



Prepared by



TIME dotCom

TIME dotCom Berhad (413292-P)
(Incorporated in Malaysia Under the Companies Act, 1965)

TIME dotCom Berhad
Business Plan
(Section 2)

22 January 2001

DEFINITIONS

In this Business Plan, unless otherwise stated, the following abbreviations shall have the following means:-

3G	-	Third generation cellular communications which utilises the latest packet switch technology to carry voice and data transmissions. Packet switch technology or packet switch system will convert the traffic, i.e., either data or voice, into small packets, and an address label is added showing the sender and destination. It will not reserve a dedicated connection between end points. Instead, the packets will be routed along a circuit that is also shared by packets from other messages belonging to other traffics
ADSL	-	Asymmetrical Digital Subscriber Line
ARPL	-	Average Revenue per Line
ARPU	-	Average Revenue per Unit
ATM	-	Asynchronous Transfer Mode, a high speed (broadband) digital network that operates using packets for transmission to support integrated voice, videos and data communications application
B2B	-	Business to business
B2C	-	Business to consumer
BTS	-	Base Transceiver Station
CAGR	-	Cummulative Average Growth Rate
Celcom	-	Celcom (M) Sdn. Bhd. (167469-A)
CSFB	-	Credit Suisse First Boston
Digi	-	Digi Telecommunications Sdn. Bhd. (201283-M)
Dagang Net	-	Dagang Net Technologies Sdn. Bhd. (177974-T)
Equal Access	-	Refers to access by a subscriber of a telecommunications company to another telecommunications company's service by dialling a prefix number
Faber	-	Faber Group Bhd. (5067-M)
GDP	-	Gross Domestic Product
GPRS	-	General Packet Radio Service, a new service that provides packet radio access for mobile GSM and time-division multiple access users
HSDL	-	High Speed Data Link
IDD	-	International Direct Dialling or calls to an overseas destination
IP	-	Internet Protocol
ISDN	-	Integrated Services Digital Network, end-to-end digital connectivity for transmission of simultaneous voice, data and video over a traditional copper wire pair
ISP	-	Internet Service Provider
JARING	-	Joint Advanced Research Integrated Networking, an internet service provided by MIMOS Bhd.
KLSE	-	Kuala Lumpur Stock Exchange
KTMB	-	Keretapi Tanah Melayu Bhd. (225943-T)
LCD	-	Liquid Crystal Display
LRT	-	Light Rail Transit
Maxis	-	Maxis Mobile Sdn. Bhd. (158400-V)
M-Commerce	-	Mobile Commerce

DEFINITIONS *(Cont'd)*

MECM	-	Minister of Energy, Communications and Multimedia
MIMOS	-	Malaysian Institute of Microelectronics Systems
MSC	-	Mobile Switching Centre
NSE	-	North-South Expressway
Park May	-	Park May Bhd. (13294-A)
Pharmaniaga	-	Pharmaniaga Bhd. (467709-M)
PLUS	-	Projek Lebuhraya Utara-Selatan Bhd. (154158-H)
POTS	-	Plain Old Telephone System
PSTN	-	Public Switched Telephone Network, circuit switched network which makes connections for telephony services
Prolink	-	Prolink Development Sdn. Bhd. (252945-M)
Putra	-	Projek Usahasama Transit Ringan Automatik Sdn. Bhd. (289668-P)
Rangkaian Segar	-	Rangkaian Segar Sdn. Bhd. (406400-X)
Renong	-	Renong Berhad (90894-P)
Renong Group of Companies	-	Renong and its subsidiaries and associated companies
SDH	-	Synchronous Digital Hierarchy, a set of specification for transmission bit rates and multiplexing structures defined by the International Telecommunications Union
SME	-	Small Medium Enterprise
SMS	-	Short Messages Service
STD	-	Standard Trunk Dialling or calls within a country other than local calls
STM	-	Synchronous Transport Module. STM-1 is a 155 Megabit per second signal which is the fundamental building block of the SDH. All higher rate signals are multiples of STM-1. For example, STM-4 will be 622 Megabit per second
Telco	-	Telecommunications company
TMB	-	Telekom Malaysia Bhd. (128740-P)
Teras	-	Teras Teknologi Sdn. Bhd. (316616-X)
TIME dotCom	-	TIME dotCom Bhd. (413292-P)
UEM	-	United Engineers (Malaysia) Bhd. (6551-K)
VoIP	-	Voice over Internet Protocol, a software feature installed in the voice interface cards that enables a router to carry voice traffic over an IP network
WAP	-	Wireless Application Protocol, an open, global specification that enables mobile users with wireless devices to access and interact with information and services instantly
White goods	-	Major household appliances (example: stoves and refrigerators) that are typically finished in white enamel
xDSL	-	A family of Digital Subscriber Lines

