

16. FINANCIAL ESTIMATES, FORECASTS AND PROJECTIONS

16.1 Financial Estimates, Forecasts and Projections

The tables below set out the summarised consolidated profit and loss accounts and cashflow statements for the TIME dotCom Group for the period from 31 December 2000 to 31 December 2014. These estimates, forecasts and projections are prepared on the basis and assumptions set out below.

The estimates, forecasts and projections are shown on an annual basis for each of the 8 years to 31 December 2007 and on an aggregate basis for the 8 years. The projections for the final 7 years to 31 December 2014 are aggregated and shown on a cumulative total basis.

Consolidated Profit and Loss Statement

	2000*	2001	2002	2003	2004	2005	2006	2007	2000- 2007	2008- 2014
	RM'million	RM'million	RM'million	RM'million	RM'million	RM'million	RM'million	RM'million	RM'million	RM'million
Revenue	-	1,756.1	2,543.2	3,170.6	3,740.8	4,253.9	4,862.9	5,462.1	25,789.6	50,164.9
Gross Profit	-	584.1	1,014.8	1,368.6	1,692.5	2,017.9	2,510.5	2,901.5	12,089.9	28,014.5
Operating expenses	(3.8)	(260.5)	(316.3)	(362.8)	(410.7)	(476.7)	(544.8)	(612.0)	(2,987.6)	(6,293.9)
Amortisation and depreciation	(0.2)	(182.7)	(245.8)	(302.2)	(379.7)	(498.0)	(630.9)	(774.8)	(3,014.3)	(10,122.4)
Operating (loss)/profit before interest	(4.0)	140.9	452.7	703.6	902.1	1,043.2	1,334.8	1,514.7	6,088.0	11,598.2
Financial expenses	-	(14.8)	(28.9)	(30.2)	(19.3)	(9.7)	-	-	(102.9)	-
Other income	1.4	8.4	9.8	11.5	19.0	34.9	59.3	89.8	234.1	1,860.4
	(2.6)	134.5	433.6	684.9	901.8	1,068.4	1,394.1	1,604.5	6,219.2	13,458.6
Exceptional item	-	18.8	-	-	-	-	-	-	18.8	-
(Loss)/Profit before taxation and minority interest	(2.6)	153.3	433.6	684.9	901.8	1,068.4	1,394.1	1,604.5	6,238.0	13,458.6
Minority interest	-	(0.7)	(3.1)	(8.1)	(14.7)	(17.5)	(23.2)	(31.7)	(99.0)	(218.2)
(Loss)/Profit before taxation but after minority interest	(2.6)	152.6	430.5	676.8	887.1	1,050.9	1,370.9	1,572.8	6,139.0	13,240.4
Less: Taxation	-	(2.0)	(54.1)	(153.9)	(197.8)	(263.5)	(383.0)	(430.2)	(1,484.5)	(3,932.4)
Net (loss)/profit	(2.6)	150.6	376.4	522.9	689.3	787.4	987.9	1,142.6	4,654.5	9,308.0
Weighted average number of shares in issue ('000)	1,000	2,501,661	2,530,775	2,530,775	2,530,775	2,530,775	2,530,775	2,530,775	2,530,775	2,530,775
Net (loss per share)/EPS (sen)	(260.0)	6.0	14.9	20.7	27.2	31.1	39.0	45.1	N/A	N/A

N/A - Not applicable

* Post acquisition results from 26 December 2000 (completion date for acquisitions) to 31 December 2000 of the subsidiaries acquired have not been included. For practicality, the acquisitions of the subsidiaries were deemed to be completed on 31 December 2000 for accounting purposes.

16. FINANCIAL ESTIMATES, FORECASTS AND PROJECTIONS (Cont'd)

Consolidated Cashflow Statements

	2000*	2001	2002	2003	2004	2005	2006	2007	2000– 2007	2008– 2014
	RM'million	RM'million	RM'million	RM'million	RM'million	RM'million	RM'million	RM'million	RM'million	RM'million
Cashflow From Operating Activities										
Net revenue	-	1,588.3	2,326.2	2,995.3	3,594.1	4,159.8	4,831.4	5,460.5	24,955.6	50,655.6
Other income	-	8.4	9.7	11.6	19.0	34.9	59.3	89.8	232.7	1,860.5
Total Revenue	-	1,596.7	2,335.9	3,006.9	3,613.1	4,194.7	4,890.7	5,550.3	25,188.3	52,516.1
Less:										
Payment to creditors	(5.0)	(1,436.4)	(1,787.0)	(2,260.0)	(2,386.3)	(2,675.6)	(2,971.2)	(3,250.7)	(16,772.2)	(29,254.3)
Tax payment	-	(2.0)	(2.4)	(3.0)	(20.4)	(30.0)	(37.3)	(243.9)	(339.0)	(5,108.8)
Net Cash From/ (used in) Operating Activities	(5.0)	158.3	546.5	743.9	1,206.4	1,489.1	1,882.2	2,055.7	8,077.1	18,153.0
Cash From Investing Activities										
Capital expenditure	(0.5)	(729.3)	(551.5)	(564.7)	(549.4)	(660.4)	(629.7)	(625.6)	(4,311.1)	(4,491.6)
Cash and cash equivalents of subsidiaries acquired	251.0	-	-	-	-	-	-	-	251.0	-
Net Cash From/(Used In) Investing Activities	250.5	(729.3)	(551.5)	(564.7)	(549.4)	(660.4)	(629.7)	(625.6)	(4,060.1)	(4,491.6)
Cashflow From Financing Activities										
Issue of new shares: by the Company	-	558.4	-	-	-	-	-	-	558.4	-
by a subsidiary to minority shareholders	-	43.0	-	-	-	-	-	-	43.0	-
Interest and finance charges	-	(14.8)	(28.9)	(30.2)	(19.3)	(9.7)	-	-	(102.9)	-
Listing expenses	-	(62.1)	-	-	-	-	-	-	(62.1)	-
Dividend payment	-	-	-	-	-	-	(91.1)	(91.1)	(182.2)	(637.8)
Net Cash From/ (Used In) Financing Activities	-	524.5	(28.9)	(30.2)	(19.3)	(9.7)	(91.1)	(91.1)	254.2	(637.8)
Net Cashflow For the Year	245.5	(46.5)	(33.9)	149.0	637.7	819.0	1,161.4	1,339.0	4,271.2	13,023.6
Cash and Cash Equivalents Brought Forward										
	5.6	251.1	204.6	170.7	319.7	957.4	1,776.4	2,937.8	5.6	4,276.8
Cash and Cash Equivalents Carried Forward										
	251.1	204.6	170.7	319.7	957.4	1,776.4	2,937.8	4,276.8	4,276.8	17,300.4

