in both external and domestic demand. On the supply side, all sectors of the economy are expected to register positive growth rates. Real GDP growth has the potential to be sustained in the region of 4.5% in 2003, as against 4.2% in 2002 *(Source : Bank Negara Malaysia Annual Report 2002)*. The envisaged improvement in the economy bodes well for the telecommunications industry which has demonstrated laudable growth over the years in line with Malaysia's GDP growth.

7.2 Prospects And Future Plans Of The TdC Group

Upon completion of the Proposed Disposal, the TdC Group will only be involved in the provision of fixed line wireline services, payphone operation and provision of internet services. Aggressive efforts have been taken to mitigate the loss incurred by the Group and such efforts will continue to improve the performance of the Group in the future. In the immediate term, efforts to expand and improve the scope and operations of its fixed line services division will continue to be the Company's main emphasis. The Company will continuously improve the level and quality of services provided to existing customers, so as to preserve and improve customer satisfaction levels and sense of loyalty.

In the medium to long-term, TdC is proposing the following measures, which involve enhancing its competitive strengths and identifying new viable opportunities to sustain the future growth of its businesses :-

(a) Developing New Markets

TdC is targeting markets in which it does not have considerable presence and also customer segments which can benefit from the products and services offered. TdC aims to increase its share of the commercial market through the geographical expansion of its network presence together with the development of additional products and services to be offered to existing customers.

(b) Strategic Alliances

TdC aims to formulate strategic alliances with other telecommunications service providers, locally and/or overseas to formulate a more economical and cost effective service packages for the customers, specifically for both local and international traffic and leased circuits.

Through the proposed alliances, TdC aims to benefit in the following areas :-

- access and sharing of strategic partners' clientele, locally and overseas;
- access and sharing of strategic partners' technical and management expertise; and
- new technology through research and development.

(c) Multi Service Bundling

In addition to its existing services and communications solutions to its customers, TdC is also proposing to offer such products / services in the form of a bundled package which would also include additional services and solutions from any of its strategic partners to meet customers' demand, if any. By continuing to upgrade the technical capabilities of its fibre optic trunk network, TdC will also have the ability to support any additional solutions to be offered by TdC on behalf of its strategic partners, in addition to the many types of internet and broadband data service solutions.

(d) Product And Service Innovation

TIMEZone and TIMENet Traveller are examples of services recently rolled out as part of TdC's new business development initiatives. TIMEZone involves the provision of internet access / services at food and beverage retail outlets to the owners of these outlets for customer use. Presently, this service is only available in limited areas within the Klang Valley. On the other hand, the TIMENet Traveller service which belongs to a consortium of various internet service providers based in different countries makes available internet access / service to the subscribers of TIMENet Traveller who are overseas by utilising the access services of a foreign consortium partner at discounted local subscription rates.

TdC expects its general fixed line telephony services will remain as the Group's primary source of revenue in the near term, albeit at a slower growth rate. However, TdC's fibre-optic broadband network is in a strategic position to capture and exploit the growing need for internet and broadband services. Current trend shows that large corporations, especially those with multiple branches, are demanding broadband services for the creation of a private broadband network and integration of intra-communication services like voice, data, local area network and information or data servers. Accordingly, the main thrust of the Group's business in the long-run will be internet and broadband services, in place of the traditional fixed line telephony services, in view of the higher growth potential and better quality of income stream expected.

TdC views internet and broadband services have potential to be a significant income contributor than its general telephone business. As such, TdC aims to position itself into becoming a premier internet and broadband data services provider. Presently, TdC offers various internet and broadband service packages to a variety of end users, including both business and residential. However, the majority of its broadband data services have been focussed towards high volume business customers that demand high-speed access and data transmission capabilities. Going forward, the Group proposes to expand its services to residential users, mainly through the provision of broadband access services, in order to tap into the ever-increasing demand for multimedia services by home internet users. The Group intends to take advantage of its fibre-optic broadband network which caters for high-speed and reliable access to the internet as it provides the Group with a competitive advantage over other internet service providers. The customers will also be offered the options of various other value added internet-based applications, including telephony.

In tandem with the Proposed Disposal, TdC has entered into the JVSA with Maxis with a view of incorporating a JV company which is equally owned by TT dotCom and Maxis Broadband to undertake projects as may agreed upon between the JVSA Parties. This arrangement is expected to further improve the Group's presence and visibility within the industry.

8. EFFECTS OF THE PROPOSALS

8.1 Share Capital

The Proposals will not have any effect on the issued and paid-up share capital of TdC. However, there will be a reduction in the share premium of the Company by RM1,265,387,500 as a result of the Proposed Capital Repayment, being the amount to be distributed pursuant to the Proposed Capital Repayment.

The effect of the Proposed Capital Repayment on the share premium of the Company based on the audited consolidated balance sheet of TdC as at 31 December 2002 is as follows :-

As at 31 December 2002	**RM'000**
Share premium	3,215,761
Reduction pursuant to the Proposed Capital Repayment	(1,265,387)
After Proposed Capital Repayment	1,950,374

8.2 NTA

Based on the audited consolidated balance sheet of TdC as at 31 December 2002 and on the assumption that the Proposals had been effected on that date, the effects of the Proposals on the proforma NTA of the TdC Group are as follows :-

	Audited as at 31 December 2002 (RM'000)	(I) After Proposed Disposal (RM'000)	(II) After (I) And Proposed Capital Repayment (RM'000)
Share capital	2,530,775	2,530,775	2,530,775
Share premium	3,215,761	3,215,761	1,947,374
Accumulated losses	(716,457)	(716,457)	(716,457)
Shareholders' funds	5,030,079	5,030,079	3,761,692
Less :			
Goodwill on consolidation	(996,062)	(626,272)	(626,272)
NTA	4,034,017	4,403,807	3,135,420
No. of Shares in issue ('000)	2,530,775	2,530,775	2,530,775
NTA per Share (RM)	1.59	1.74	1.24

Based on the audited accounts of TdC for the financial year ended 31 December 2002, the outstanding Inter-Company Loans is approximately RM151.55 million. Pursuant to the terms of the Letter Of Offer, Maxis has given an undertaking to procure TIMECel to settle the amount outstanding as at completion of the Conditional SPA.

The proforma consolidated balance sheet of TdC as at 31 December 2002 and the Reporting Accountants' letter thereon are set out in Appendix II of this Circular.

8.3 Earnings

The loss on the Proposed Disposal of approximately RM387.069 million (before estimated expenses of RM3.0 million), calculated based on the NTA of TIMECel of about RM955.209 million and goodwill written off of approximately RM756.860 million, has been reflected in the audited financial statements of TdC for the year ended 31 December 2002. Such loss has been reflected as goodwill written off in the said financial statements.

Barring unforeseen circumstances, the Proposed Disposal is expected to have a positive effect on the future earnings of the TdC Group as it entails the sale of a wholly-owned subsidiary which is currently loss-making.

The Proposed Capital Repayment will not have any material effect on the earnings of the TdC Group.

The Proposals are only expected to be completed in the second half of 2003.

8.4 Substantial Shareholders' Shareholdings

The Proposals will not have any effect on the shareholdings of the substantial shareholders of TdC.

