
6. INTRODUCTION

This Prospectus is dated 22 January 2001.

A copy of this Prospectus has been registered by the SC and lodged with the Registrar of Companies, Malaysia who takes no responsibility for its contents.

Approval-in-principle has been obtained from the KLSE on 24 November 2000 for admission to the Official List of the Main Board of KLSE and for permission to deal in and for quotation of the entire issued and paid-up ordinary shares of the Company, including the Initial Public Offering Shares, which are the subject of this Prospectus. These ordinary shares will be admitted to the Official List of the Main Board of KLSE and official quotation will commence after receipt of confirmation from MCD that all CDS accounts of the successful applicants have been duly credited and notices of allotment have been despatched to all successful applicants.

Pursuant to Section 14(1) of the Securities Industry (Central Depositories) Act, 1991 and Section 44 of the Securities Commission Act, 1993, the KLSE has prescribed TIME dotCom as a CDS counter. In consequence thereof, the shares issued through this Prospectus will be deposited directly with the MCD and any dealings in these shares will be carried out in accordance with the aforesaid Acts and the Rules of MCD.

An applicant should state his CDS Account number in the space provided in the Application Form only if an applicant presently has such an account, and should not complete the preferred ADA code. Where an applicant does not presently have a CDS Account, the applicant should state in the Application Form his or her preferred ADA code.

A successful applicant is entitled to a special incentive plan provided by TIME dotCom in conjunction with the Initial Public Offering entitled "TIME GOLD Premium". To register for this special incentive plan, the applicant should state his validly registered handphone number in the appropriate box in the Application Form. Please refer to Section 2 of this Prospectus entitled "TIME GOLD Premium" for further details.

The KLSE assumes no responsibility for the correctness of any statement made or opinions or reports expressed in this Prospectus. Admission to the Official List of the Main Board of KLSE is not to be taken as an indication of the merits of TIME dotCom or its ordinary shares.

No person is authorised to give any information or to make any representation not contained herein in connection with the Initial Public Offering and if given or made, such information or representation must not be relied upon as having been authorised by TIME dotCom and/or CIMB. Neither the delivery of this Prospectus nor any Initial Public Offering made in connection with this Prospectus shall, under any circumstance, constitute a representation or create any implication that there has been no change in the affairs of the TIME dotCom Group since the date hereof.

The distribution of this Prospectus and the Initial Public Offering are subject to Malaysian Law and the Company and/or CIMB take no responsibility for the distribution of this Prospectus and the subscription of the Initial Public Offering Shares outside Malaysia. Persons into whose possession this Prospectus may come are required to inform themselves of and to observe such restrictions.

This Prospectus does not constitute and may not be used for the purpose of an offer to sell or invitation of an offer to buy any Initial Public Offering Shares in any jurisdiction in which such offer or invitation is not authorised or is lawful or to any person to whom it is unlawful to make such offer or invitation.

If you are in doubt about this Prospectus, you should consult your stockbroker, bank manager, solicitor, accountant or other professional adviser.

7. SHARE CAPITAL

	RM
<i>Authorised:-</i>	
5,000,000,000 ordinary shares of RM1.00 each	5,000,000,000
<i>Issued and fully paid-up:-</i>	
2,356,093,000 ordinary shares of RM1.00 each already issued	2,356,093,000
To be issued by TIME dotCom pursuant to this Prospectus	
Public issue of 169,227,000 new ordinary shares of RM1.00 each	169,227,000
Placement of 5,455,000 new ordinary shares of RM1.00 each	<u>5,455,000</u>
Resultant enlarged share capital	<u>2,530,775,000</u>
To be offered for sale by TIME pursuant to this Prospectus	
Number of ordinary shares of RM1.00 each to be offered for sale pursuant to the Public Offer for Sale	173,774,000
Number of ordinary shares of RM1.00 each to be offered for sale pursuant to the Restricted Offer for Sale	144,538,930
Number of ordinary shares of RM1.00 each to be placed to investors pursuant to the TIME Placement	78,700,000
Total number of ordinary shares of RM1.00 each to be offered for sale pursuant to this Prospectus	<u>397,012,930</u>
Offer/Issue price per share	RM3.30

There is only one class of shares in the Company, namely ordinary shares of RM1.00 each. The Initial Public Offering Shares will rank pari passu in all respects with the then existing ordinary shares of the Company, including voting rights and will be entitled to all rights and dividends that may be declared subsequent to the date of this Prospectus.