* Post acquisition cashflows from 26 December 2000 (completion date for acquisitions) to 31 December 2000 of the subsidiaries acquired have not been included. For practicality, the acquisitions of the subsidiaries were deemed to be completed on 31 December 2000 for accounting purposes.

16. FINANCIAL ESTIMATES, FORECASTS AND PROJECTIONS (Cont'd)

Principal Bases and Assumptions

- (i) The principal bases and assumptions upon which the consolidated profit estimate, forecast and projections have been prepared are as follows:-
1. The prevailing economic and political environment in Malaysia and elsewhere will continue and will not have significant adverse effects on the TIME dotCom Group's activities to be conducted at forecast and projected level.
 2. There will be no material changes in present legislation and government regulations, including taxation, and guidelines of regulatory authorities which will affect the TIME dotCom Group's activities.
 3. There will not be any material fluctuation in inflation rates and exchange rates of foreign currencies against Ringgit Malaysia. The major foreign exchange rate assumed is US\$1.00 = RM3.80.
 4. The financing required for the operations of the TIME dotCom Group will be available as and when required. The level of interest rates will not change materially from those assumed in the forecast and projections.
 5. There will be no major industrial disputes or any abnormal factors which will adversely affect the TIME dotCom Group's activities.
 6. There will be no significant changes in management structure and accounting policies adopted by the TIME dotCom Group.
 7. The penetration telephony rate is dependent on forecast and projected gross domestic product growth. The forecast and projected number of subscribers for mobile, fixed line telephony and internet services (which is dependent on the industry penetration rate) will be achieved and the forecast and projected number of payphone lines to be migrated to the TIME dotCom Group's network will be as planned. The projected revenue from provision of data services such as bandwidth wholesale and internet facilities management will be achieved.
 8. Tariff and interconnect rates are expected to be restructured as the telecommunications industry liberalises and deregulates. Changes in tariffs and fair interconnect rates are critical for the TIME dotCom Group's prospects as they will have a direct impact on the forecast and projections.
 9. There will be no material variance from expected users' call profile and usage of the TIME dotCom Group's telecommunications, multimedia and internet services. Due to intense competition, tariffs are expected to decrease, while usage is expected to grow.
 10. The capital expenditure programme will be implemented, incurred and paid as planned with no material changes in the expected cost or price. There will not be any major additions of fixed assets other than those planned.
 11. Forecast and projected operating expenditure is expected to be sufficient for the deployment of the TIME dotCom Group's activities.

16. FINANCIAL ESTIMATES, FORECASTS AND PROJECTIONS (Cont'd)

12. TIME dotCom Group's operations, including the renewal of its telecommunications licences and the setting of tariffs, are subject to the jurisdiction of numerous governmental agencies including the Malaysian Communications and Multimedia Commission, the regulatory authority which has taken over from the Director General of Jabatan Telekomunikasi Malaysia. It is assumed that there will be no significant changes in the regulatory environment that will impact negatively on the operations of the TIME dotCom Group.

13. As part of the listing exercise of TIME dotCom, the following proposals will be undertaken:-

- (i) The public issue of 169.227 million new TIME dotCom ordinary shares of RM1.00 each credited as fully paid up at an issue price of RM3.30 per share to eligible employees of TIME and certain of its subsidiary companies, eligible dealers of TWSB and the Malaysian public; and
- (ii) The placement by TIME dotCom of 5.455 million new TIME dotCom ordinary shares of RM1.00 each credited as fully paid up at a placement price of RM3.30 per share to a turnkey contractor of TWSB.

Proceeds from the public issue after payment of estimated listing expenses of RM60.00 million, are assumed to be utilised for the following purposes:-

	RM'000
To finance telecommunications business	498,449
To defray expenses relating to the listing exercise	60,000
	558,449

The proposed placement as mentioned in assumption number 13(ii) above will not raise any proceeds as the 5.455 million shares will be issued as payment for work performed by the said turnkey contractor.

