

The benefits of these measures have been positive as reflected in the financial results for 1999 and 2000. For the Business Plan 2001-2004, TT dotCom will continue with the cost cutting programme and also will be looking for new methods and technology especially for Out Side Plant (OSP) work where further cost reductions can be achieved.

5 TIME WIRELESS SDN. BHD.

5.1 Overall Strategy

TWSB operates on the 1800 MHz frequency band. The Minister of Energy Telecommunications and Posts (now known as the MECM) had on 26 September 1994 approved the use of a 25 MHz band (1710 MHz to 1735 MHz and from 1805 MHz to 1830 MHz) for TWSB's GSM network. The 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.

TWSB will embark on a market penetration growth strategy immediately while, at the same time, improving its network coverage and service offering to capture a more valuable market segment. TWSB will take advantage of its low network cost to offer a competitive pricing strategy to penetrate the price sensitive segment. To increase the attractiveness of TIMECel (formerly "ADAM") to the more demanding business users, TWSB understands the need of improving network coverage in order to increase competitiveness and extend its addressable market segment. In addition to the existing exclusive right-of-way along the NSE, an aggressive network coverage expansion program has taken place to improve the overall coverage to match or exceed those of its competitors.

In term of service offering, TWSB has plans to enhance the marketing mix of its products to deliver high quality value-for-money service. Subsequent to the network build-out, TWSB will focus on moving up the value chain through brand building via advertising and promotion, expansion of distribution channels, enhancing the customer service standard and investing in new technology such as WAP and GPRS to provide innovative products and services to TWSB's subscribers.

TWSB recognises the need to adopt new technologies to compete. TWSB has introduced Wireless Internet Services using WAP technology and plans to provide high speed wireless data services as part of its plan to be a leading player in the mobile internet business. In anticipation for a growing demand for mobile data services, TWSB has upgraded its network to support General Packet Radio Services ("GPRS") in 2000. GPRS is an enhancement to TWSB's mobile network that supports packet data transmission, which increase the data speed and therefore enabling and augmenting the possibility of introducing new applications to TWSB's customers. It allows TWSB to offer wireless access speed of up to 115 kbps. These applications include enhancements on the present WAP services, remote access to corporate intranet, telemetry applications, etc.

5.2 Industry Drivers

5.2.1 Technology

The advent of 3G wireless system promises to offer voice quality and data transfer speeds to match fixed networks but with the value of mobility. 3G networks require high bandwidth to support broadband wireless and fixed data transmission. With the 100% fibre optic backbone network under TIME dotCom, the management of TWSB believes that TWSB is strongly positioned to implement a 3G network with the least cost and fastest deployment time.

The pace of the technology growth will fuel the growth in the cellular industry. The changing face and environment of the telecommunications industry will flow into traditional voice data to include wireless applications and services. There has been a trend of technology convergence, which includes telecommunication, computing and content. This means that operators are able to generate improved margins through value-added services. The convergence of technology has driven users to demand mobility and accessibility wherever they are. Whether as a lifestyle choice or a necessity, users demand the convenience of being accessible on the run. Similarly, mobile computers and offices with high capacities and functions are being compressed into small and lightweight devices.

Technology enablers have made it possible to incorporate wireless solutions into existing communication means. The move toward handheld communication terminals, smart phones and PDAs (personal digital assistant) will continue to grow as the requirement for mobility increases. Wireless data services will be a key building block for total customer solutions in convergence. Computing environments will shift from centralised to networked systems.

5.2.2 Consumer Demand

Consumer demand for affordable and coherent services has meant that technology convergence will be inevitable. As wireless networks begin to offer comparable services to fixed networks, both networks will merge their infrastructures to achieve cost efficiencies. When this occurs, the convergence of the Internet with wireless communication will follow. The Internet is the missing link to allow cellular users access to information while on the move.

Therefore, a platform to deliver information to cellular users is required, i.e. highspeed wireless data services. Ultimately, fixed-wireless services and the internet will converge to enable users to remain contactable and have access to information anytime, anywhere and on any device.

TWSB intends to offer value-for-money packages to consumers due to its low cost structure in both postpaid and prepaid markets. Whilst pricing is one of the main differentiators from its competitor, TWSB also recognises the need to acquire new technologies to develop and introduce new innovative services, thereby bringing more value to its users to attract higher ARPU customers to register for post-paid as well as prepaid.