Subject to any special rights attaching to any share which may be issued by the Company in the future, the holders of ordinary shares in the Company shall, in proportion to the amount paid-up on the shares held by them, be entitled to share in the whole of the profits paid out by the Company as dividends and other distributions and the whole of any surplus in the event of liquidation of the Company, such surplus being distributed amongst the members in proportion to the paid-up capital at the commencement of the liquidation, in accordance with its Articles of Association.

Each ordinary shareholder shall be entitled to vote at any general meeting of the Company in person or by proxy or by attorney, and, on a show of hands, every person present who is a shareholder or representative or proxy or attorney of a shareholder shall have one vote, and, on a poll, every shareholder present in person or by proxy or by attorney or other duly authorised representative shall have one vote for each ordinary share held. A proxy need not be a member of the Company.

8. PARTICULARS OF THE INITIAL PUBLIC OFFERING

8.1 Details of the Initial Public Offering

8.1.1 Public Issue and Public Offer for Sale

- (i) The Public Issue shall be subject to the terms and conditions of this Prospectus upon acceptance, the Public Issue Shares will be allocated in the following manner:-
 - (a) 149,681,000 new shares (and any shares not subscribed for under 8.1.1 (b) and 8.1.1 (c) below) will be made available for application by the Malaysian public, of which a minimum of 30% is to be set aside strictly for Bumiputera applicants;
 - (b) 16,177,000 new shares have been reserved for eligible employees of certain companies within the TIME Group; and
 - (c) 3,369,000 new shares have been reserved for eligible dealers of TWSB.
- (ii) The public offer for sale of 173,774,000 shares shall be subject to the terms and conditions of this Prospectus and will be made available for application to the Malaysian public, of which a minimum of 30% is to be set aside strictly for Bumiputera applicants.
- (iii) Any shares not applied for under the Public Issue and Public Offer for Sale will be made available to the Entitled Shareholders who apply for excess shares under the Restricted Offer for Sale.

8.1.2 Restricted Offer for Sale

Subject to the terms and conditions of this Prospectus, the application for 144,538,930 Offer Shares is restricted to the Entitled Shareholders on a non-renounceable basis of one (1) TIME dotCom ordinary share for every two (2) existing TIME ordinary shares held.

Pursuant to the resolution passed at the Extraordinary General Meeting of TIME on 13 September 2000, only shareholders of TIME other than Renong, TIME Investments (Cayman) Limited and their nominees/associates will be entitled to allocation of TIME dotCom shares under the Restricted Offer for Sale.

Any share not subscribed for by the Entitled Shareholders under the Restricted Offer for Sale will be made available for application by the Malaysian public under the Public Issue and Public Offer for Sale.

8.1.3 Placement Shares

The placement by TIME dotCom of 5,455,000 new shares and by TIME of 78,700,000 existing TIME dotCom shares shall be subject to the terms and conditions of this Prospectus and will be allocated to the respective investors. The Placement Shares are not available to the Malaysian public or Entitled Shareholders.

8. PARTICULARS OF THE INITIAL PUBLIC OFFERING (Cont'd)

Save for the 84,155,000 Placement Shares reserved for specific investors, the balance of the Initial Public Offering Shares have been fully underwritten. The Placement Shares reserved for specific investors need not be underwritten and are therefore not underwritten.

8.2 Indicative Dates for the Initial Public Offering

Opening	:	22 January 2001
Closing	:	8 February 2001
Tentative Balloting	:	February 2001
Tentative Allotment	:	March 2001
Tentative Listing	:	March 2001

8.3 Purposes of the Initial Public Offering

The purposes of the Initial Public Offering are as follows:-

- As an essential and integral part of the restructuring scheme of the TIME dotCom Group, details of which are set out in Section 10.2, page 48 of this Prospectus, in order to resolve the debts of the TIME dotCom Group and the TIME Group;
- To provide an opportunity for the Malaysian public, eligible employees of certain companies in the TIME Group, eligible dealers of TWSB, Entitled Shareholders and identified institutional investors to participate in the growth of the TIME dotCom Group by way of equity participation;
- To enable TIME to raise funds from the capital market for the redemption of its debt securities and to finance the telecommunications business; and
- To obtain a listing of and quotation for the entire issued and paid-up share capital of TIME dotCom on the Main Board of the KLSE.