9. CONDITIONS TO THE PROPOSALS

The Proposed Disposal is subject to the following :-

i) TdC obtaining the approval from the shareholders of the Company at the forthcoming EGM;
ii) Maxis obtaining the approval from the following :-
   - FIC which was obtained on 24 December 2002; and
   - the shareholders of Maxis; and
iii) the fulfilment of all other conditions precedent in the Conditional SPA and Supplemental Agreement.

The Proposed Capital Repayment is subject to the following :-

i) the approval of the shareholders of TdC at the forthcoming EGM; and
ii) the sanction of the High Court for the reduction in the share premium reserves pursuant to Sections 60(2) and 64 of the Act.

The Proposed Capital Repayment is conditional upon the Proposed Disposal and not vice-versa.

10. DIRECTORS' AND MAJOR SHAREHOLDERS' INTERESTS

Save for their respective entitlements under the Proposed Capital Repayment for which all existing shareholders of the Company are entitled to, none of the directors, major shareholders and persons connected with them has any interest, direct and / or indirect, in the Proposals.

11. DIRECTORS' RECOMMENDATION

Having considered the rationale and effects of the Proposals, the Board, on the advice of its advisers and after careful deliberation, is of the opinion that the Proposals are in the best interest of the Company and its shareholders. Accordingly, the Board recommends that you vote in favour of the resolutions to be tabled at the forthcoming EGM.

12. EGM

An EGM, the notice of which is enclosed with this Circular, is to be held at Ballroom 2 & 3, Level 2, Nikko Hotel, Jalan Ampang, 50450 Kuala Lumpur on Wednesday, 30 April 2003 immediately upon the conclusion of the Company's Sixth Annual General Meeting (or adjournment thereof) to be held on the same day at 10:00 a.m. for the purpose of considering and, if thought fit, passing the resolutions so as to give effect to the Proposals.

If you are unable to attend and vote in person at the EGM, you are requested to complete, sign and return the enclosed Form of Proxy in accordance with the instructions printed thereon as soon as possible so as to arrive at the registered office of the Company not less than forty-eight (48) hours before the time appointed for holding the EGM or any adjournment thereof. The completion and return of the Form of Proxy does not preclude you from attending and voting in person at the EGM should you subsequently decide to do so.

13. FURTHER INFORMATION

Shareholders are requested to refer to the attached appendices for further information.

Yours faithfully
For and on behalf of the Board
TIME dotCom Berhad

YBhg. Dato' Ir. Wan Muhamad Wan Ibrahim
Chairman

1. HISTORY AND BUSINESS

TIMECel was incorporated in Malaysia under the Act as a private limited company on 20 July 1981 under the name of Electronics and Telematique (Malaysia) Sdn Bhd. It subsequently changed its name to Sapura Digital Sdn Bhd on 23 March 1995. On 4 July 1997, it changed its name to TIME PCN Sdn Bhd#. It changed its name again to TIME Wireless Sdn Bhd on 28 August 1997*. It assumed its present name on 26 June 2001.

TIMECel is principally involved in the provision of voice and data services through a mobile cellular system. TIMECel offers postpaid and prepaid mobile services to customers in Malaysia. TIMECels services include interconnection with both local and international fixed line and mobile operators, value added services such as text messaging, voice-mail services, international roaming services, wireless application protocol, general packet radio services and short messaging services.

TIMECel was awarded a 20-year PCN licence by the then Minister of Energy, Telecommunications and Posts {presently known as the Minister of Energy, Communications and Multimedia} pursuant to his powers under Section 3 of the Telecommunications Act, 1950 on 24 December 1993 to provide voice telephony services and such other services as authorised by the Director General of Telecommunications through the establishment of a PCN telecommunication system based on the GSM 1800 technology. The Telecommunications Act, 1950 under which TIMECel's PCN licence was granted has since been repealed and TIMECel has migrated to the licensing regime under the successor statute, the Communications and Multimedia Act 1998. TIMECel's said PCN licence was substituted by the following licences, all of which are valid from 25 July 2001 until 23 December 2013 :-

i) Network Facilities (Individual) Licence to provide radio communications, transmitters and links; and towers, poles, ducts and pits used in conjunction with other network facilities;

ii) Network Services (Individual) Licence to provide any network services; and

iii) Applications Services (Individual) Licence to provide any applications services.

The abovementioned licences are renewable upon expiry provided the operator / licence holder applies for renewal prior to the licences' expiry.

TIMECel trades under the brand name 'TIMECel'. As at 31 December 2002, TIMECel has a subscriber base of 629,000.

TIMECel operates on the 1800 MHz frequency band. TIMECel's transmission network primarily consists of the following transmission media :-

- MSC to MSC : predominantly fibre optic leased lines from TT dotCom
- MSC to BSC : predominantly fibre optic leased lines from TT dotCom
- BSC to BTS : predominantly TIMECel's own microwave and a few leased lines (fibre optics and / or microwave) from TT dotCom, Telekom Malaysia Berhad and Celcom (Malaysia) Bhd
- MSC to POI : a mixture of leased lines and microwave

Presently, more than 80% of TIMECel's leased lines are leased from TT dotCom and it also uses TT dotCom's international gateway for international calls. Some of the abovementioned arrangements in respect of TIMECel's transmission network are expected to remain after the Proposed Disposal while others will be reviewed by Maxis subject to their operational and business requirements.

TIMECel's network coverage extends to all state capitals, major towns, commercial and industrial areas, resorts, golf courses, airports and seaports in West Malaysia and key population centres in East Malaysia. In addition, TIMECel provides the most comprehensive coverage on the North-South Expressway.

& * *Pursuant to the Supplemental Agreement, TIMECel is taking the requisite actions to rectify procedural irregularities in the relevant secretarial records relating to changes in the company's name.*

2. SHARE CAPITAL

The authorised and issued and paid-up share capital of TIMECel as at 31 March 2003 are as follows:-

	No. of Shares	Par value (RM)	Amount (RM)
Authorised share capital	1,900,000,000	1.00	1,900,000,000*
Issued and fully paid-up	1,293,883,684	1.00	1,293,883,684*

* *Based on the official records of TIMECel filed with the CCM as of 24 March 2003. Please also refer to note (4) hereunder*

Details of the changes in the issued and paid-up share capital of TIMECel since the date of incorporation are as follows :-

Date of change	No. of Shares allotted	Par value (RM)	Consideration	Total issued and paid-up share capital (RM)
20.07.1981	2	1.00	Cash, Subscribers' Shares	2
28.11.1994	49,999,998	1.00	Cash	50,000,000
18.01.1996	50,000,000	1.00	Cash	100,000,000
09.04.1997	139,000,000[(1)]	1.00	Conversion of RM139,000,000 nominal value of 2% irredeemable convertible unsecured loan stocks 1995/2000	239,000,000
26.12.2000	1,609,405,263[(2)]	1.00	Issued pursuant to a debt restructuring exercise	1,848,405,263[(2)]
5.12.2001	(554,521,579)[(3)]	1.00	Capital reduction	1,293,883,684[(4)]

Notes :-

(1) As extracted from Form 24 dated 9 April 1997

(2) As extracted from Form 24 dated 26 December 2000

(3) As stated in the audited accounts of TIMECel for the financial year ended 31 December 2001, TIMECel undertook a capital reduction exercise involving the cancellation of 30 sen of the par value of the existing Share and thereafter, the consolidation of approximately 1.43 ordinary shares of 70 sen each into one (1) Share. The resultant credit of RM554,521,579 was utilised to reduce TIMECel's accumulated losses as at 31 December 2000 of RM549,305,764 whilst the remaining credit of RM5,215,815 was capitalised as non-distributable reserve. A prior year adjustment had been effected in the audited accounts of TIMECel for the financial year ended 31 December 2002 to reflect the reduction as per the court order dated 5 December 2001.