The Public Issue and Placement by TIME dotCom are expected to be completed by 28 February 2001.

14. The proposal for the listing of and quotation for the entire issued and paid up share capital of TIME dotNet Berhad (*formerly known as TIMEOnline dotCom Berhad*), an indirect subsidiary company of TIME dotCom, on the Malaysian Exchange of Securities Dealing & Automated Quotation Berhad will be carried through successfully as planned.

(ii) The principal bases and assumptions upon which the consolidated cashflow estimate, forecast and projections have been prepared are as follows:-

- 1. All proceeds will be received on or before their respective due dates in accordance with present terms and arrangements.
- 2. Payments to creditors and employees will be made on their respective due dates in accordance with present terms and arrangements.
- 3. Taxation liabilities will be paid in the same year in which they are incurred.
- 4. There will be no significant events which will affect the cashflow in respect of assets and liabilities of the TIME dotCom Group other than those taken into consideration in the forecast and projections.

16. FINANCIAL ESTIMATES, FORECASTS AND PROJECTIONS *(Cont'd)*

5. Dividends will be paid in the following year in which they are declared.
6. The principal bases and assumptions used for the compilation of the profit estimate, forecast and projections for the years ended/ending 31 December 2000 to 2014 will also apply for the compilation of the cashflow estimate, forecast and projections.

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16. FINANCIAL ESTIMATES, FORECASTS AND PROJECTIONS (*Cont'd*)

16.2 AUDITORS' LETTER ON THE CONSOLIDATED PROFIT OR LOSS ESTIMATE,
FORECAST AND PROJECTIONS
(Prepared for inclusion in this Prospectus)

Deloitte KassimChan (AF 0080)
(Formerly known as Kassim Chan & Co)
Public Accountants
Level 19, Uptown 1
1 Jalan SS 21/58, Damansara Uptown
47400 Petaling Jaya, Malaysia

P. O. Box 10093, 50704 Kuala Lumpur
Malaysia

Tel : +60(3) 77236500, 77261833
Fax : +60(3) 77263986, 77268986
aaa@deloitte.com.my

**Deloitte
KassimChan**

15 January 2001

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

Dear Sirs,

TIME DOTCOM BERHAD

**CONSOLIDATED PROFIT OR LOSS ESTIMATE AND FORECAST FOR THE
FINANCIAL YEARS ENDED/ENDING 31 DECEMBER 2000 AND 2001
RESPECTIVELY**

1. We have reviewed the accounting policies and calculations for the consolidated profit or loss estimate and forecast of TIME dotCom Berhad ("TIME dotCom" or "the Company") and its subsidiaries acquired ("TIME dotCom Group"), for which the Directors are solely responsible, for the financial years ended/ending 31 December 2000 and 2001 respectively as set out in the Prospectus to be dated 22 January 2001, in connection with the following:
 - i) Public issue of 169,227,000 new ordinary shares of RM1.00 each at an issue price of RM3.30 per ordinary share, payable in full on application, to the Malaysian public, eligible dealers of TIME Wireless Sdn Bhd ("TWSB") and eligible employees of TIME Engineering Berhad ("TIME") and certain of its subsidiaries;
 - ii) Placement of 5,455,000 new ordinary shares of RM1.00 each at a placement price of RM3.30 per ordinary share, payable in full upon placement, to Tanjong Serbaneka Holdings Sdn Bhd, a turnkey contractor of TWSB;
 - iii) Public offer for sale by TIME of 173,774,000 TIME dotCom ordinary shares of RM1.00 each at an offer price of RM3.30 per ordinary share, payable in full on application, to the Malaysian public;
 - iv) Restricted offer for sale by TIME of 144,538,930 TIME dotCom ordinary shares of RM1.00 each at an offer price of RM3.30 per ordinary share, payable in full on application, on a non-renounceable basis, to entitled shareholders of TIME whose name are registered on the register of members of TIME as at 5.00 p.m. on 17 January 2001;
 - v) Placement by TIME of 78,700,000 TIME dotCom ordinary shares of RM1.00 each at a placement price of RM3.30 per ordinary share, payable in full upon placement, to specific investors; and

16. FINANCIAL ESTIMATES, FORECASTS AND PROJECTIONS (*Cont'd*)

- vi) The listing of and quotation for the entire issued and fully paid up share capital of the Company on the Main Board of the Kuala Lumpur Stock Exchange ("KLSE").
2. Given the rapid changes and development in technology in telecommunications, internet and multimedia businesses in which TIME dotCom Group operates, we draw attention to the principal assumptions number 7 to 11 underlying the preparation of the consolidated profit forecast made by the directors based on the best of their knowledge and advice from advisors, i.e. penetration rate and gross domestic product growth; forecast number of subscribers for mobile, fixed line and internet services; changes in tariffs and fair interconnect rates; users' call profile and usage; and capital and operating expenditure.
 3. Telecommunications activities in Malaysia are presently regulated under a new legal regime. Under the said regime, new policies, rules and laws may be effected. Any major future changes in government policies could present significant risk to TIME dotCom Group's activities.
 4. We would therefore emphasise that the profit forecast should be treated with caution. Actual events are likely to be different from forecast since anticipated events frequently do not occur as expected and the variation may be material. We do not express or imply any opinion as to the possibility of its achievement.
 5. Subject to the comments in paragraphs 2 to 4 above, the consolidated profit or loss estimate and forecast, so far as accounting policies and calculations are concerned, have been properly compiled on the basis of assumptions made by the Directors as set out in the Prospectus, and are presented on a basis consistent with the accounting policies normally adopted by TIME dotCom.
 6. This report has been prepared solely for inclusion in the Prospectus in connection with the above exercises and should not be used for any other purpose without our prior consent.