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1 EXECUTIVE SUMMARY

Introduction

This Business Plan has been prepared by TIME dotCom to serve essentially as an addendum to and forms part of TIME dotCom's Prospectus. Prospective investors should read both the Prospectus and this Business Plan carefully before making any decision to invest in TIME dotCom.

This Business Plan sets out the objectives and strategies of TIME dotCom in its role as one of the main future leading provider of integrated telecommunication services in Malaysia. As such, preparation of this Business Plan is with the view in achieving the following:-

1. Provides a better understanding to investors of TIME dotCom's future direction and of its corporate mission;
2. Provides a sound and cohesive platform of TIME dotCom's dedicated efforts in achieving its core group strategies; and
3. Provides an overview of the dynamic synergy between each of TIME dotCom's business units; and between these units with the other group of companies within the Renong Group of Companies' corporate stewardship.

1.1 Company Overview

TIME dotCom will be the parent and flagship of the four main subsidiaries: TT dotCom Sdn. Bhd. ("TT dotCom" formerly known as TIME Telecommunications Sdn. Bhd.), TIME Wireless Sdn. Bhd. ("TWSB"), TIME Reach Sdn. Bhd. ("TRSB") and TIME dotNet Bhd. ("TIME dotNet" formerly known as TIMEOnline dotCom Bhd.).

TIME dotCom is responsible for directing the overall group corporate strategy, building a unified brand identity, co-ordinating marketing programs and the bundling of services provided by the four subsidiaries, enhancing the synergies and identifying cost savings opportunities within the group. In the near-term, TIME dotCom will focus on leveraging on its core strengths, particularly its network and strong presence in the business segment and maximise cross-selling opportunities available within Renong Group of Companies and other business partners.

1.2 Corporate Mission

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

TIME dotCom will seek to aggressively bundle its services with other Renong Group of Companies' infrastructure services and other business partners to make TIME dotCom services an integral part of daily Malaysian life.

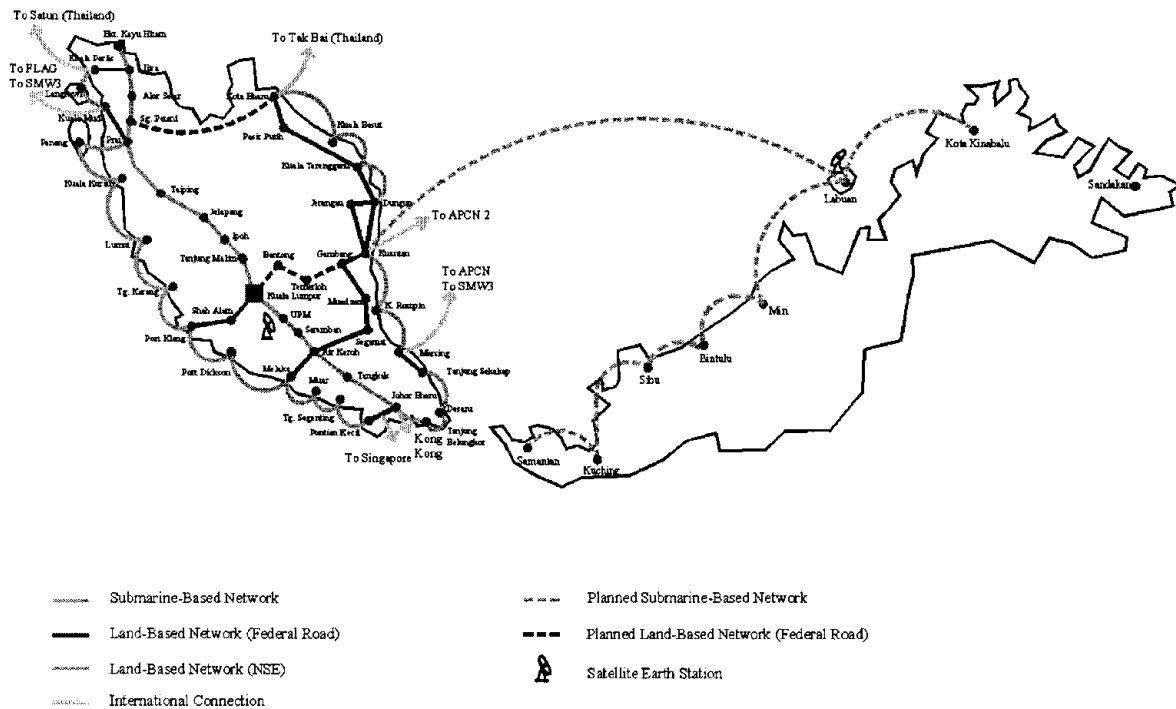
The new identity and corporate rebranding of the TIME dotCom group of companies was unveiled on 17 August 2000. The new logo is now universally deployed throughout the TIME dotCom group of companies to reflect the formation of the TIME dotCom group.