8.4 Proceeds of the Initial Public Offering

The minimum subscription to be raised in order to satisfy the objectives of the Public Issue and Offer for Sale is RM558.45 million and RM1,310.14 million respectively.

The gross proceeds arising from the Public Issue, which will accrue entirely to TIME dotCom, will be utilised in the following manner by end of year 2001:-

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

All expenses and fees incidental to the listing of and quotation for TIME dotCom's entire issued and paid-up capital of 2,530,775,000 ordinary shares of RM1.00 each on the Main Board of KLSE and the underwriting commission and brokerage relating to the Public Issue, estimated at RM60.00 million, shall be borne by the Company. Of the RM60.00 million, approximately RM36 million are paid or will be paid for services of experts comprising merchant bank, solicitors, auditors and independent consultants.

The financial impact on the TIME dotCom Group of the above utilisation of proceeds is interest savings of approximately RM56 million (assuming interest rate of 10%) per annum which the TIME dotCom Group would otherwise have to incur had it borrowed to fund those expenditure.

8. PARTICULARS OF THE INITIAL PUBLIC OFFERING (Cont'd)

No part of the proceeds of the Offer for Sale and TIME Placement of RM1,310.14 million is receivable by TIME dotCom and will accrue entirely to TIME as the Offeror. This proceeds will be utilised to redeem in part approximately RM3,945.80 million nominal value 2000/2002 redeemable promissory notes issued by TIME in connection with its debt restructuring scheme under Section 176 of the Companies Act, 1965 within thirty (30) days from the date of the listing of TIME dotCom. TIME shall bear the underwriting commission, brokerage and other charges relating to the Offer for Sale amounting to approximately RM74.00 million. Of the RM74.00 million, approximately RM22 million are paid or will be paid for services of experts comprising merchant bank, solicitors, independent advisors and auditors.

The TDC Placement will not raise any net cash proceeds as the 5,455,000 TIME dotCom shares are to be issued as payment for work previously performed and equipment previously sold and delivered by Tanjung Serbaneka Holdings Sdn. Bhd., a turnkey contractor of TWSB.

8.5 Basis of Arriving at the Issue/Offer Price

The issue/offer price of RM3.30 per TIME dotCom share was developed principally through the application of the income approach technique known as the discounted cash flow method ("DCF") for the telecommunication business, and revenue multiple approach for the internet business. In the DCF methodology, value depends on the present worth of future economic benefits to be derived from ownership of shares in the company. Thus, indications of value were developed by discounting future net cash flows available for equity distribution to their present worth at market derived rates of return appropriate for the risk and hazards of the project. The revenue multiple approach compares the enterprise value ("EV") per dollar revenue of similar internet access companies to arrive at the enterprise value of the internet business.

For the issue/offer price of RM3.30, the discount rate applicable under the DCF valuation of the telecommunication business is approximately 14.0% while the EV over gross revenue multiple for the internet business is approximately 7.2 times, based on the profit and cashflow estimates, forecasts and projections of the TIME dotCom Group as set out in Section 16, page 174 of this Prospectus.

8.6 Underwriting Commission and Brokerage

The Joint Lead Underwriters and the Underwriters have agreed to underwrite the entire Initial Public Offering Shares save for the 84,155,000 Placement Shares reserved for specific investors which need not be underwritten.

Public Issue Shares

Underwriting commission relating to the Public Issue Shares is payable by the Company at the rate of 2% of the issue price of RM3.30 per share.

Brokerage relating to 149,681,000 Public Issue Shares (and any share not subscribed for as set out in Section 8.1.1 (b) and 8.1.1 (c) in page 37 of this Prospectus) that are made available for application by the Malaysian public is payable by the Company at the rate of 1.0% of the issue price of RM3.30 per ordinary share in respect of successful applications which bear the stamp of CIMB, member companies of the KLSE, members of the Association of Banks in Malaysia, members of the Association of Merchant Banks in Malaysia and MIH.