(4) *Pursuant to a court order dated 5 December 2001, the issued and paid-up capital of TIMECel was reduced from 1,848.405 million Shares to 1,293.884 million Shares but the official records of TIMECel filed with the CCM as of 24 March 2003 and the secretarial records of TIMECel state that the total issued and paid-up share capital as 1,293,883,684 Shares. Pursuant to the Supplemental Agreement, TIMECel is taking the requisite actions to rectify the procedural irregularities in its secretarial records relating to its authorised, current issued and paid-up capital.*

3. MAJOR SHAREHOLDERS

TIMECel is a wholly-owned subsidiary of TdC.

4. BOARD OF DIRECTORS AND THEIR SHAREHOLDINGS AS AT 31 MARCH 2003

	<--------------No. of Shares------------>			
Name	**Direct**	**%**	**Indirect**	**%**
YBhg. Dato' Ir. Wan Muhamad bin Wan Ibrahim	-	-	-	-
Ahmad Pardas Senin *	-	-	-	-

* *Resigned effective 1 April 2003 and has since been replaced by Mr Tan See Yin.*

5. SUBSIDIARIES AND ASSOCIATED COMPANIES

TIMECel does not have any subsidiaries or associated companies.

6. PROFIT AND DIVIDEND RECORD

The profit and dividend record of TIMECel based on the audited accounts for the past five (5) financial years ended 31 December 2002 are as follows :-

	<----------------- Financial year ended 31 December ----------------->				
	1998	**1999**	**2000**	**2001**	**2002**
	(RM'000)	**(RM'000)**	**(RM'000)**	**(RM'000)**	**(RM'000)**
Turnover	140,099	136,328	253,502	377,992	341,998
Loss before exceptional items	(172,145)	(110,296)	(66,114)	(29,999)	(105,931)
Exceptional items	-	-	52,919	-	-
Loss before taxation	(172,145)	(110,296)	(13,195)	(29,999)	(105,931)
Taxation	34	-	-	(207)	(198)
Loss after taxation before extraordinary items	(172,111)	(110,296)	(13,195)	(30,206)	(106,129)
Extraordinary Items	-	-	-	-	-
Loss after taxation and after extraordinary items	(172,111)	(110,296)	(13,195)	(30,206)	(106,129)
Weighted no. of Shares in issue ('000)	239,000	239,000	265,456	1,807,386	1,293,884
Net loss per Share (RM)	(0.72)	(0.46)	(0.05)	(0.02)	(0.08)
Gross dividend (sen)	-	-	-	-	-

Notes :-

(i) *The lower loss before taxation recorded in 1999 as compared to 1998 was mainly due to savings in operation costs and the reduction in provision made for doubtful debts.*

(ii) *The exceptional items for the financial year ended 31 December 2000 comprise the following :-*

(a) *the credit arising from the reduction in the cumulative amortisation of commissioned network and cumulative amortisation of post commissioning interest capitalised as at 31 December 1999 as a result of a review of accounting estimates undertaken by the Directors of TIMECel of RM15,249,427;*

(b) *net interest over accrued on scheme amounts following the completion of debt restructuring scheme amounting to RM45,629,503; and*

(c) *costs incurred for debt restructuring scheme amounting to RM7,960,211.*

(iii) *The significant increase in turnover in 2000 and 2001 was due to strong growth in both postpaid and prepaid subscriber base of TIMECel and also strong growth in the overall mobile services market in the respective years.*

(iv) *The increase in loss in 2002 was attributed mainly to lower turnover, higher leased line charges, higher network maintenance costs and higher interconnection charges borne by TIMECel.*

(v) *There were no extraordinary items for the period under review.*

7. THE EXTRACTS OF THE AUDITED ACCOUNTS OF TIMECel FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2002 TOGETHER WITH THE AUDITORS' REPORT THEREON ARE REPRODUCED IN THE FOLLOWING PAGES :-

Company No. 73315 - V

Deloitte KassimChan (AF 0080)
Chartered Accountants
Level 19, Uptown 1
1 Jalan SS 21/58, Damansara Uptown
47400 Petaling Jaya, Malaysia

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aaa@deloitte.com.my

Deloitte KassimChan

REPORT OF THE AUDITORS TO THE MEMBER OF

TIMECEL SDN. BHD.
(Incorporated in Malaysia)

We have audited the accompanying balance sheet as of 31st December, 2002 and the related statement 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 Company as of 31st December, 2002 and of the results and the cash flows of 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

(Forward)

Deloitte
Touche
Tohmatsu

(b) the accounting and other records and the registers required by the Act to be kept by the Company have been properly kept in accordance with the provisions of the Act.

Deloitte KassimChan

DELOITTE KASSIMCHAN
AF 0080
Chartered Accountants

Rosita Tan

ROSITA TAN
1874/9/04 (J)
Partner

28th February, 2003

Company No. 73315 - V

TIMECEL SDN. BHD.
(Incorporated in Malaysia)

INCOME STATEMENT
FOR THE YEAR ENDED 31ST DECEMBER, 2002

	Note	2002 RM	2001 RM
Revenue		341,998,316	377,992,367
Cost of sales		(270,330,180)	(279,503,358)
Gross profit		71,668,136	98,489,009
Distribution costs		(58,232,906)	(24,586,996)
Administrative expenses		(28,289,691)	(24,215,586)
Information technology expenses		(15,421,419)	(9,104,845)
Other operating expenses		(77,465,871)	(70,795,967)
Other operating income		27,551	87,924
		(179,382,336)	(128,615,470)
Loss from operations	4	(107,714,200)	(30,126,461)
Finance costs	5	(2,647)	(587,635)
Income from other investments	6	1,786,385	715,202
Loss before tax		(105,930,462)	(29,998,894)
Income tax expense	7	(198,425)	(206,834)
Net loss for the year		(106,128,887)	(30,205,728)

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

Company No. 73315 - V

TIMECEL SDN. BHD.
(Incorporated in Malaysia)

BALANCE SHEET
AS OF 31ST DECEMBER, 2002

	Note	2002 RM	2001 RM
ASSETS			
Property, plant and equipment	8	49,695,633	40,381,678
Telecommunications network	9	1,243,906,426	1,134,168,698
		1,293,602,059	1,174,550,376
Current Assets			
Inventories		1,428,778	1,798,056
Trade receivables	10	56,182,853	85,099,162
Other receivables and prepaid expenses		23,710,682	22,041,236
Amount owing by related party	12	4,139	1,857,002
Short term deposits with licensed banks	13	7,050,000	29,321,440
Cash on hand and at banks		837,656	3,179,890
		89,214,108	143,296,786
Current Liabilities			
Trade payables	14	112,535,057	4,125,954
Other payables and accrued expenses		94,213,523	71,267,708
Amount owing to holding company	11	151,549,487	95,837,895
Amount owing to related companies	11	69,308,741	82,082,127
Amount owing to related parties	12	-	2,912,886
Tax liabilities		-	282,346
		427,606,808	256,508,916
Net Current Liabilities		(338,392,700)	(113,212,130)
		955,209,359	1,061,338,246