This new identity reflects the positioning of TIME dotCom as a forward-looking, flexible and proactive total communication solutions provider. As a Telco group providing full suite of telecommunications services, it makes sense for TIME dotCom to integrate its products and services. The first step in this process of integration is to synergise and bring together all the different services and products of the TIME dotCom's divisions and member companies under one distinctive, easily recognisable and positive brand identity. It shows a company that is able to integrate and offer a wide range of services and products in an innovative and supporting environment.

1.3 Core Group Strategies

As a group, TIME dotCom's broad strategies are to co-ordinate, exploit and utilise synergies within the Renong Group of Companies. Using the existing strength of its infrastructure and assets, the group has access to a broad audience and subscriber base. We aim to develop a single mind frame and direction to align the objectives of the individual subsidiaries under TIME dotCom. There are also significant bundling strategies that can be implemented and it is the company's intention to introduce these progressively.



1.3.1 Capitalise on Resilient Fibre Backbone

TIME dotCom's most valuable strategic asset is its 100% fibre optic backbone. Since TIME dotCom was awarded the National Trunk Fibre Optic Network license back in 1992, it has successfully constructed a premium quality, high bandwidth and fully resilient network. The land network to date comprises of approximately 3600 km of fibre optic cables running along the NSE and federal roads, linking over 100 towns and cities. Together with approximately 1600 km of advanced submarine cabling system, TIME dotCom's fibre optic backbone network infrastructure is diversified and resilient. The network wires up all major towns and cities on the

west coast of Peninsula Malaysia where 80% of Malaysia's GDP is generated, and also has direct, linkages to Singapore and Thailand.

TIME dotCom will capitalise on the existing fibre network to provide telecommunication services directly and indirectly to customers. The network provides TIME dotCom with core competitive advantages, which TIME dotCom will leverage on as follows:-

- Provide the platform to be the first mover and market leader in broadband services;
- Maximising internal capacity usage thereby conserving cashflows within the group. In this respect, TIME dotCom has already instituted a policy to migrate TRSB's payphones from TMB's network to TT dotCom's network, and prioritising the use of TT dotCom's leased lines for TWBSB's BTS and MSCs as and when additional coverage is rolled out; and
- Low cost advantage enabling TIME dotCom to be competitive in the market.

In addition to maximising revenues through the provision of a total solution with a full range of bundled services, TIME dotCom is now selling wholesale bandwidth to service providers. This is in line with the worldwide trend of increasing demand for data especially Internet services. This strategy allows TIME dotCom to maximise returns from its fibre network and to generate internal capital to expand coverage of its local access network. The local access network coverage will be deployed via various wired and wireless technologies to deliver high quality end-to-end telecommunication service to its target market.

1.3.2 Create Corporate Umbrella Branding

By creating a corporate branding within the business segment, TIME dotCom will create an image that is associated with high quality and value. Taking TIME dotCom's capacity for delivery of high quality service and attaching that to an identifiable brand, the Company could instil a sense of loyalty in customers. The marketing strategy is aimed at creating a corporate image focusing on continuous reinforcement to the customers that TIME dotCom 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 customers' needs.

An advantage TIME dotCom holds over its competitors lies in the comprehensive array of services offered.

1.3.3 Maximise Group Synergy

TIME dotCom captures group synergy on two tiers. As part of the Renong Group of Companies, TIME dotCom capitalises on the existing customers of Renong by providing full telecommunication services and bundling its products with those of Renong.