Yours very truly,



DELOITTE KASSIMCHAN
AF 0080
Public Accountants



LOH KOK LEONG
Partner
1965/6/01 (J)

16. FINANCIAL ESTIMATES, FORECASTS AND PROJECTIONS (*Cont'd*)

Deloitte KassimChan (AF 0080)
(Formerly known as Kassim Chan & Co)
Public Accountants
Level 19, Uptown 1
1 Jalan SS 21/58, Damansara Uptown
47400 Petaling Jaya, Malaysia

P.O. Box 10093, 50704 Kuala Lumpur
Malaysia

Tel : +60(3) 77236500, 77261833
Fax : +60(3) 77263986, 77268986
aaa@deloitte.com.my

**Deloitte
KassimChan**

15 January 2001

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

Dear Sirs,

TIME DOTCOM BERHAD

**CONSOLIDATED PROFIT PROJECTIONS FOR THE FINANCIAL YEARS ENDING
31 DECEMBER 2002 TO 2014**

1. We have reviewed the accounting policies and the calculations for the consolidated profit projections of TIME dotCom Berhad ("TIME dotCom" or "the Company") and its subsidiaries acquired ("TIME dotCom Group"), for which the Directors are solely responsible, for the financial years ending 31 December 2002 to 2014 as set out in the Prospectus to be dated 22 January 2001, in connection with the following:
 - i) Public issue of 169,227,000 new ordinary shares of RM1.00 each at an issue price of RM3.30 per ordinary share, payable in full on application, to the Malaysian public, eligible dealers of TIME Wireless Sdn Bhd ("TWSB") and eligible employees of TIME Engineering Berhad ("TIME") and certain of its subsidiaries;
 - ii) Placement of 5,455,000 new ordinary shares of RM1.00 each at a placement price of RM3.30 per ordinary share, payable in full upon placement, to Tanjong Serbaneka Holdings Sdn Bhd, a turnkey contractor of TWSB;
 - iii) Public offer for sale by TIME of 173,774,000 TIME dotCom ordinary shares of RM1.00 each at an offer price of RM3.30 per ordinary share, payable in full on application, to the Malaysian public;
 - iv) Restricted offer for sale by TIME of 144,538,930 TIME dotCom ordinary shares of RM1.00 each at an offer price of RM3.30 per ordinary share, payable in full on application, on a non-renounceable basis, to entitled shareholders of TIME whose name are registered on the register of members of TIME as at 5.00 p.m. on 17 January 2001;
 - v) Placement by TIME of 78,700,000 TIME dotCom ordinary shares of RM1.00 each at a placement price of RM3.30 per ordinary share, payable in full upon placement, to specific investors; and

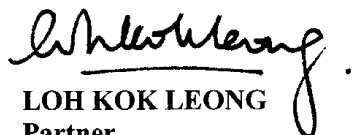
16. FINANCIAL ESTIMATES, FORECASTS AND PROJECTIONS (*Cont'd*)

- vi) The listing of and quotation for the entire issued and fully paid up share capital of the Company on the Main Board of the Kuala Lumpur Stock Exchange ("KLSE").
2. Given the rapid changes and development in technology in telecommunications, internet and multimedia businesses in which TIME dotCom Group operates, we draw attention to the principal assumptions number 7 to 11 underlying the preparation of the consolidated profit projections made by the directors based on the best of their knowledge and advice from advisors, i.e. penetration rate and gross domestic product growth; projected number of subscribers for mobile, fixed line and internet services; projected revenue from the provision of wholesale bandwidth and internet facilities management services; changes in tariffs and fair interconnect rates; users' call profile and usage; and capital and operating expenditure. These principal assumptions include hypothetical assumptions about future events and management's actions that are not necessarily expected to occur.
 3. Telecommunications activities in Malaysia are presently regulated under a new legal regime. Under the said regime, new policies, rules and laws may be effected. Any major future changes in government policies could present significant risk to TIME dotCom Group's activities.
 4. We would emphasise that the projections cover an extended future period for which there are inherent risks. The projections, therefore, should be treated with caution. Actual events are likely to be different from projections since anticipated events frequently do not occur as expected and the variation may be material. These projections cannot be regarded as forecasts of profits and we do not express or imply any opinion as to the possibility of their achievement.
 5. Subject to the comments in paragraphs 2 to 4 above, the consolidated profit projections, so far as accounting policies and calculations are concerned, have been properly compiled on the basis of assumptions made by the Directors as set out in the Prospectus, and are presented on a basis consistent with the accounting policies normally adopted by TIME dotCom.
 6. This report has been prepared solely for inclusion in the Prospectus in connection with the above exercises and should not be used for any other purpose without our prior consent.