(Forward)

	Note	2002 RM	2001 RM
Represented by:			
Issued capital	15	1,293,884,000	1,293,884,000
Share premium - non-distributable	16	61,000,000	61,000,000
Capital reserve - non-distributable	17	5,215,499	5,215,499
Accumulated loss		(404,890,140)	(298,761.253)
Shareholders' Equity		955.209,359	1,061,338,246

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

TIMECEL SDN. BHD.
(Incorporated in Malaysia)

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31ST DECEMBER, 2002

	Note	Issued capital RM	Non-distributable reserves Share premium RM	Non-distributable reserves Capital reserve RM	Accumulated loss RM	Total/Net RM
Balance at 1st January, 2001		1,848,405,263	61,000,000	-	(817,861,289)	1,091,543,974
Capital reduction						
As previously stated		(554,521,579)	-	5,215,815	549,305,764	-
Prior period adjustment	22	316	-	(316)	-	-
Restated balance	15	(554,521,263)	-	5,215,499	549,305,764	-
Net loss for the year		-	-	-	(30,205,728)	(30,205,728)
Balance at 31st December, 2001		1,293,884,000	61,000,000	5,215,499	(298,761,253)	1,061,338,246
Net loss for the year		-	-	-	(106,128,887)	(106,128,887)
Balance at 31st December, 2002		1,293,884,000	61,000,000	5,215,499	(404,890,140)	955,209,359

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

Company No. 73315 - V

TIMECEL SDN. BHD.
(Incorporated in Malaysia)

CASH FLOW STATEMENT
FOR THE YEAR ENDED 31ST DECEMBER, 2002

	2002 RM	2001 RM
Cash Flows From Operating Activities		
Loss before tax	(105,930,462)	(29,998,894)
Adjustments for:		
Allowance for doubtful receivables	59,071,015	56,188,310
Amortisation of telecommunications network	37,462,208	57,122,124
Depreciation of property, plant and equipment	13,644,419	11,787,188
Telecommunications network written off	3,200,000	802,000
Impairment loss on property, plant and equipment	1,900,000	-
Allowance for slow moving inventories	1,081,614	-
Interest expense	2,647	587,635
Gain on disposal of property, plant and equipment	(27,236)	(107,764)
Interest income	(1,786,385)	(715,202)
Operating Profit Before Working Capital Changes	8,617,820	95,665,397
Increase in inventories	(712,336)	(172,312)
Increase in receivables	(29,871,877)	(37,416,029)
Increase in payables	171,380,238	17,591,170
Cash From Operations	149,413,845	75,668,226
Tax paid	(580,183)	(9,861)
Net Cash From Operating Activities	148,835,662	75,658,365

(Forward)

	Note	2002 RM	2001 RM
Cash Flows From Investing Activities			
Proceeds from disposal of property, plant and equipment		56,250	474,961
Interest received		1,786,385	715,202
Purchase of property, plant and equipment		(24,887,388)	(13,108,372)
Additions to telecommunications network		(150,399,936)	(66,081,350)
Net Cash Used In Investing Activities		(173,444,689)	(77,999,559)
Cash Flows From Financing Activity			
Interest paid		(2,647)	(587,635)
Net Cash Used In Financing Activity		(2,647)	(587,635)
Net Decrease In Cash And Cash Equivalents		(24,613,674)	(2,928,829)
Cash And Cash Equivalents At Beginning Of Year		32,501,330	35,430,159
Cash And Cash Equivalents At End Of Year	19	7,887,656	32,501,330

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

TIMECEL SDN. BHD.
(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS

1. GENERAL INFORMATION

The Company is a private limited company, incorporated and domiciled in Malaysia.

The Company is principally involved in the provision of voice and data through the cellular system.

There has been no significant change in the nature of the principal activity of the Company during the financial year.

The total number of employees of the Company at the end of the financial year was 586 (699 in 2001).

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

2. BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The financial statements of the Company have been approved by the Board of Directors for issuance on 28th February, 2003.

The financial statements of the Company 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.

3. SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

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

Revenue

Revenue comprises gross billings of telecommunications services provided net of discounts. Revenue is recognised when services are rendered.

Foreign Currency Conversion

Transactions in foreign currencies are converted into Ringgit Malaysia at 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 statement.

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

Foreign currency	31.12.2002 RM	31.12.2001 RM
1 US Dollar	3.800	3.800

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 on actual realisation.

Property, Plant and Equipment

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

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 statement.

The carrying amounts of property, plant and equipment are reviewed at each balance sheet date to determine whether there is any indication of impairment. An impairment loss is recognised whenever the carrying amount of an item of property, plant and equipment exceeds its recoverable amount. The impairment loss is charged to the income statement unless it reverses a previous revaluation in which case it is treated as a revaluation decrease.

Depreciation of all other property, plant and equipment except for freehold land which is not depreciated 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:

Leasehold land	over the lease period
Buildings	2%
Office equipment, furniture and fittings	15% - 20%
Office renovations	20%
Computer equipment and software	20%
Motor vehicles	20%

Telecommunications Network

(a) **Network cost**

This comprises construction costs, materials, consultancy, borrowing and other related costs incurred in connection with the construction of a PCN telecommunications network under a licence obtained from the Ministry of Energy, Communications and Multimedia ("the Ministry").

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

	Effective date
Network facilities	25th July, 2001 to 23rd December, 2013
Network services	25th July, 2001 to 23rd December, 2013
Application services	25th July, 2001 to 23rd December, 2013

The construction of the telecommunications network is carried out in phases based generally on geographical areas as determined by the directors. The commissioning of the network is accordingly carried out at the completion of each phase of construction. Pre-commissioning network cost is not amortised while the commissioned network cost is amortised to each balance sheet date over the duration of the licence period in accordance with the following formula:

$$\frac{\text{Cumulative revenue to date}}{\text{Projected total revenue *during the licence period}} \times \text{Commissioned network Cost}$$

* 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. 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 2001, following the early adoption of Malaysia in Accounting Standards Board Standard 27 (MASB 27), Borrowing Costs, the Company changed the accounting policy to cease the capitalisation of borrowing costs upon the commissioning of the telecommunications network.

(c) **Projected total revenue during the licence period**

The projected total revenue during the licence period is based on directors' best estimate and is reviewed by the directors at least once every three years. During the previous financial year, a review was made by the directors on the projected total revenue over the licence period.

Inventories

Inventories, which comprise mainly handsets, sim cards, prepaid starter packs and reload cards, are stated at the lower of cost (determined on the "first-in, first-out" method) and net realisable value. The cost of inventories comprises the original cost of purchase plus the cost incurred in bringing the inventories to their present location and condition. 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.

In arriving at net realisable value, due allowance is made for obsolete and slow moving inventories.

Receivables

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

Provisions

Provisions are made when the Company has a present legal or constructive obligation as a result of past events, when it is probable that an outflow of resources will be recognised to settle the obligation, and when a reliable estimate of the amount can be made.

Financial Assets

The Company's principal financial assets are cash and bank balances, short term deposits, trade and other receivables and amount owing by related party.

Trade and other receivables and amount owing by related party are stated at their nominal values as reduced by the appropriate allowances for estimated irrecoverable amounts.

Financial Liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangement entered into. Financial liabilities include trade and other payables and amounts owing to holding and related companies, which are stated at their nominal values.