Offer Shares

Underwriting commission relating to 318,312,930 Offer Shares which will be made available to the Malaysian public and the Entitled Shareholders will be borne by TIME as the Offeror at the rate of 2% of the offer price of RM3.30 per share.

8. PARTICULARS OF THE INITIAL PUBLIC OFFERING (Cont'd)

Brokerage relating to 173,774,000 Offer Shares pursuant to the Public Offer for Sale that are made available for application by the Malaysian public is payable by TIME at the rate of 1.0% of the offer price of RM3.30 per ordinary share in respect of successful applications which bear the stamp of CIMB, member companies of the KLSE, members of the Association of Banks in Malaysia, members of the Association of Merchant Banks in Malaysia and MIH.

Details of escape clauses of the underwriting agreement are as follows:-

- (i) The several obligations of the Underwriters under the Underwriting Agreement dated 24 November 2000 and the letters of variation dated 4 January 2001 shall be conditional upon:-
 - (a) Closing Date not being later than 28 February 2001 and listing of TIME dotCom shares not being later than 31 March 2001; and
 - (b) there not have been, on or prior to the Closing Date, any adverse change or any development reasonably likely to involve a prospective adverse change in the condition (financial or otherwise) of TIME and TIME dotCom or any of its subsidiaries and TIME from that set forth in the Prospectus which is material in the context of the issue and offering of the Initial Public Offering Shares or the occurrence of any event rendering untrue or incorrect to an extent which is material as aforesaid any representations or warranties therein contained as though they had been given or made on such date.

If the foregoing conditions are not satisfied, the Underwriters shall thereupon be entitled to terminate the said Underwriting Agreement by notice in writing delivered to TIME dotCom and TIME and in that event the parties shall be released and discharged from their obligations thereunder, and TIME and TIME dotCom shall remain liable for the payment of cost and expenses incurred referred to in the Underwriting Agreement prior to such release or discharge provided that the Underwriters may at their discretion waive compliance with any of the provisions above.

- (ii) Notwithstanding anything therein contained, the Underwriters or any of them acting through the Managing Underwriter may at any time before the Closing Date terminate its obligations under the Agreement if in its reasonable opinion there shall have been such a change in national or international monetary, financial, political or economic conditions or exchange control or currency exchange rates or government requisition or other occurrences of any nature whatsoever which would materially affect the business of TIME dotCom or of its subsidiaries or would in its reasonable opinion prejudice materially the success of the issue and offering of the Initial Public Offering Shares, whereupon their distribution or sale (whether in the primary market or in respect of dealings in the secondary market) and thereupon, the Underwriters, TIME and TIME dotCom shall (except for the liability of TIME and TIME dotCom for the payment of costs and expenses referred to in the Underwriting Agreement incurred prior to or in connection with such termination) be released and discharged from their respective obligations.
- (iii) In addition to and not in derogation of (ii) above, subject to prior agreement by at least five (5) Underwriters and who together have herein agreed to underwrite at least fifty (50%) percent of the the shares to be underwritten as indicated in the Underwriting Agreement, the Agreement may be terminated by notice in writing delivered to TIME dotCom and TIME prior to the Closing Date if the success of the issue is in the opinion of the said Underwriter(s) seriously jeopardised by:-
 - (i) the coming into force of any laws or Government regulations or directives which seriously affects or will seriously affect the business of TIME dotCom and the Telcos; or

8. PARTICULARS OF THE INITIAL PUBLIC OFFERING *(Cont'd)*

- (ii) any material breach by TIME dotCom and TIME of its representations, warranties and obligations or undertakings under this Agreement; or
- (iii) any material and adverse change in this condition (financial or otherwise) of TIME dotCom and the Telcos from that described in the Prospectus.