Yours very truly,



DELOITTE KASSIMCHAN
AF 0080
Public Accountants



LOH KOK LEONG
Partner
1965/6/01 (J)

16. FINANCIAL ESTIMATES, FORECASTS AND PROJECTIONS (*Cont'd*)

16.3 AUDITORS' LETTER ON THE CONSOLIDATED CASHFLOW ESTIMATE,
FORECAST AND PROJECTIONS
(Prepared for inclusion in this Prospectus)

Deloitte KassimChan (AF 0080)
(Formerly known as Kassim Chan & Co)
Public Accountants
Level 19, Uptown 1
1 Jalan SS 21/58, Damansara Uptown
47400 Petaling Jaya, Malaysia

P.O. Box 10093, 50704 Kuala Lumpur
Malaysia

Tel : +60(3) 77236500, 77261833
Fax : +60(3) 77263986, 77268986
aaa@deloitte.com.my

**Deloitte
KassimChan**

15 January 2001

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

Dear Sirs,

TIME DOTCOM BERHAD

**CONSOLIDATED CASHFLOW ESTIMATE AND FORECAST FOR THE FINANCIAL
YEARS ENDED/ENDING 31 DECEMBER 2000 AND 2001 RESPECTIVELY**

1. We have reviewed the calculations for the consolidated cashflow estimate and forecast of TIME dotCom Berhad ("TIME dotCom" or "the Company") and its subsidiaries acquired ("TIME dotCom Group"), for which the Directors are solely responsible, for the financial years ended/ending 31 December 2000 and 2001 respectively as set out in the Prospectus to be dated 22 January 2001, in connection with the following:
 - i) Public issue of 169,227,000 new ordinary shares of RM1.00 each at an issue price of RM3.30 per ordinary share, payable in full on application, to the Malaysian public, eligible dealers of TIME Wireless Sdn Bhd ("TWSB") and eligible employees of TIME Engineering Berhad ("TIME") and certain of its subsidiaries;
 - ii) Placement of 5,455,000 new ordinary shares of RM1.00 each at a placement price of RM3.30 per ordinary share, payable in full upon placement, to Tanjong Serbaneka Holdings Sdn Bhd, a turnkey contractor of TWSB;
 - iii) Public offer for sale by TIME of 173,774,000 TIME dotCom ordinary shares of RM1.00 each at an offer price of RM3.30 per ordinary share, payable in full on application, to the Malaysian public;
 - iv) Restricted offer for sale by TIME of 144,538,930 TIME dotCom ordinary shares of RM1.00 each at an offer price of RM3.30 per ordinary share, payable in full on application, on a non-renounceable basis, to entitled shareholders of TIME whose name are registered on the register of members of TIME as at 5.00 p.m. on 17 January 2001;
 - v) Placement by TIME of 78,700,000 TIME dotCom ordinary shares of RM1.00 each at a placement price of RM3.30 per ordinary share, payable in full upon placement, to specific investors; and

16. FINANCIAL ESTIMATES, FORECASTS AND PROJECTIONS (*Cont'd*)

- vi) The listing of and quotation for the entire issued and fully paid up share capital of the Company on the Main Board of the Kuala Lumpur Stock Exchange ("KLSE").
2. Given the rapid changes and development in technology in telecommunications, internet and multimedia businesses in which TIME dotCom Group operates, we draw attention to the principal assumptions underlying the preparation of the consolidated cashflow forecast made by the directors based on the best of their knowledge and advice from advisors, i.e. penetration rate and gross domestic product growth; forecast number of subscribers for mobile, fixed line and internet services; changes in tariffs and fair interconnect rates; users' call profile and usage; and capital and operating expenditure.
3. Telecommunications activities in Malaysia are presently regulated under a new legal regime. Under the said regime, new policies, rules and laws may be effected. Any major future changes in government policies could present significant risk to TIME dotCom Group's activities.
4. We would therefore emphasise that the cashflow forecast should be treated with caution. Actual events are likely to be different from forecast since anticipated events frequently do not occur as expected and the variation may be material. We do not express or imply any opinion as to the possibility of its achievement.
5. Subject to the comments in paragraphs 2 to 4 above, the consolidated cashflow estimate and forecast, so far as the calculations are concerned, have been properly compiled on the basis of assumptions made by the Directors as set out in the Prospectus.
6. This report has been prepared solely for inclusion in the Prospectus in connection with the above exercises and should not be used for any other purpose without our prior consent.

Yours very truly,



DELOITTE KASSIMCHAN
AF 0080
Public Accountants



LOH KOK LEONG
Partner
1965/6/01 (J)

16. FINANCIAL ESTIMATES, FORECASTS AND PROJECTIONS (*Cont'd*)

Deloitte KassimChan (AF 0080)
(Formerly known as Kassim Chan & Co)
Public Accountants
Level 19, Uptown 1
1 Jalan SS 21/58, Damansara Uptown
47400 Petaling Jaya, Malaysia

P.O. Box 10093, 50704 Kuala Lumpur
Malaysia

Tel : +60(3) 77236500, 77261833
Fax : +60(3) 77263986, 77268986
aaa@deloitte.com.my