Equity instruments are recorded at the proceeds received, net of direct issue costs.

Cash Flow Statement

The Company adopts the indirect method in the preparation of the cash flow statement.

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 cash with insignificant risks of changes in value.

4. LOSS FROM OPERATIONS

The following items have been charged/credited in arriving at loss from operations:

	2002 RM	2001 RM
After charging:		
Allowance for doubtful receivables	59,071,015	56,188,310
Interconnect charges	57,028,684	53,829,748
Leased line charges	56,811,584	35,674,722
Telecommunications maintenance charges	38,185,015	25,814,156
Amortisation of telecommunications network:		
Current year	37,462,208	18,368,619
Increase in cumulative amortisation at beginning of year	-	38,753,505
	37,462,208	57,122,124
Staff costs	30,043,568	31,278,746
Site rental	23,230,495	20,973,011
Distribution costs	19,801,771	13,794,804
Dealers' incentives	18,894,975	18,283,100
Depreciation of property, plant and equipment	13,644,419	11,787,188
Rental of premises	3,433,817	3,535,199
Telecommunications network written off	3,200,000	802,000
Impairment of property, plant and equipment (Note 8)	1,900,000	-
Allowance for slow moving inventories	1,081,614	-
Audit fee	48,000	48,000
Realised loss on foreign exchange – net	34,767	19,840
Directors' remuneration:		
Other emoluments	4,417	351,702

(Forward)

	2002 RM	2001 RM
And crediting:		
Gain on disposal of property, plant and equipment	27,236	107,764
Rental income from other related company	-	492,780

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

5. FINANCE COSTS

	2002 RM	2001 RM
Interest on:		
Amount owing to related parties	-	303,548
Others	2,647	284,087
	2,647	587,635

6. INCOME FROM OTHER INVESTMENTS

	2002 RM	2001 RM
Interest on short-term deposits	1,786,385	715,202

7. INCOME TAX EXPENSE

	2002 RM	2001 RM
Estimated current tax payable	198,425	206,834

The estimated current tax payable for 2002 and 2001 is in respect of interest income earned.

As explained in Note 3, the tax effects of timing differences which would give rise to net deferred tax asset are recognised on actual realisation. As at 31st December, 2002, the estimated amount of deferred tax, calculated at current tax rate which is not recognised in the financial statements, is as follows:

	Deferred Tax Asset/(Liability)	
	2002	**2001**
	RM'000	**RM'000**
Tax effects of:		
Timing differences in respect of excess of tax capital allowances over book depreciation	(200,163)	(241,300)
Unabsorbed capital allowances	223,999	247,000
Unutilised tax losses	203,292	203,300
Other timing differences	54,539	39,400
Net deferred tax asset	281,667	248,400

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

8. PROPERTY, PLANT AND EQUIPMENT

	Freehold land RM	Leasehold land and buildings RM	Office equipment, furniture, fittings and renovations RM	Computer equipment and software RM	Motor vehicles RM	Total RM
Cost						
At beginning of year	3,400,000	9,332,005	17,220,923	58,605,822	5,224,967	93,783,717
Additions	-	-	296,590	24,545,798	45,000	24,887,388
Disposals	-	-	-	-	(72,536)	(72,536)
At end of year	3,400,000	9,332,005	17,517,513	83,151,620	5,197,431	118,598,569
Accumulated Depreciation						
At beginning of year	-	1,361,668	14,138,668	33,083,122	4,818,581	53,402,039
Current depreciation	-	213,194	1,291,973	11,883,514	255,738	13,644,419
Disposals	-	-	-	-	(43,522)	(43,522)
At end of year	-	1,574,862	15,430,641	44,966,636	5,030,797	67,002,936

	Freehold land RM	Leasehold land and buildings RM	Office equipment, furniture, fittings and renovations RM	Computer equipment and software RM	Motor vehicles RM	Total RM
Accumulated Impairment Loss						
At beginning of year	-	-	-	-	-	-
Charge for the year	-	-	-	1,900,000	-	1,900,000
At end of year	-	-	-	1,900,000	-	1,900,000
Net Book Value						
At 31st December, 2002	3,400,000	7,757,143	2,086,872	36,284,984	166,634	49,695,633
At 31st December, 2001	3,400,000	7,970,337	3,082,255	25,522,700	406,386	40,381,678
Depreciation charge for 2001	-	213,201	2,395,409	8,639,939	538,639	11,787,188

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

	2002 RM	2001 RM
Unexpired lease period		
Long leasehold land and building		
65 – 70 years	321,221	-
71 – 75 years	-	325,888
Short leasehold land and buildings		
31 – 35 years	4,098,711	1,477,951
36 – 40 years	-	2,756,389
41 – 45 years	3,337,211	2,782,442
46 – 50 years	-	627,667
	7,757,143	7,970,337

Included in property, plant and equipment of the Company are fully depreciated assets which are still in use, as follows:

	2002 RM	2001 RM
Office equipment, furniture, fittings and renovations	12,503,391	8,330,670
Computer equipment and software	21,310,401	15,383,315
Motor vehicles	4,853,035	2,706,013
	38,666,827	26,419,998

9. TELECOMMUNICATIONS NETWORK

	2002 RM	2001 RM
Network cost:		
Commissioned network	1,173,098,975	1,068,580,859
Network in progress	194,074,000	151,392,180
	1,367,172,975	1,219,973,039
Cumulative amortisation:		
At beginning of year	(85,804,341)	(28,682,217)
Current year amortisation	(37,462,208)	(57,122,124)
At end of year	(123,266,549)	(85,804,341)
Net	1,243,906,426	1,134,168,698

During the previous financial year, a review was undertaken by the directors of the Company on the projected total revenue during the licence period of the Company's telecommunications licence 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 Company's telecommunications network.

The amortisation of commissioned network of RM18,368,619 in 2001 is based on the revised projection made by the directors.

10. TRADE RECEIVABLES

	2002 RM	2001 RM
Trade receivables	250,965,970	225,890,472
Less: Allowance for doubtful receivables	(194,783,117)	(140,791,310)
Net	56,182,853	85,099,162

The credit period granted on sales of products and services rendered is 30 days (30 days in 2001). An allowance has been made for estimated irrevocable amounts from the sales of products and services rendered of RM194,783,117 (140,791,310 in 2001). This allowance has been determined by reference to past default experience.

11. HOLDING COMPANY AND RELATED COMPANIES

The Company is a wholly owned subsidiary of TIME dotCom Berhad, a company incorporated in Malaysia, which is also regarded by the directors as the ultimate holding company.

The amount owing to holding company and other related companies arose mainly from unsecured advances, leased line rental and interconnect charges payable. The amount owing to holding company is interest free (bears interest at rates ranging between 8.5% and 12.95% per annum in 2001) and has no fixed repayment terms. The amount owing to related companies is interest free and has no fixed repayment terms. As at 31st December, 2002, interest payable included in amount owing to holding company amounted to RMNil (RM645,462 in 2001).

Significant transactions during the year between the Company and its holding and other related companies are shown in Note 21.

12. AMOUNT OWING BY/TO RELATED PARTIES

Related parties include TIME Engineering Berhad (a corporate shareholder of the holding company) and its subsidiary and associated companies and companies related to Khazanah Nasional Berhad (a major corporate shareholder of the holding company). The amount owing by/to related parties arose mainly from trade transactions. The amount owing to the former ultimate holding company, which is interest free (bears interest ranging between 8.3% and 8.75% per annum in 2001) and has no fixed repayment terms, represents payments made on behalf of the Company.