5.2.3 Network coverage and capacity

Currently, TWSB's coverage is supported by over 700 BTS covering 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.

TWSB's coverage expansion plans will increase its BTS from over 700 sites to over 1,000 sites within the next 12 months. In year 2001, TWSB plans to increase its network coverage to serve over 90% of the population.

As part of the integration efforts of the group, TWSB has been using TT dotCom's fibre optic network for its own requirements and for coverage of the NSE. The NSE is the backbone supporting all economic activities in the West Coast of Peninsular Malaysia as the NSE links all major towns, key transport routes, commercial and industrial areas along the West Coast.

TWSB completed the first phase of its NSE coverage in November 1998 and coverage now extends to 85% of the expressway. With this coverage, TWSB now provides the most comprehensive coverage on the NSE and this competitive edge has been a significant driver in its increase in subscriber acquisition. TWSB will complete the remaining 15% of the NSE coverage by the first half of 2001.

5.3 Business Strategy and Implementation Plan

5.3.1 Market Segmentation

The cellular industry can be segmented based on the level and pattern of usage. The process of segmenting becomes increasingly important in the long-run as the level of competition increases. When the market reaches saturation levels, the strategy is to focus on individual demands. It is not viable to tailor marketing campaigns to a broad range of individuals. By segmenting the industry, target marketing and packaged deals can be more cost effective to implement. TWSB has segmented the cellular market under the following categories:-

- High end users;
- Life style users; and
- Casual users.



Roadshows to promote our product and services

5.3.2 Marketing

Successful marketing involves studying the target audience and meeting their requirements. After the target audience has been identified, advertising campaigns should be directed to that particular audience.

TWSB will formulate strategies to meet the demands of its identified segments.

For high-end users, TWSB will adopt a strategy of delivering high quality service with comprehensive coverage at a premium. Branding will be established to create an identity and personal belonging to the high end users. This group of users will be given preferential and personalised services.

For lifestyle users, TWSB will focus on offering various packages that meet the demand of this segment. The key to delivering flexibility will be value for money pricing schemes matched to the usage.

For casual users, a generic mass marketing approach will be adopted. The package covers basic access with optional value added service.

Wide Sales and Distribution Network

The current dealer sales and distribution network covers over 90% of the population. TWSB will continue to leverage on this channel to market its products. TWSB will continue to further strengthen the dealer relationship to maximise a "product push" factor. Attractive sales incentive schemes will be implemented to reward performing dealers. To gain access to new markets, there are also opportunities to appoint distributors/sales agents who are currently servicing the following non-traditional channels:-

(a) Consumer Retail Channel

- Photo and camera shops
- Convenience shops
- Medicine shops/Pharmacies
- Bookshops

(b) Community Marketing Channel

- Insurance groups
- Direct selling groups
- Multi-level marketing groups
- Associations/Membership clubs

(c) Corporate Sales Team

TWSB has formed a dedicated corporate sales team to focus on tailoring packages and servicing the corporate segments. The sales team works closely with group corporate sales team at TIME dotCom level and lever from the accumulated customer database in the business segment at TIME dotCom level.

5.4 Industry Outlook for Wireless Data

There are more cellular phones than personal computers as they are cheaper. The evolution of wireless data will open a new window of opportunities to TWSB. There will be a new demand by consumers for voice and data service with the convenience of mobility. TWSB will use wireless data to:-

- Gain access to new market segment;
- Increase and generate higher ARPU from existing subscribers by providing enhanced wireless value-added services; and
- Differentiate itself from competition.

TIME Wireless Data Strategy

TWSB believes wireless data is the value driver for the future business. It will embark on the following key steps in unlocking this value:-

- WAP services have been introduced to provide users access to Internet contents. TWSB has just launched in December 2000 the high speed wireless data services - GPRS to enhance WAP services, increase the efficiency of surfing the Internet with mobile phones and augment the possibilities of other wireless data services. TWSB will upgrade its wireless network to support 3G technology once it becomes commercially available.
- Create an environment to aggregate content providers, application developers and service providers to establish a wireless portal, which will evolve to a single fixed/wireless access portal as part of the group overall Internet strategy.
- The technologies acquired and the wireless portal created will be capitalised to capture revenues from mobile Internet businesses.
- Leverage on the customer base gathered to market the group's products and services via telemarketing, and "push and pull" advertising channels.