**Deloitte
KassimChan**

15 January 2001

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

Dear Sirs,

TIME DOTCOM BERHAD

**CONSOLIDATED CASHFLOW PROJECTIONS FOR THE FINANCIAL YEARS
ENDING 31 DECEMBER 2002 TO 2014**

1. We have reviewed the calculations for the consolidated cashflow projections of TIME dotCom Berhad ("TIME dotCom" or "the Company") and its subsidiaries acquired ("TIME dotCom Group"), for which the Directors are solely responsible, for the financial years ending 31 December 2002 to 2014 as set out in the Prospectus to be dated 22 January 2001, in connection with the following:
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 - v) Placement by TIME of 78,700,000 TIME dotCom ordinary shares of RM1.00 each at a placement price of RM3.30 per ordinary share, payable in full upon placement, to specific investors; and

16. FINANCIAL ESTIMATES, FORECASTS AND PROJECTIONS (*Cont'd*)

- vi) The listing of and quotation for the entire issued and fully paid up share capital of the Company on the Main Board of the Kuala Lumpur Stock Exchange ("KLSE").
2. Given the rapid changes and development in technology in telecommunications, internet and multimedia businesses in which TIME dotCom Group operates, we draw attention to the principal assumptions underlying the preparation of the consolidated cashflow projections made by the directors based on the best of their knowledge and advice from advisors, i.e. penetration rate and gross domestic product growth; projected number of subscribers for mobile, fixed line and internet services; projected revenue from the provision of wholesale bandwidth and internet facilities management services; changes in tariffs and fair interconnect rates; users' call profile and usage; and capital and operating expenditure. These principal assumptions include hypothetical assumptions about future events and management's actions that are not necessarily expected to occur.
3. Telecommunications activities in Malaysia are presently regulated under a new legal regime. Under the said regime, new policies, rules and laws may be effected. Any major future changes in government policies could present significant risk to TIME dotCom Group's activities.
4. We would emphasise that the projections cover an extended future period for which there are inherent risks. The projections, therefore, should be treated with caution. Actual events are likely to be different from projections since anticipated events frequently do not occur as expected and the variation may be material. These projections cannot be regarded as forecasts of cashflows and we do not express or imply any opinion as to the possibility of their achievement.
5. Subject to the comments in paragraphs 2 to 4 above, the consolidated cashflow projections, so far as the calculations are concerned, have been properly compiled on the basis of assumptions made by the Directors as set out in the Prospectus.
6. This report has been prepared solely for inclusion in the Prospectus in connection with the above exercises and should not be used for any other purpose without our prior consent.

Yours very truly,



DELOITTE KASSIMCHAN
AF 0080
Public Accountants



LOH KOK LEONG
Partner
1965/6/01 (J)

16. FINANCIAL ESTIMATES, FORECASTS AND PROJECTIONS (Cont'd)

16.4 Borrowings, Working Capital and Contingent Liabilities

The Directors of TIME dotCom are of the opinion that, after taking into account the cashflow estimate, forecast and projections of the Group and banking facilities available, the Group will have adequate working capital for its present and foreseeable requirements.

As at 8 January 2001 (being the last practical date prior to the printing of this Prospectus):-

- (a) The Company and its subsidiaries have no material borrowings that were outstanding;
- (b) As at 8 January 2001, the TIME dotCom Group has total contingent liabilities amounting RM1,000,000 relating to the guarantees provided by TRSB to Malaysia Airport Berhad (RM500,000) to operate and maintain payphones at Kuala Lumpur International Airport and Royal Excise and Customs Department (RM500,000) for the release of 350 units of payphones in the event that the payphones are forfeited by the court due to non-payment of custom duties by the appointed agent eventhough TRSB has paid to the said agent; and
- (c) Material Commitments

The material commitments for capital expenditure of the TIME dotCom Group as at 8 January 2001 are follows:-

Approved and contracted for

Companies	Amount RM'000	Purpose	Expected source of funding
TT dotCom	100,896	Telecommunications network	Internally generated funds and proceeds from Public Issue
TWSB	50,244	Telecommunications network	Internally generated funds and proceeds from Public Issue
TIME dotNet	15,880	ISP infrastructure	Internally generated funds and proceeds from Public Issue
	167,020		

Approved but not contracted for

Companies	Amount RM'000	Purpose	Expected source of funding
TT dotCom	74,171	Telecommunications network	Proceeds from Public Issue

Save as disclosed above, the Company and its subsidiaries do not have any loan capital outstanding, or created but unissued nor any other mortgages or charges outstanding as at that date.

17. PROFORMA CONSOLIDATED BALANCE SHEETS TOGETHER WITH THE AUDITORS' LETTER THEREON

The Proforma Consolidated Balance Sheets set out below are provided for illustration purposes only to show the effects on the audited balance sheets of the TIME dotCom Group as at 30 September 2000 had the transactions referred to in the notes and assumptions to the Proforma Consolidated Balance Sheets been effected on that date:-