Significant transactions during the year between the Company and related parties are shown in Note 21.

13. SHORT TERM DEPOSITS WITH LICENSED BANKS

The average effective interest rates of the Company are 2.65% (2.65% in 2001) per annum. Short term deposits of the Company have a maturity of 30 to 90 days (30 days in 2001).

14. TRADE PAYABLES

The average credit period granted to the Company for trade purchases range from 30 to 90 days (30 to 90 days in 2001).

15. SHARE CAPITAL

	2002 RM	2001 RM
Ordinary shares of RM1.00 each		
Authorised:		
At beginning and end of year	1,900,000,000	1,900,000,000
Issued and fully paid up:		
At beginning of year	1,293,884,000	1,848,405,263
Capital reduction		
As previously reported	-	(554,521,579)
Prior period adjustment (Note 22)	-	316
As restated	-	(554,521,263)
At end of year	1,293,884,000	1,293,884,000

As approved by the High Court of Malaya to sanction the capital reduction under Section 64 of the Companies Act, 1965 on 20th December, 2001, the share capital of the Company was reduced from 1,848,405,263 ordinary shares of RM1.00 each to 1,293,884,000 ordinary shares of RM1.00 each, and that such reduction was effected by cancelling capital to the extent of 30 sen per share upon each of the 1,848,405,263 shares which have been issued consequent upon the implementation of the debt restructuring scheme, and consolidating the resultant approximately 1.43 ordinary shares of 70 sen each into one ordinary share of RM1.00 each.

The resultant credit of RM554,521,579 was utilised to reduce the Company's accumulated loss as at 31st December, 2000 amounting to RM549,305,764, the remaining credit of RM5,215,499 was capitalised as non-distributable reserve.

16. SHARE PREMIUM – NON DISTRIBUTABLE

	2002 RM	2001 RM
At beginning and end of year	61,000,000	61,000,000

Share premium arose from the issue of shares and irredeemable convertible unsecured loan stocks in previous years and there was no movement during the financial year.

17. CAPITAL RESERVE - NON DISTRIBUTABLE

	2002 RM	2001 RM
At beginning of year	5,215,499	-
Arising from capital reduction		
As previously stated	-	5,215,815
Prior period adjustment (Note 22)	-	(316)
As restated	-	5,215,499
At end of year	5,215,499	5,215,499

18. FINANCIAL INSTRUMENTS

The primary purpose of financial instruments is to maintain an adequate level of liquidity for the Company's operations. There was no trading in financial instruments during the year under review. The main risks arising from the Company's financial instruments are interest rate risk and foreign currency risk.

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

The Company is exposed to interest rate risk through the impact of rate changes on interest bearing short term deposits with licensed banks. The interest rate on short term deposits of the Company is disclosed in Note 13.

The Company has potential currency risk exposure in its trade transactions with a number of foreign companies where amounts owing by/to these companies are exposed to currency translation risks. The principal closing rates used in translation of foreign currency amounts are disclosed in Note 3. All foreign exchange gains or losses are taken up in the income statement.

Fair value of financial assets and financial liabilities

The carrying amount of financial assets and financial liabilities of the Company approximate their fair values because of the short maturity of these instruments.

19. CASH AND CASH EQUIVALENTS

Cash and cash equivalents included in the cash flow statement comprise the following:

	2002 RM	2001 RM
Cash on hand and at banks	837,656	3,179,890
Short term deposits with licensed banks	7,050,000	29,321,440
	7,887,656	32,501,330

20. COMMITMENTS

(a) Capital Commitments

In respect of construction of telecommunications infrastructure and purchase of property, plant and equipment:

	2002 RM	2001 RM
Approved and contracted for	179,461,000	122,479,000
Approved but not contracted for	35,987,000	-

(b) **Rental Commitments**

In respect of non-cancellable rental commitments:

	Future minimum lease payments RM
Payable within 1 year	7,744,172
Payable within 2 - 3 years	3,380,185
Payable after 3 years	629,213
	11,753,570

21. RELATED PARTY TRANSACTIONS

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

Name of related parties	Relationship
TIME Engineering Berhad	A corporate shareholder of TIME dotCom Berhad
Khazanah Nasional Berhad ("Khazanah")	A major corporate shareholder of TIME dotCom Berhad
Telekom Malaysia Berhad	An associated company of Khazanah

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

Name of Company	Relationship	Nature	Amount 2002 RM	2001 RM
Telekom Malaysia Berhad	Related party	Interconnect revenue	34,618,000	28,293,691
		Interconnect charges	11,726,000	11,251,103
TIME dotCom Berhad	Holding company	Management fee payable	3,139,000	2,571,000

(Forward)

Name of Company	Relationship	Nature	Amount 2002 RM	Amount 2001 RM
TT dotCom Sdn Bhd	Related company	Leased line rental payable	44,933,047	35,105,053
		Interconnect charges payable	17,320,659	22,875,178
		Network lease revenue	2,418,500	4,605,660
		Interconnect revenue	4,691,302	1,267,748
TIME Engineering Berhad	Related party	Interest expense	-	303,548

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.

22. PRIOR PERIOD ADJUSTMENT

This refers to the capital reduction undertaken by the Company on 20th December, 2001 as mentioned in Note 13 whereby the issued share capital of the Company was reduced to 1,293,884,000 ordinary shares of RM1.00 each instead of 1,293,883,684 ordinary shares of RM1.00 each as previously reported. The prior period adjustment has been accounted for retrospectively in the financial statements. As a result of the adjustment made, the non distributable capital reserve has been reduced by the same amount.

	As previously reported RM	Prior period adjusment RM	As restated RM
As of 31st December, 2001			
Issued capital	1,293,883,684	316	1,293,884,000
Capital reserve – non-distributable	5,215,815	(316)	5,215,499

23. COMPARATIVE FIGURES

The following accounts have been reclassified to confirm with the current year's presentation.

	As of 31.12.2001 RM	Reclassifications RM	As restated 31.12.2001 RM
Trade receivables	83,478,156	1,621,006	85,099,162
Other receivables and prepaid expenses	23,662,242	(1,621,006)	22,041,236
Trade payables	3,315,385	810,569	4,125,954
Other payables and accrued expenses	72,078,277	(810,569)	71,267,708

(Prepared for inclusion in this Circular)

Deloitte KassimChan (AF 0080)
Chartered Accountants
Level 19, Uptown 1
1 Jalan SS 21/58, Damansara Uptown
47400 Petaling Jaya, Malaysia

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aaa@deloitte.com.my

Deloitte KassimChan

4 April 2003

The Board of Directors
TIME dotCom Berhad
Level 11, Wisma TIME
249, Jalan Tun Razak
50400 Kuala Lumpur

Dear Sirs:

TIME DOTCOM BERHAD
PROFORMA CONSOLIDATED BALANCE SHEETS AS OF 31 DECEMBER 2002

We have reviewed the presentation of the Proforma Consolidated Balance Sheets of TIME dotCom Berhad ("the Company" or "TIME dotCom") and its subsidiary companies ("TIME dotCom Group") as of 31 December 2002, together with the notes and assumptions thereto, for which the Directors are solely responsible, as set out in the accompanying statement, in connection with the Proposed Disposal of TIMECel Sdn Bhd and Proposed Capital Repayment to Shareholders of the Company, which we have stamped for purposes of identification.