Voice ARPU is expected to decline over time due to price competition. TWSB will use revenues generated from its wireless data business to supplement its overall subscriber ARPU. The main revenue components from TWSB's wireless data business are as follow:-

- Wireless data access revenue;
- M-commerce revenue; and
- Advertising revenue.

6 TIME REACH SDN. BHD.

6.1 Overall Strategy

TRSB manages and operates the payphone business of the group. The payphone industry in Malaysia, like the fixed line, has historically been dominated by TMB. However since TRSB's inception in 1974, the company has gained significant ground to hold almost an equal share of the market in terms of revenue. Today, the payphone industry essentially is a two-player market, a trend which is likely to continue. In the short to medium term, it is envisaged that this market will not significantly change in terms of number of players in the market. However, changes will occur by way of revenue distribution and share. Changes in technology and communication trends will mean traditional revenues will not contribute significantly and payphone operators will need to look to other means of increasing economic value.

TRSB's strategy is focused on profit and cashflow maximisation. This will include the withdrawal of low revenue phones resulting in a net reduction in the total number of phones deployed. By concentrating on maximising usage per phone, TRSB will implement strict cost reductions whilst strengthening the collection security and further improve operation management. TRSB will also implement a program to migrate approximately 34,000 payphones currently connected to TMB or other network providers onto the TT dotCom's network. This program is currently on-going and will significantly enhance profitability and cashflow.

6.2 Industry Drivers

6.2.1 Regulatory

The regulatory function is performed by the Malaysian Communications and Multimedia Commission and the industry players usually adopt a common approach with regards to interaction with the regulatory body. Payphone services have not been included as part of the Cost Based Interconnection Regime which was extended for the fixed and mobile operators with effect from 1 January 1999. Thus, revenue sharing will continue to be the basis for interconnection settlement as will be the case once TRSB's payphones are migrated to TT dotCom's network.

6.2.2 Technology and product offering

There are three areas of technology drivers that will drive the evolution of the payphone market; (i) terminal technology, (ii) card technology, and (iii) network information technology. Card only phones have not proved popular in Malaysia as evidenced by significantly lower ARPL experienced by the industry. This trend is consistently true throughout market segments and location types. As such, TRSB will be withdrawing from the cardphone market and will deploy multipayment phones in 2001 as existing coinphones reach their replacement requirement. Determinants will include the materialisation of the anticipated drop in multipayment phone prices, demand for data services, additional potential to generate advertising revenue from LCD displays and the impact of the use of physical booths as prominent corporate advertising of the 'new' TIME dotCom brand image.

6.3 Business Strategy and Implementation Plan

With the growth of wireless communication, comes the cannibalisation of fixed line revenue. Whilst this cannibalisation is dampened by the increasing use of data facilitated by the TT dotCom's fixed line business, it does not exist in payphones. The convenience and portability offered by mobiles has meant that payphone usage is diminishing. This means that for TRSB to maintain its existing revenue contribution, it has to maximise the value per payphone by increasing usage. Whilst fewer and fewer people are adopting their use, they will never be completely obsolete. However, TRSB will need to rationalise and implement strategic plans to create and enhance value.

6.3.1 Cost Rationalisation

On the cost side, TRSB will endeavour to drive down operating costs. Already being implemented, TRSB is migrating their payphones away from TMB's network onto TT dotCom's own fixed line network. With technological advancement in TT dotCom's 100% fibre optic cable network, it can easily support the existing payphone network. With a large proportion of the existing cost base due to line rental costs, the payphone migration will significantly boost margins. The transition will create value in two respects. Firstly, the direct effect is to drive operating costs lower as a result of lower or no rental charges in the future. The second is the indirect effect of realised synergies that have not been exploited in the past between the fixed and payphone business. This cost cross-subsidisation improve efficiencies in management and operation resulting in cost savings.

To further bring costs down to an acceptable level, TRSB will reduce the number of payphones in operation. By shutting down payphones in low usage areas and redeploying them in high usage areas, costs are reduced whilst revenue per payphone increases. TRSB will strategically target key areas where the utilisation is sufficiently high. The focus will be on highly populated areas and places where utilisation is likely to be maximised such as universities, public arenas and shopping malls.

6.3.2 Collection outsourcing

Coin collection from payphones will be outsourced. This will result in lower operating cost and will enable TRSB to refocus its resources to enhance revenue.

6.3.3 New revenue generation

New revenue is being generated by incorporating advertising panels in the payphone booths. With larger LCD screens, payphones themselves may also be used as an advertising medium.