	Audited as at 30.09.2000 RM'000	Proforma		
		I	II	III
	RM'000	RM'000	RM'000	RM'000
Share capital	1,000	924,706	2,356,093	2,530,775
Share premium	-	-	2,862,773	3,204,542
Accumulated loss	(8,534)	(8,534)	(8,534)	(8,534)
Shareholders' funds/ (Capital deficiency)	(7,534)	916,172	5,210,332	5,726,783
Property, plant and equipment	558	89,041	89,041	89,041
Telecommunications network	-	3,982,538	3,982,538	4,000,540
Expenditure carried forward	-	10,923	10,923	10,923
Goodwill on consolidation	-	907,851	907,851	907,851
CURRENT ASSETS				
Inventories	-	22,321	22,321	22,321
Trade receivables	-	271,623	271,623	271,623
Other receivables, deposits and prepayment	18,106	246,414	246,414	246,414
Amount owing by other related companies	969,796	504	504	504
Short term deposits with licensed banks	1,100	260,158	260,158	260,158
Cash on hand and at banks	130	14,830	14,830	513,279
	989,132	815,850	815,850	1,314,299
CURRENT LIABILITIES				
Trade payables	-	708,029	196,343	196,343
Other payables and accrued expenses	234,205	910,562	324,848	324,848
Amount owing to corporate shareholders	-	589	-	-
Amount owing to holding company	12,981	387,908	39,581	39,581
Amount owing to other related companies	38	202,219	10,475	10,475
Amount owing to affiliated companies	-	481,116	23,821	23,821
Short term borrowings	750,000	1,831,845	-	-
Tax liabilities	-	803	803	803
	997,224	4,523,071	595,871	595,871
Net current assets/(liabilities)	(8,092)	(3,707,221)	219,979	718,428
Term loans	-	(366,960)	-	-
	(7,534)	916,172	5,210,332	5,726,783
NTA/(Net liabilities)	(7,534)	(2,602)	4,291,558	4,808,009
NTA/(Net Liabilities) per share (RM)	(7.53)	(0.003)	1.82	1.90

Note:-

NTA/(Net liabilities) represent shareholders' funds/(capital deficiency) less goodwill on consolidation and expenditure carried forward.

17. PROFORMA CONSOLIDATED BALANCE SHEETS TOGETHER WITH THE AUDITORS' LETTER THEREON (Cont'd)

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 balance sheets as at 30 September 2000 of TIME dotCom, TT dotCom, TWSB, TRSB, and TSAT and TIME dotNet.

2. **Proforma I**

Proforma I incorporates the acquisitions by TIME dotCom of the following:-

- (i) TIME's entire equity interest in TT dotCom (100%), TWSB (75%), TRSB (75%) and TSAT (100%) (collectively referred to as "the Telcos") for a total purchase consideration of RM862.706 million satisfied by the issue of 862.706 million new TIME dotCom ordinary shares of RM1.00 each credited as fully paid up at par.
- (ii) 59.75 million ordinary shares of RM1.00 each representing approximately 25% equity interest in the share capital of TWSB from SHSB for a consideration of RM59.75 million satisfied by the issue of 59.75 million new TIME dotCom ordinary shares of RM1.00 each credited as fully paid up at par.
- (iii) 1.25 million ordinary shares of RM1.00 each representing 25% equity interest in the share capital of TRSB from UTB for a consideration of RM1.25 million satisfied by the issue of 1.25 million new TIME dotCom ordinary shares of RM1.00 each credited as fully paid up at par.

3. **Proforma II**

Proforma II incorporates Proforma I and the following:-

- (i) The assumption by TIME of the debt of TIME dotCom Group under the Composite Scheme of RM3,945.833 million. This amount assumed by TIME does not include the existing amount owing by TIME dotCom Group directly to TIME of RM348.327 million.
- (ii) The novation by the Telcos all the debts owing to TIME after Note 3(i) above of RM3,350.326 million to TIME dotCom, thereafter resulting in the total amount owing by TIME dotCom to TIME of RM4,294.160 million.
- (iii) The issue of 1,431.387 million new TIME dotCom ordinary shares of RM1.00 each credited as fully paid up to TIME in satisfaction of the total amount owing by TIME dotCom to TIME on the basis of one (1) new TIME dotCom ordinary share for every RM3.00 debt owing to TIME.
- (iv) The issue by each Telcos of one (1) new ordinary share of RM1.00 each credited as fully paid up to TIME dotCom for every RM1.00 debt owing to TIME dotCom in satisfaction of the total amount owing by the respective Telcos to TIME dotCom after the novation in Note 3(ii) above.
- (v) The proposed capital reduction by the Telcos as follows:-
 - (a) TT dotCom

Cancellation of RM0.10 from every ordinary share of RM1.00 each and consolidation of the resultant approximately 1.11 ordinary shares of RM0.90 into one (1) ordinary share of RM1.00 each.

17. PROFORMA CONSOLIDATED BALANCE SHEETS TOGETHER WITH THE AUDITORS' LETTER THEREON (Cont'd)

(b) TWSB

Cancellation of RM0.30 from every ordinary share of RM1.00 each and consolidation of the resultant approximately 1.43 ordinary shares of RM0.70 into one (1) ordinary share of RM1.00 each.

(c) TRSB

Cancellation of RM0.10 from every ordinary share of RM1.00 each and consolidation of the resultant approximately 1.11 ordinary shares of RM0.90 into one (1) ordinary share of RM1.00 each.

(d) TSAT

Cancellation of RM0.86 from every ordinary share of RM1.00 each and consolidation of the resultant approximately 7.14 ordinary shares of RM0.14 into one (1) ordinary share of RM1.00 each.

The issue of shares by the Telcos and the proposed capital reduction by the Telcos referred to in Note 3(iv) and (v) above respectively do not have any impact on the Proforma Consolidated Balance Sheets.