On delivery of such notice as prescribed above, the Agreement shall become void and each party's rights and obligations hereunder shall cease and none of the parties (except for the liability of TIME dotCom and TIME in respect of payments of costs and expenses referred to in the Underwriting Agreement incurred prior to or in connection with such termination) shall have any claim against each other. Thereafter the Underwriters and TIME dotCom and TIME shall confer with a view to deferring the Initial Public Offering or amending the terms and/or entering into a new underwriting agreement provided that neither TIME dotCom nor TIME nor the Underwriters shall not be under any obligation to enter into such new agreement.

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9. APPROVALS AND CONDITIONS

9.1 Approvals and Conditions

The Flotation Scheme as set out in Section 10.2 in page 48 of this Prospectus have received approvals from the following:-

(i) The SC, which was obtained on 28 June 2000. The approval of the SC was subject to, inter-alia, the following conditions:-

(a) A definitive agreement with a strategic investor who will participate in the equity of TIME dotCom is to be executed prior to the issuance of the prospectus for the listing of TIME dotCom. In the event that the said strategic investor does not have expertise in the telecommunications business, TIME dotCom is to sign a technical agreement with a party with such expertise who will add value to the business of TIME dotCom;

(b) TIME is to formulate a concrete plan to enable the Company to fully redeem RM3,945.8 million nominal value 2-year zero-coupon redeemable promissory notes ("Notes") and a contingency plan to fully redeem US\$250 million nominal value zero-coupon redeemable secured bonds 1996/2001 ("US\$ Bonds") prior to the implementation of the Flotation Scheme. The details of the concrete plan and the contingency plans are to be disclosed in the prospectus and circular to the shareholders of TIME;

(c) The utilisation of the gross proceeds from the proposed public issue by TIME dotCom is revised as shown below:-

	RM'000
To finance the TIME dotCom Group's telecommunications business	451,500
Listing expenses	60,000
	<u>511,500</u>

The above utilisation was based on the original proposed issuance of 155 million new shares by TIME dotCom at RM3.30 per share pursuant to its public issue. The number of new TIME dotCom shares was subsequently increased to 169,227,000 shares at RM3.30 per shares, raising total proceeds of RM558.45 million, to be utilised as set out in Section 8.4 in page 38 of this Prospectus;

(d) TIME dotCom is required to comply with the SC's Guidelines for Public Offering of Securities of Infrastructure Project Companies under which the key licences held by the TIME dotCom Group must have an unexpired period of not be less than 15 years from the date the proposal for flotation scheme was submitted to the SC; and

(e) The promoter(s) of TIME dotCom is/are to fully comply with the moratorium on sale of 51% of TIME dotCom's issued and paid-up share capital.

The Company has on 25 July 2000 appealed to the SC in respect of the conditions as stated in 9.1(d) and (e) above.

9. APPROVALS AND CONDITIONS *(Cont'd)*

On 6 September 2000, the SC exempted TIME dotCom from having to comply with condition stated in 9.1(i)(d) above subject to the condition that the TIME dotCom Group:-

- (a) will apply for renewal/extension of the key telecommunications licences as soon as they are renewable/extendable; and
- (b) does not engage in any activity or fails to comply with any matter that will result in the Ministry of Energy, Communications and Multimedia having the right to refuse the renewal/extension or revoke the key licences.

The SC, however, did not approve the Company's appeal to waive the 51% moratorium condition. The Company will accordingly comply with the 51% moratorium condition, details of which are set out below.

- (ii) The FIC, which was obtained on 11 August 2000. The approval of the FIC was subject to the condition that TIME dotCom is to have at least 30% direct Bumiputera equity interest upon implementation of the Flotation Scheme.

This condition will be complied with upon transfer of 506,160,000 TIME dotCom shares from TIME to Khazanah pursuant to the Share Sale Agreement between both parties dated 8 July 2000 on or before the date of allotment of TIME dotCom shares for the Initial Public Offering;

- (iii) The MITI, which was obtained on 30 September 2000. The approval of the MITI is subject to TIME dotCom allocating at least 30% equity interest to Bumiputera upon listing;
- (iv) The KLSE for the listing of and quotation for the entire issued and paid-up share capital of TIME dotCom on the Main Board of KLSE. Approval-in-principle has been obtained from the KLSE on 24 November 2000 for admission to the Official List of the Main Board of KLSE and for permission to deal in and for quotation of the entire issued and paid-up ordinary shares of the Company; and
- (v) Shareholders of TIME at an Extraordinary General Meeting held on 13 September 2000.