6.3.4 Future product upgrade

With the replacement of payphones due in 2001, TRSB will renew its option to implement multipayment phones. These multipayment phones do not restrict the user to coin operations only. In any case, these new phones will have common readers intended to allow selection of payment. The new phones will also have larger LCD screens which are ideal to display advertising content, public information or as a corporate branding tool to enhance the company's identity and presence in the public. Callers are able to visually view the information when they pass a phone booth and whilst they are in the midst of making calls.

TRSB anticipates that the direction of the industry will change and it will need to constantly review and assess the environment if it is to stay competitive and profitable. With TMB having first mover advantage in terms of presence, TRSB is determined to lead the change to gain first mover advantage as the industry evolves. TRSB feel that the rationalisation and the strategic directions TRSB are moving towards will put it in good stead in the future.

7 TIME DOTNET BHD.

7.1 Overall Strategy

With the growth in the Internet showing exponential trends around the globe, it is inevitable that this growth will flow into Malaysia. TIME dotNet intends to capture this growth at its infancy stage and build on increasing demand. The growth will have a compounding effect with data capacities dictating the growth in Internet access and access propelling the growth in content. The only impediment to growth for the other operators is the constraints on network capacities. As the demand for high bandwidth increases, more and more applications and content will be tailored for higher capacities.

TIME dotNet will utilise TT dotCom's fibre optic network as a platform to launch e-commerce and business to business links within the Malaysian community. TIME dotNet will focus on the areas within finance, education and the medical industry. The long-term goal is to set up a virtual online community that is driven by fast access quality and network support that TIME dotNet can deliver.

7.2 Industry Drivers

7.2.1 Regulatory Environment

The regulatory approach is to establish a multi-tiered system that differentiates between operators and the level of services. The system essentially classes Telcos as a tier one operator that can provide both voice and data services and tier two operators who are restricted from delivering voice (i.e. not being able to build an infrastructure). Tier two operators will have full freedom to develop Internet content and applications. The type of content is not regulated nor is the number of second tier licences limited. Registration of the content is only required as a means of tracking operators. The government will make no attempt to restrict or slow the Internet boom.

This gives TIME dotNet an advantage over tier 2 operators who are restricted from offering voice via the Internet. TT dotCom as an existing Telco operator stands to gain significant advantages by extending the traditional voice transmission with Internet access.

7.2.2 Malaysian Internet Growth

The Internet regime in Malaysia was initiated by MIMOS in 1993 with its JARING site. JARING was then the only operator to offer ISP services to the Malaysian public. More licences were subsequently issued and as of December 2000, six ISP operators have started operations. TIME dotNet intends to leap ahead by out manoeuvring these companies based on quality access via its extensive fibre optic network. The number of Internet users in Malaysia is expected to grow to 4.0 million by the year 2003 (*Source: Management's estimates*).

7.2.3 Segmentation

Within the Internet regime, TIME dotNet has segmented the market based on content, service and access. Content includes vertical portals, search capabilities and community driven sites. The nature of these portals will be tailored to the companies' specifics and help to integrate the operations to achieve efficiencies. Service encompasses B2B and B2C opportunities within but not limited to the company's fibre optic network. Initially, access will be the key driver moving forward with marketing effort focused on generating a subscriber base. TIME dotNet is committed to providing subscribers quality access and customer service.

7.3 Business Strategy

7.3.1 Integrate Technology

TIME dotNet will look to migrate the expertise of the Group's assets and infrastructure to deliver a greater range of services for the subscriber. This will involve delivering a service that enables high-speed access. The cable access will give the household or business ready access at the flick of a switch. By having the network presence, it essentially has exclusive rights to revenue from data traffic inflows and outflows regardless of whether access is through TIME dotNet or an alternative operator. The available access means the household would be reluctant to connect to other operators due to switching costs.

7.3.2 *Economies of Scale*

The strategy the company intends to adopt is one of speed and size. To capture significant advantages, TIME dotNet will move to secure partnerships and agreements with suppliers and potential partners to lock out competitors. For example, agreements can be signed with major financial institutions to facilitate online financial services. By securing a number of large institutional financial corporations, it positions the Company as a connectivity point for these institutions and their markets. By establishing exclusive first rights of refusal through an active partnership agreements, this prevents other ISP providers from offering the same services and differentiates the access TIME dotNet provides.