In our opinion, the Proforma Consolidated Balance Sheets of TIME dotCom Group, which are prepared for illustration purposes only, have been properly prepared on the basis set out in the notes and assumptions to the Proforma Consolidated Balance Sheets.

This letter has been prepared solely for inclusion in the Circular to shareholders to be dated 8 April 2003 and should not be used for any other purpose without our prior consent.

Yours very truly,

Deloitte KassimChan

DELOITTE KASSIMCHAN
AF 0080
Chartered Accountants

Rosita Tan

ROSITA TAN
1874/9/04 (J)
Partner

Deloitte Touche Tohmatsu

TIME

TIME dotCom Berhad (413292-P)
Level 1, Wisma TIME, 249 Jalan Tun Razak
50400 Kuala Lumpur, Malaysia
Tel +60 3 2720 8000
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TIME DOTCOM BERHAD
PROFORMA CONSOLIDATED BALANCE SHEETS

The Proforma Consolidated Balance Sheets set out below are provided for illustration purposes only to show the effects on the audited consolidated balance sheet of TIME dotCom Berhad ("TIME dotCom") as at 31 December 2002 had the transactions referred to in the notes and assumptions to the Proforma Consolidated Balance Sheets been effected on that date.

		Audited as of	←------ Proforma --------→	
	Note	**31.12.2002**	**I**	**II**
		RM'000	RM'000	RM'000
Assets				
Property, plant and equipment		98,211	48,515	48,515
Telecommunications network		3,592,990	2,349,084	2,349,084
Goodwill on consolidation	4	996,062	626,272	626,272
Current Assets				
Inventories		9,792	8,363	8,363
Trade receivables		178,354	122,171	122,171
Other receivables and prepaid expenses		131,390	107,675	107,675
Amount owing by former subsidiary company	5	-	70,858	70,858
Amount owing by related parties		7,560	7,560	7,560
Fixed deposits with licensed banks		526,074	519,024	519,024
Cash and bank balances		12,447	1,483,610	215,223
		865,617	2,319,261	1,050,874
Current Liabilities				
Trade payables		284,743	172,208	172,208
Other payables and accrued expenses		202,174	104,961	104,961
Amount owing to related parties		35,147	35,147	35,147
Tax liabilities		737	737	737
		522,801	313,053	313,053
Net Current Assets		342,816	2,006,208	737,821
Net Assets		5,030,079	5,030,079	3,761,692
Issued capital		2,530,775	2,530,775	2,530,775
Share premium	6	3,215,761	3,215,761	1,947,374
Accumulated loss	7	(716,457)	(716,457)	(716,457)
Shareholders' Equity		5,030,079	5,030,079	3,761,692
Net tangible assets per share (RM)		1.59	1.74	1.24

Note
Net tangible assets represent shareholders' funds less goodwill on consolidation.

Stamped for the purpose of identification only with our letter/report dated
- 4 APR 2003
Deloitte KassimChan
Kuala Lumpur/Petaling Jaya

Notes and assumptions to the Proforma Consolidated Balance Sheets are as follows:

1. The Proforma Consolidated Balance Sheets of TIME dotCom are prepared based on the audited consolidated balance sheets as at 31 December 2002 of TIME dotCom Berhad ("the Company" or "TIME dotCom").

2. **Proforma I**

Proforma I incorporates the proposed disposal of 100% equity interest in TIMECel Sdn Bhd., a wholly owned subsidiary of the Company, for RM1.325 billion and the repayment of up to RM150 million of inter-company loans. However, as of 31st December, 2002, inter-company loans amounted to RM151.5 million.

The total proceeds to be raised from the Proposed Disposal and repayment of inter-company loans is approximately RM1,475 million. The proceeds are assumed to be initially retained in cash and bank balances and will be eventually utilized for the following purposes:

	RM'000
Capital repayment	1,265,387
Working capital	131,613
Warranty claims, if any	75,000
Estimated expenses	3,000
	1,475,000

3. **Proforma II**

Proforma II incorporates Proforma I and the proposed Capital Repayment of RM1,265 million to the shareholder of the Company on the basis of RM0.50 per ordinary share held.

4. **Goodwill on consolidation**

	RM'000
Per audited financial statements as of 31 December 2002	996,062
Balance of goodwill pertaining to TIMECel Sdn Bhd disposed of	(369,790)
Proforma I	626,272

5. **Amount owing by former subsidiary company**

	RM'000
Per audited financial statements of TIMECel Sdn Bhd as of 31 December 2002	220,858
Repayment of inter-company loans	(150,000)
Net	70,858

Stamped for the purpose of identification only with our letter/report dated

- 4 APR 2003

Deloitte KassimChan
Kuala Lumpur/Petaling Jaya

6. **Share premium**

	RM'000
Per audited financial statements as of 31 December 2002	3,215,761
Capitalisation of capital repayment from share capital account	(1,265,387)
Proforma II	1,950,374

7. **Accumulated loss**

	RM'000	RM'000
Per audited financial statements as of 31 December 2002		716,457
Loss on disposal of TIMECel Sdn Bhd		
- Sales consideration	1,325,000	
- Less: Net assets disposed	(955,210)	
Balance of goodwill disposed	(369,790)	
		-
Proforma I		716,457

8. The Proforma Consolidated Balance Sheets have been prepared based on accounting principles and bases consistent with those normally adopted in the presentation of respective audited financial statements of TIME dotCom and its subsidiary companies.

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

Stamped for the purpose of identification only with our letter/report dated
- 4 APR 2003
Deloitte KassimChan
Kuala Lumpur/Petaling Jaya

Dato' Ir. Wan Muhamad Wan Ibrahim

Tan See Yin

- 4 APR 2003

1. RESPONSIBILITY STATEMENT

This Circular has been seen and approved by the Board and they collectively and individually accept full responsibility for the accuracy of the information given and confirm that after making all reasonable inquiries and to the best of their knowledge and belief, there are no other facts, the omission of which would make any statement herein misleading.

Information relating to Maxis as contained in this Circular was provided by Maxis. The responsibility of the Directors of TdC is therefore limited to ensuring that the aforementioned information has been accurately reproduced in this Circular.

2. MATERIAL LITIGATION

Save as disclosed below, the TdC Group is not engaged in any material litigation, claims or arbitration, either as plaintiff or defendant, and the Board is not aware of any proceedings pending or threatened against the TdC Group or of any facts likely to give rise to any proceedings which might materially affect the position or business of the TdC Group :-

i) TIME Reach Sdn Bhd **("TIME Reach")** has filed a suit in the Kuala Lumpur High Court (Suit No: D4 – 22 – 102 – 2002) on 21 January 2002 against Sapura Telecommunications Bhd **("STB")** and Exquisite Discovery Sdn Bhd for a claim of RM6,328,239.25 for breach of the Memorandum of Agreement dated 1 December 1997 and interest on the aforementioned sum until the date of full settlement. During the hearing of the pre-trial case management on 18 February 2003, the judge had directed TIME Reach to file their bundle of documents before the next case management of this suit which is fixed to be heard on 15 July 2003.

ii) TIME Reach has filed a suit in the Kuala Lumpur High Court (Suit No: D4 – 22 – 103 – 2002) on 21 January 2002 against STB and Sapura Transmission Sdn Bhd for a claim of RM22,434,190.51 for breach of the Memorandum of Agreement dated 1 December 1997 and interest on the aforementioned sum until the date of full settlement. During the hearing of the pre-trial case management on 18 February 2003, the judge had directed TIME Reach to file their bundle of documents before the next case management of this suit which is fixed to be heard on 15 July 2003.