9.2 Compliance with Conditions

Strategic Investor

On 8 July 2000, TIME entered into a Share Sale Agreement with Khazanah as follows:-

- (i) to sell to Khazanah 506,160,000 ordinary shares of RM1.00 each representing 20% equity interest in the resultant enlarged issued and paid-up share capital of TIME dotCom for a cash consideration of RM1,518,480,000; and
- (ii) for TIME to issue to Khazanah RM784,548,000 nominal value irredeemable exchangeable secured bonds at an issue price of RM606,683,376 exchangeable for and secured upon 253,080,000 ordinary shares of RM1.00 each representing 10% equity interest in the resultant enlarged issue and paid-up share capital of TIME dotCom.

Technical Agreement

Since Khazanah does not have expertise in the telecommunications business, on 21 October 2000, TIME dotCom signed a Technical Assistance Agreement ("TAA") with Global One Communications L.L.C. ("Global One").

9. APPROVALS AND CONDITIONS (Cont'd)

Global One is a limited company incorporated in Delaware, United States of America, with its office at 12490 Sunrise Valley Drive, Reston, Virginia. It is an international telecommunications service provider which provides seamless voice, data, and IP services for business, carriers and customers around the world.

Under the TAA, Global One has agreed to provide technical assistance and training services in the area of engineering (trouble management, network management, planning and reporting facilities management), product marketing (joint marketing activities, promotions, exhibition and customer event), and product development (introduction of services) aspects of certain services of the Global One group of companies to TIME dotCom and/or its subsidiaries.

The TAA is for an initial term of one (1) year commencing from the expiration of three (3) months from 21 October 2000. The TAA may be extended after the initial term at a consideration to be agreed. The consideration payable by TIME dotCom for the initial term is up to a maximum of US\$1,000,000 for 8,000 hours of technical assistance.

Concrete Plan

On 22 December 2000, TIME secured a RM806.5 million 3-year term loan facility offer from a financial institution. The purpose of this facility is as follows:-

Purpose	RM'million
To part redeem the Notes in conjunction with its restructuring	450.0
To redeem the 1st tranche of US\$ Bonds	313.5
As proposed financial support to certain of its subsidiaries	43.0
	<u>806.5</u>

With the abovementioned offer, TIME now has in place a concrete plan to fully redeem the Notes. The plan is as follows:-

	RM'million
Total amount of Notes	3,945.8
Less: Notes held by certain subsidiaries of the TIME Group not directly involved in the telecommunications business, and not required to be redeemed	(134.5)
Amount of Notes to be redeemed	<u>3,811.3</u>
Source of repayment	
Sale of TIME dotCom shares to Khazanah	2,125.2
Offer for Sale	1,310.1
Term loan from financial institution	450.0
	<u>3,885.3</u>
Less: Estimated expenses of the Offer for Sale	(74.0)
Balance available to redeem the Notes	<u>3,811.3</u>

The term loan from the financial institution is secured, inter-alia, against some of the TIME dotCom shares owned by TIME, including the TIME dotCom shares which are subject to moratorium in connection with the listing of TIME dotCom.

9. APPROVALS AND CONDITIONS (Cont'd)

Contingency Plan

The contingency plan to redeem the US\$ Bonds issued by TIME, in the event that the proceeds from the issue and exercise of warrants of TIME is insufficient to fully redeem the US\$Bonds, is to sell the existing quoted investments pledged to secure the US\$Bonds in the open market. These quoted investments are 364,865,339 Renong shares and 6,595,000 EPE shares.

On 2 January 2001, TIME signed a conditional Share Sale Agreement with Taraf Perdana Sdn. Bhd. ("Taraf Perdana") to dispose of TIME's entire 500,962,110 ordinary shares of RM0.50 each (the "Sale Shares") (of which the abovementioned 364,865,339 Renong shares form part of) representing 21.56% equity interest in Renong for a total consideration of RM874,679,844.06 or RM1.746 per Renong share ("Proposed Disposal").