7.3.3 *Quality and Rapidity of Access*

During the initial period as content is being built up, TIME dotNet's position will be built on superior access quality. One of the key success factors is to have high-speed connectivity and this depends largely on the modem to line ratio. TIME dotNet has a modem to line ratio of 10:1. It is believed that better service quality will encourage users to churn to TIME dotCom's network.

Tenants of over 800 buildings wired by TT dotCom will also enjoy access speeds of 100 times faster than those wired to TMB's copper lines.

7.3.4 *Advertising and Branding*

TIME dotNet will also increase its advertising expenditure to grab consumer mindsets. By imprinting a branding or established web site, customers will be more inclined to buy and spend at this site rather than reverting to other sites. Strong branding will also create a sense of loyalty and reluctance to view other sites. Branding coupled with personalised services creates an identifiable company associated with a premium service. The associated benefits of branding include not just customer loyalty and identity, but also product credibility and trust in the delivery from the firm. Therefore, TIME dotNet will focus on creating an image that is instilled in consumers and continually maintain a constant presence in the community.

7.3.5 *Strategic Partners/Alliances*

TIME dotNet plans to establish alliances with major banking and finance corporations. These alliances will provide a marketing base build off the bank's customers, and vice versa, for joint marketing purposes. There will be opportunities for the bank to pass on cost incentives to online users, thus benefiting both the bank in terms of value added services, and TIME dotNet in terms of access and/or advertising. By offering the convenience of online financial services to customers, banks will gain a more loyal customer base or generate more margins through reduced staff and administration costs.

TIME dotNet intends to formulate partnerships with major content providers to entice access. The partnership will involve provision of content to TIME dotNet in exchange for revenue sharing. The content will be exclusive to TIME dotNet and can only be accessed through subscriptions to the TIME dotNet's network. The strategic partner will essentially cover B2C content and be aimed at delivering entertainment, leisure or a retail vendor. The retail products available will range from consumer perishables to white goods. Ideally, a single vendor will be able to offer a diverse range to ensure that costs of delivery remain low and choice of variety are available. Perishable goods involve getting a major supermarket chain or wholesaler on board to limit the distance of delivery.

The retail market will be extended to cover general services such as ticket ordering, plumbers, electricians, mechanics, hotel and plane reservations, etc. The services segment will grow to include information sites, news updates, classifieds, trading posts, places of interest and online directories (phone, services, hospitals, etc).

TIME dotNet will endeavour to secure a large number of strategic partners to gain scale and size. This establishes the Company's presence online, which can flow into TIME dotCom's principal business, such as leased lines, data and mobile services and video imaging.

7.4 Product Offering

7.4.1 Content and Application

Initially, the Company will outsource content to attract subscribers to their service. This will be in the form of partnerships or independent developers. The partnerships will be targeted at providing financial services (banks, securities trading hosts, research banks), establishing educational portals, and general interest sites. Over time, the Company will endeavour to provide the Company's own internally developed web sites that require TIME dotNet's ISP service for access. This strategy is to capture new subscribers and retain existing subscribers through exclusivity.

The main advantage of developing its own content is that all costs and revenue remain in the Group as well as exclusive rights to content and applications.

7.4.2 Marketing Focus

By creating a corporate branding within the business segment, TIME will create an image that is associated with high quality and value. Taking TIME dotCom's capacity for delivery of quality service and attaching that to an identifiable brand, the Company could instil a sense of loyalty in customers. A marketing strategy is aimed at creating a corporate image focusing on continuous reinforcement to the client that TIME is there to meet their needs; i.e. speedy comprehensive services, a complete one-stop package which is both cost efficient and convenient, tailored to the clients needs.

Strategic partners could help the company to expand in size and attract subscribers. However, in the long-run, TIME dotNet will seek to build and sell its own content on its own network. This creates exclusivity and identity in regards to content. Similarly, TIME dotNet will eventually build its own online applications for corporate businesses, SMEs or entrepreneurs with start-ups. Building our own applications, we develop specific skills that can be itself a revenue driver through consultancy. TIME dotNet will be able to provide end-to-end services for businesses. That is to provide access, develop content, maintain customer support, facilitate payment transfers, and deliver web content to the viewers. The company will seek to develop unique and exclusive content through its own in-house technology. The web content developed will include:-