The Board and solicitors who have conduct of the abovementioned suits, Messrs Rashid & Lee, are of the opinion that :-

(a) the outcome of both cases will depend on the construction of the documents by the Kuala Lumpur High Court; and

(b) in relation to an estimate of TIME Reach's maximum exposure to liabilities, in the event TIME Reach does not succeed in these two (2) claims, costs may be awarded against TIME Reach, but costs cannot be quantified yet as at the date of this Circular.

3. MATERIAL CONTRACTS

Save as disclosed below, there are no other material contracts (not being contracts entered into in the ordinary course of business and having a value of RM1,000,000 or more) which have been entered into by TdC and its subsidiaries within the two (2) years immediately preceding the date of this Circular :-

(a) Conditional SPA;
(b) Letter Of Offer;
(c) Supplemental Agreement; and
(d) JVSA.

4. CONSENT

The written consent of AmMerchant Bank, Messrs Deloitte KassimChan (the Reporting Accountants) and CSFB (International Financial Adviser) to the inclusion in this Circular of their names and/or letters in the form and context in which they appear have been given and have not been subsequently withdrawn before the issue of this Circular.

5. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection at the registered office of the Company following the publication of this Circular from Mondays to Fridays (except public holidays) during normal business hours up to and including the date of the EGM :-

(i) Memorandum and Articles of Association of TdC and TIMECel;

(ii) Audited accounts of the TdC Group for the past two (2) financial years ended 31 December 2002;

(iii) The proforma consolidated balance sheet of TdC as at 31 December 2002 together with the Reporting Accountants' letter thereon referred to in Appendix II;

(iv) The relevant cause papers in respect of the material litigation referred to in (2) above;

(v) The material contracts referred to in (3) above; and

(vi) The letters of consent referred to in (4) above.

TIME dotCom Berhad

(Company No: 413292-P)
(Incorporated in Malaysia)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that an Extraordinary General Meeting of TIME dotCom Berhad **("TdC" or "Company")** will be held at Ballroom 2 & 3, Level 2, Nikko Hotel, Jalan Ampang, 50450 Kuala Lumpur on Wednesday, 30 April 2003 immediately upon the conclusion of the Company's Sixth Annual General Meeting (or adjournment thereof) to be held on the same day at 10:00 a.m. to consider and, if thought fit, passing the following resolutions :-

ORDINARY RESOLUTION

PROPOSED DISPOSAL OF TdC'S 100% EQUITY INTEREST IN TIMECel SDN BHD ("TIMECel"), COMPRISING 1,293,884,000 ORDINARY SHARES OF RM1.00 EACH ("TIMECel SHARES") TO MAXIS COMMUNICATIONS BERHAD ("MAXIS") FOR A CASH CONSIDERATION OF UP TO RM1.475 BILLION COMPRISING RM1.325 BILLION FOR THE TIMECel SHARES AND UP TO RM150.0 MILLION FOR THE REPAYMENT OF THE INTER-COMPANY LOANS ("PROPOSED DISPOSAL")

"**THAT** contingent upon the requisite approvals being obtained, approval be and is hereby given for the Company TdC to dispose of its 100% equity interest in TIMECel comprising 1,293,884,000 ordinary shares of RM1.00 each to Maxis for a cash consideration of up to RM1.475 billion comprising RM1.325 billion for the TIMECel Shares and up to RM150.0 million for the repayment of the Inter-Company Loans, as defined in the Conditional Sale And Purchase Agreement entered into between TdC and Maxis for the Proposed Disposal dated 18 September 2002 (**"Conditional SPA"**) and the Supplemental Agreement dated 20 March 2003 entered into between TdC and Maxis to amend, modify and vary certain terms and conditions of the Conditional SPA and the letter from Maxis dated 12 December 2002 (**"Supplemental Agreement"**), in accordance with the terms and conditions as stipulated in the Conditional SPA and the Supplemental Agreement, **AND THAT** the Directors of the Company be and are hereby authorised to do all such deeds, acts and things and execute, sign and deliver all documents for and on behalf of the Company as they may consider necessary or expedient to give effect to and implement the Proposed Disposal with full power to assent to any condition, modification, variation as may be imposed or permitted by the relevant authorities."

SPECIAL RESOLUTION

PROPOSED CAPITAL REPAYMENT TO THE SHAREHOLDERS OF TdC VIA A CASH DISTRIBUTION OF RM1,265,387,500 FROM THE PROCEEDS RECEIVABLE BY TdC PURSUANT TO THE PROPOSED DISPOSAL ON THE BASIS OF 50 SEN CASH FOR EVERY ONE (1) EXISTING ORDINARY SHARE HELD IN TdC AT A DATE TO BE DETERMINED LATER ("PROPOSED CAPITAL REPAYMENT")

"**THAT** subject to the passing of the Ordinary Resolution above, and subject to receipt by the Company in full of the consideration for the Proposed Disposal, and subject to the approvals of all the relevant authorities (including the sanction by the High Court of Malaya pursuant to Section 64 of the Companies Act, 1965), approval be and is hereby given for the Company to cancel and utilise a sum of RM1,265,387,500 from its share premium account (the "Said Sum") and to distribute the Said Sum to its shareholders on the basis of 50 sen cash for every one (1) existing ordinary share held in TdC at a date to be determined later by the Board of Directors **AND THAT** the Directors of the Company be and are hereby authorised to do all such deeds, acts and things and execute, sign and deliver all documents for and on behalf of the Company as they may consider necessary or expedient to give effect to and implement the Proposed Capital Repayment with full power to assent to any condition, modification, variation as may be imposed or permitted by the relevant authorities."

By Order of the Board

Lee Phuay Soo
(LS 0005782)
Company Secretary

Kuala Lumpur
8 April 2003

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.*

TIME dotCom Berhad

(Company No: 413292-P)
(Incorporated in Malaysia)

No. of ordinary shares held

FORM OF PROXY

I/We ....
(Name in block letters)

of ....
(Full address)

being a member/members of **TIME dotCom Berhad** ("the Company"), hereby appoint ....
of ....
or failing him/her, the Chairman of meeting as *my/our proxy to vote for *me/us and on *my/our behalf at the Extraordinary General Meeting of the Company to be held at Ballroom 2 & 3, Level 2, Nikko Hotel, Jalan Ampang, 50450 Kuala Lumpur on Wednesday, 30 April 2003 immediately upon the conclusion of the Company's Sixth Annual General Meeting (or adjournment thereof) to be held on the same day at 10:00 a.m.

Please indicate with an "X" or "/" in the boxes provided below how you wish your votes to be cast . If you do not do so, the proxy will vote or abstain from voting at his/her discretion.

	FOR	AGAINST
ORDINARY RESOLUTION - PROPOSED DISPOSAL		
SPECIAL RESOLUTION - PROPOSED CAPITAL REPAYMENT		

Signed this .... day of 2003

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.*

**Delete whichever is not applicable*