The key conditions precedent to the Proposed Disposal are as follows:-

- (i) the SC, including a waiver to Taraf Perdana and concert parties upon the completion of the sale and purchase of the Sale Shares and a confirmation from the SC that such waiver would be in addition to and not have any effect on the earlier waiver granted to Tan Sri Halim Saad, the controlling shareholder of Taraf Perdana, pursuant to their letter dated 9 January 1998 in respect of the put option granted by Tan Sri Halim Saad to United Engineers (Malaysia) Berhad;
- (ii) the Foreign Investment Committee;
- (iii) the High Court of Malaya pursuant to Section 176 10(C) of the Companies Act, 1965, if required;
- (iv) the Kuala Lumpur Stock Exchange for the disposal of the Sale Shares as a Direct Business Transaction at RM1.746 per share;
- (v) the shareholders of TIME at its extraordinary general meeting to be convened;
- (vi) the holders of the US\$ Bonds issued by TEB to whom part of the Sale Shares have been pledged for the release and discharge of assets (including such Sale Shares) pledged to secure the US\$ Bonds;
- (vii) the other lenders to whom part of the Sale Shares have been pledged for the release and discharge of such Sale Shares; and
- (viii) any other relevant authorities.

Moratorium on Sale of Shares

The Initial Public Offering made under the terms of this Prospectus was approved by the SC on 28 June 2000.

It is a condition of the SC's approval that the promoters of TIME dotCom and Khazanah will not be allowed to sell, transfer or assign their shares in TIME dotCom as tabulated below within one (1) year from the date of admission of TIME dotCom to the Official List of the Main Board of the KLSE.

9. APPROVALS AND CONDITIONS (Cont'd)

Further, TIME and Khazanah may not sell, transfer or assign the ordinary shares placed under moratorium until operating pre-tax profits are realised for at least two (2) consecutive years based on TIME dotCom's audited accounts. Once TIME dotCom generates operating pre-tax profits for at least two (2) consecutive years, TIME and Khazanah may then sell, transfer or assign the ordinary shares placed under moratorium up to a maximum of one-third per annum on a straight line basis upon obtaining written approval of the SC:-

Existing shareholder	No. of TIME dotCom shares held after the Initial Public Offering	Proportion of enlarged issued share capital after the Initial Public Offering %	No. of TIME dotCom shares placed under moratorium	Proportion of enlarged issued share capital after the Initial Public Offering %
TIME	1,391,920,070*	55.00	1,037,616,000	41.00
Khazanah	506,160,000*	20.00	253,080,000 ⁺	10.00

* Under the terms of the Share Sale Agreement dated 8 July 2000, Khazanah has a deemed interest pursuant to Section 6A of the Companies Act, 1965 in 10% of the enlarged issued share capital of TIME dotCom belonging to TIME by virtue of the 3-year zero coupon irredeemable exchangeable secured bonds ("ESB") issued by TIME to Khazanah. The ESB is secured upon and exchangeable for 253,080,000 TIME dotCom shares.

+ Khazanah's moratorium shares comprise the 253,080,000 TIME dotCom shares that are pledged to and exchangeable under the ESB.

This restriction is specifically endorsed on the share certificates which are under moratorium to ensure that the Company's Registrar shall not register any transfer not in compliance with this restriction. This restriction has been fully accepted by TIME and Khazanah. The remarks to be endorsed on the share certificates of the shares placed under moratorium are as follows:-

"The shares comprised herein are not capable of being sold, transferred or assigned for a period as determined by the SC ("Moratorium Period"). The shares comprised herein will not constitute good delivery pursuant to the Rules of the Exchange during the Moratorium Period. No share certificate or certificates will be issued to replace this certificate during the Moratorium Period unless the same shall be endorsed with this restriction."

At the date of this Prospectus, the TIME dotCom Group has not generated pre-tax profits since commencing operations.

Certain TIME dotCom shares under moratorium may be subject to profit sharing with the creditors under the terms of the debt restructuring scheme of TIME, the quantum of which can only be determined at the expiry of Notes. The transfer of such TIME dotCom shares are subject to these shares continuing to carry the moratorium condition.