- **E-Banking** – Provision of banking and transaction facilities online. Subscribers would be able to make bill payments, transfer between accounts and have access to account information;
- **Online Securities Trading** – Online ability to trade domestic and international securities. Customers will be able to view up-to-the minute stock quotes, company financials and research reports all on the tips of their fingers;
- **Medical Database** – Subscribers will have access to the company's unique medical database to view comprehensive reports and research, established

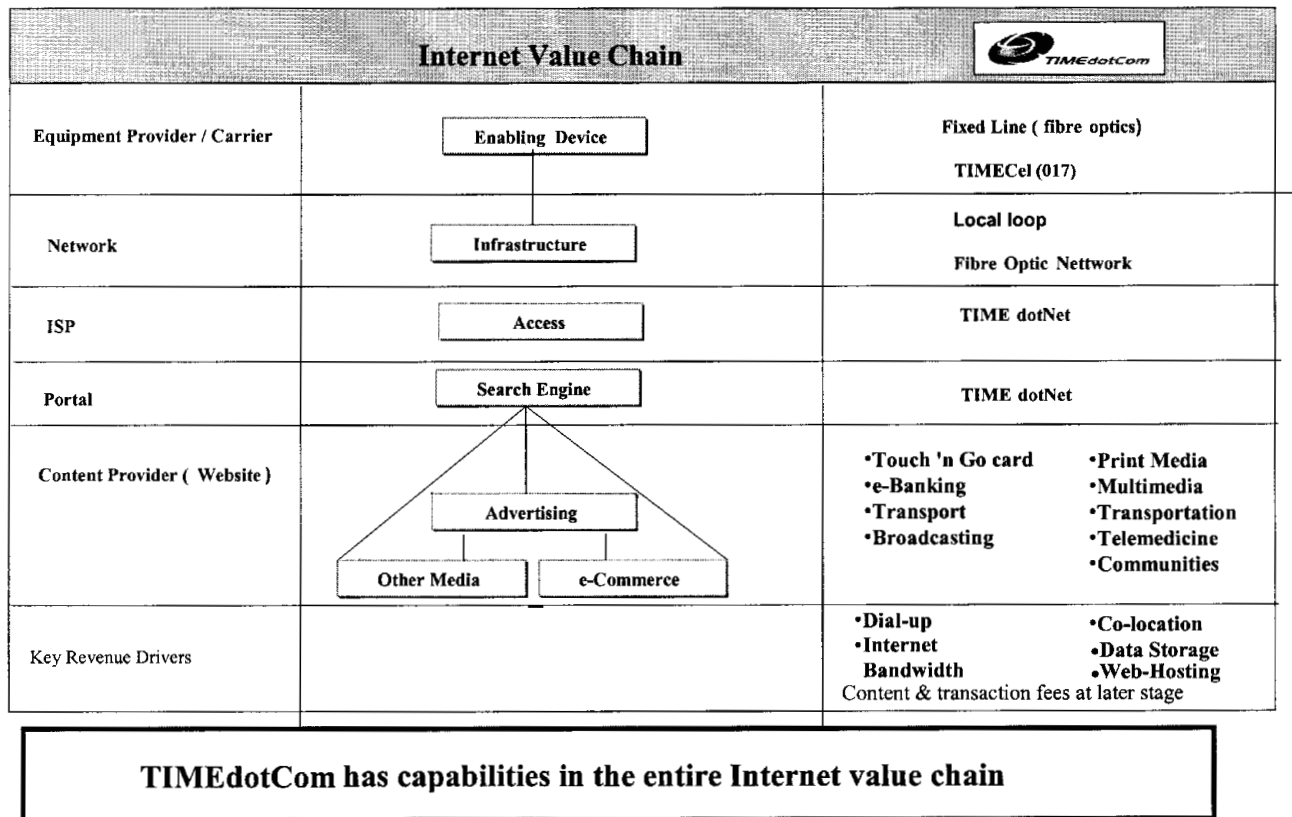
through Renong's unique corporate ties, to stay informed about the latest medical breakthroughs;

- **Online Courses** – Educational courses to cater for all academic levels and difficulties will be provided. This unique service will be impetus to parents to get connected in order for their kids not to be disadvantaged;
- **E-commerce** – The site would provide a means for e-shopping, purchased music downloads, and general retailing; and
- **E-services** – This will enable subscribers to access online ticketing, information services, and news and current events. It is envisaged that one day a Malaysian community will be linked on TIME dotNet's service to meet the general public needs.