4. Proforma III

Proforma III incorporates Proforma II and the following:-

- (i) The proposed public issue of 169.227 million new TIME dotCom ordinary shares of RM1.00 each credited as fully paid up at an issue price of RM3.30 per share to the Malaysian public, eligible dealers of TWSB and eligible employees of TIME and certain of its subsidiaries.
- (ii) The proposed placement by TIME dotCom of 5.455 million new TIME dotCom ordinary shares of RM1.00 each credited as fully paid up at an issue price of RM3.30 per share to a turnkey contractor of TWSB.

Proceeds from the public issue after payment of estimated listing expenses of RM60.00 million, are assumed to be utilised for the following purposes:-

	RM'000
To finance telecommunications business	498,449
To defray expenses relating to the listing exercise	<u>60,000</u>
	<u><u>558,449</u></u>

The proposed placement as mentioned in Note 4 (ii) above will not raise any proceeds as the 5.455 million shares will be issued as payment for work performed by the said turnkey contractor.

5. Share capital

	RM'000
Per audited accounts as at 30 September 2000	1,000
Shares issued as a consideration for the acquisition of the Telcos	<u>923,706</u>
Proforma I	924,706
Arising from the debt equity conversion	<u>1,431,387</u>
Proforma II	2,356,093
Arising from initial public offering	<u>174,682</u>
Proforma III	<u><u>2,530,775</u></u>

17. PROFORMA CONSOLIDATED BALANCE SHEETS TOGETHER WITH THE AUDITORS' LETTER THEREON (Cont'd)

6. Share premium**RM'000**

Per audited accounts as at 30 September 2000	-
Shares issued as a consideration for the acquisition of the Telcos	-
Proforma I	-
Arising from the debt equity conversion	<u>2,862,773</u>
Proforma II	2,862,773
Arising from initial public offering	401,769
Estimated listing expenses	<u>(60,000)</u>
Proforma III	<u><u>3,204,542</u></u>

7. 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 subsidiaries.

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17. PROFORMA CONSOLIDATED BALANCE SHEETS TOGETHER WITH THE AUDITORS' LETTER THEREON (*Cont'd*)

AUDITORS' LETTER ON THE PROFORMA CONSOLIDATED BALANCE SHEETS
(Prepared for inclusion in this Prospectus)

Deloitte KassimChan (AF 0080)
(Formerly known as Kassim Chan & Co)
Public Accountants
Level 19, Uptown 1
1 Jalan SS 21/58, Damansara Uptown
47400 Petaling Jaya, Malaysia

P.O. Box 10093, 50704 Kuala Lumpur
Malaysia

Tel : +60(3) 77236500, 77261833
Fax : +60(3) 77263986, 77268986
aaa@deloitte.com.my

**Deloitte
KassimChan**

15 January 2001

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 AT 30 SEPTEMBER 2000

We have reviewed the presentation of the Proforma Consolidated Balance Sheets of TIME dotCom Berhad ("the Company" or "TIME dotCom") and its subsidiaries acquired ("TIME dotCom Group") as at 30 September 2000, together with the notes and assumptions thereto, for which the Directors are solely responsible, as set out in the Prospectus to be dated 22 January 2001, in connection with the following:

- i) Public issue of 169,227,000 new ordinary shares of RM1.00 each at an issue price of RM3.30 per ordinary share, payable in full on application, to the Malaysian public, eligible dealers of TIME Wireless Sdn Bhd ("TWSB") and eligible employees of TIME Engineering Berhad ("TIME") and certain of its subsidiaries;
- ii) Placement of 5,455,000 new ordinary shares of RM1.00 each at a placement price of RM3.30 per ordinary share, payable in full upon placement, to Tanjong Serbaneka Holdings Sdn Bhd, a turnkey contractor of TWSB;
- iii) Public offer for sale by TIME of 173,774,000 TIME dotCom ordinary shares of RM1.00 each at an offer price of RM3.30 per ordinary share, payable in full on application, to the Malaysian public;
- iv) Restricted offer for sale by TIME of 144,538,930 TIME dotCom ordinary shares of RM1.00 each at an offer price of RM3.30 per ordinary share, payable in full on application, on a non-renounceable basis, to entitled shareholders of TIME whose name are registered on the register of members of TIME as at 5.00 p.m. on 17 January 2001;
- v) Placement by TIME of 78,700,000 TIME dotCom ordinary shares of RM1.00 each at a placement price of RM3.30 per ordinary share, payable in full upon placement, to specific investors; and
- vi) The listing of and quotation for the entire issued and fully paid up share capital of the Company on the Main Board of the Kuala Lumpur Stock Exchange ("KLSE").

17. PROFORMA CONSOLIDATED BALANCE SHEETS TOGETHER WITH THE AUDITORS' LETTER THEREON (*Cont'd*)

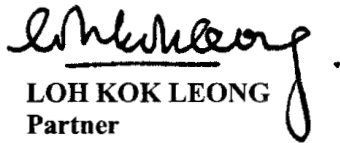
In our opinion, the Proforma Consolidated Balance Sheets of TIME dotCom Group, which are prepared for illustration purposes only, have been properly prepared on the basis set out in the notes and assumptions to the Proforma Consolidated Balance Sheets.

This report has been prepared solely for inclusion in the Prospectus in connection with the above proposals and should not be used for any other purpose without our prior consent.

Yours very truly,



DELOITTE KASSIMCHAN
AF 0080
Public Accountants



LOH KOK LEONG
Partner
1965/6/01 (J)