7.4.3 *Service proposition*

The backbone that supports the company's network is the fully fibre optic digital backbone that makes high-speed access possible. This is the same backbone we will sell to business and corporates. It is these corporates that will drive the growth in revenue and demand for bandwidth, and with TIME dotNet being the only fibre optic ISP operator, we are at a considerable advantage. Although TMNet and Maxis are intending to upgrade their network, the company has a significant lead time to establish and maintain its position.

TIME dotCom has capabilities in the entire Internet value chain and is thus able to support all aspects of internet services. This capability is best described in the following diagram:-



The Company will target high bandwidth users through providing the following services:-

- Data Communications – Manage corporate communication systems;
- Web Hosting – TIMENet can create a home for your website on the Internet;
- Virtual Private Server – Allows the user to manage and control their own web server;
- Dedicated Server Hosting - TIMENet offers a dedicated server that lets you lease a full server without having to worry on the technology performance, hardware support, liability of equipment and the reliability of Internet connection; and
- Dedicated Lease Line – High speed access at 64 Kbps – 2 Mbps.

7.4.4 Business Integration

One-stop-shop

TIME dotNet, whilst being distinct from the businesses of the other Telcos (TT dotCom, TIME Wireless, and TIME Reach), is not different in terms of its service provision. TIME dotNet will leverage off each of the other three businesses to deliver a comprehensive service. The web services for example E-Banking, securities trading and information services such as ticketing and news will be integrated with the mobile business such that users can have the same access with their mobiles.

Any users of the other Telco services will be given incentives and packages that allow subscribers cross access to a wider service offering. For instance, at the moment there is no subscription or access charges to the ISP network, only a 3-sen/minute charge is carried by the user. This per minute rate is subject to a rebate of 0.5 sen/min for current users of any of the Telcos' services.

Operations

Through integration of the Telcos' business, single billing is possible. In addition, the same database can facilitate the payment schedule. Users of E-Banking will be able to transfer directly to settle all outstanding payments for bills and online trades as a result of securities trading or online shopping. Internal settlement will reduce the risk of fraud and facilitate prompt payment.

7.4.5 Future Direction

To support TIME dotNet's growth, we will endeavour to provide Internet services better than its competitors. With the Internet becoming more competitive, TIME dotNet will seek to cater for all online needs.

Corporate and Strategic Alliance

In order to achieve these goals, we will seek to develop strategic alliances and partnerships with banking and educational institutions, local retailers, media and information bureaus and other corporates. These alliances will provide the exclusivity that makes TIME dotNet's services distinct from other operators.

Marketing Campaign

We will aggressively market TIME dotNet's new service to establish branding and presence. Advertising campaigns will be aimed at the public as well as direct marketing to TIME dotCom's fixed and wireless subscribers. The goal is to expand market share through the quality of service and offering.

8 Summary

The telecommunications industry in Malaysia is set to increase by at least 30% annually for the next 5 years (*Source: Management estimate*). TIME dotCom is a low cost operator which possesses an abundance of bandwidth. The following key points need to be highlighted:-

- (i) New products have been launched to capture the fixed line and mobile markets. TIME GOLD can capture cellular voice market from other operators and also capture fixed line voice revenue from the incumbent and other fixed line operators. It must be pointed out that TIME GOLD is not imputed in the current profit, forecast and projections in the Prospectus and thus represents additional revenues in the profit estimate, forecast and projections in the Prospectus.
- (ii) GPRS has been introduced in December 2000 and this will propel the wireless data business of TIME dotCom in a significant way.
- (iii) TIME dotCom's migration cost to 3G will be the cheapest given that it already has a ready built fully functional 100% fibre optic backbone network, critical to any roll-out of 3G, which represents almost two thirds of total cost of 3G network migration cost. TIME dotCom only needs to invest on systems and base stations. Thus, not only TIME dotCom will incur least migration cost but will also be able to roll-out 3G services comparatively faster.
- (iv) TIME dotCom has the cost advantage in transmission cost with its 100% fibre optic network.
- (v) TIME dotCom's 100% fibre optic backbone network enables the company to undertake other data wholesale business such as data centre and warehousing, internet hubbing, video streaming, virtual private network and reselling activities. These revenue streams have not been imputed in the current profit forecast and projections in the Prospectus. Trials are currently being undertaken for possible commercial deployment in early 2001 and beyond.

The future is data and TIME dotCom is best positioned to maximise on this inevitable trend in telecommunications.

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