With the roll out of TIME dotCom's Internet service, TIME dotNet, Renong and its hundreds of thousands of customers, suppliers, contractors provide instant platforms for B2B and B2C applications linking the entire transaction process.

In terms of service bundling, TIME dotCom has successfully launched its Equal Access promotional programme with Renong's Touch N' Go operator. The strong popularity of the Touch N' Go card provides further opportunities, such as bundling similar loyalty programs to wireless and Touch N' Go capable payphones.

2 MARKET DEVELOPMENT AND OPPORTUNITIES

2.1 Economic and Regulatory Environment

Malaysia's GDP grew at 5.4% in 1999, compared to negative 7.5% in 1998. Conditions are expected to improve further in the forthcoming year with projected GDP growth of 7.5% (*Source: Economic Report 2000/2001*). For Malaysia to develop into an information-rich society, telecommunications infrastructure development and implementation of new technologies have been given high priority by the Malaysian Government.

The legal and regulatory framework for telecommunication is based on the Communications and Multimedia Act 1998 (CMA 1998) and Malaysian Communications and Multimedia Commission Act 1998 (MCMC 1998). These Acts provide the broad framework and policy direction to ensure that the telecommunication industry will support national development to achieve a developed nation status by 2020.

2.2 Technology and Convergence

Internet convergence plays an important role in defining the future of the telecommunications industry both in terms of network and services. The various applications on the Internet demand much faster access and bigger bandwidth to transmit the data. Thus, dedicated high-speed access link is the key to service the future demand. Furthermore, wireless Internet access will transform the cellular industry from offering basic voice services, to offering vast opportunities of data applications through wireless broadband technologies. Integrated technologies will drive further growth in cellular subscribers and usage as more value-added services are created and offered.

2.2.1 2.2.1 Broadband Data Access

User demand for high-speed access has spurred considerable interest in broadband technologies, including xDSL and cable modem. Currently in Malaysia, ADSL services are available within a five-kilometre radius from the selected exchanges, with downstream and upstream speeds of 2 Mbps and 1 Mbps respectively. The anticipated demand upsurge is partly driving the broadband Internet connections.

With 93% of TIME dotCom's direct access subscribers being business subscribers, TIME dotCom, in conjunction with TIME dotNet, will push broadband access to current corporate subscribers and utilise the current fibre bandwidth to connect to additional buildings to reach an estimated target of 1,300 by the year 2004 (excluding Free Trade Zones and Industrial Parks). In addition, TIME dotCom will deploy various wireless broadband technologies to bring broadband applications to the homes at competitive prices and faster access.

2.2.2 2.2.2 Wireless Data Developments

Within one year, there will be three enabling developments that the industry expect will, when combined together, provide a quantum leap in wireless data capabilities and functionality as follows:-

- WAP provides wireless access to the Internet. TIME dotCom has launched its WAP services, TIME WAP in June 2000.
- GPRS should provide a quantum leap in wireless data functionality, with access speeds of up to 115 kbps and 'constant-on' capabilities. TIME dotCom has launched its GPRS services in December 2000.
- Bluetooth (a new technology) would enable small-form factor, low-cost, and short-range radio links between mobile phones, laptops, personal digital assistants and other portable device.

TIME dotCom realises the importance of wireless data and will begin 3G trials as soon as the technology is available commercially. On 11 September 2000, the company has submitted its expression of interest to the Government to obtain 3G licence.



Wireless internet access to information, anytime, anywhere

2.3 Opportunities

2.3.1 High bandwidth demand

Across all telecommunication markets in the world, there is a general consensus that broadband data will drive the future growth of the industry. Although the migration to broadband data has not yet arrived in Malaysia, TIME dotCom anticipates that such change would occur locally, as has taken place in other countries in the region including Hong Kong, South Korea and in neighbouring Singapore.

TIME dotCom sees this as an opportunity, given its extensive fibre optic backbone network. In order to take full advantage of the fibre optic backbone and the latest technology, TIME dotCom intends to further upgrade to the IP-based ATM platform as soon as practicable. TIME dotCom is currently evaluating the available IP platforms offered by vendors. The platform will allow much higher bandwidth throughput for the high-speed demanding applications that have become the norm for multimedia convergence on the Internet. The continuous improvements in compression technologies will enable more efficient use of bandwidth as opposed to the traditional transmission network, and thus, lower the cost of data transmission substantially.

TIME dotCom is in discussion with a number of global ATM carriers, and has, to date, signed an agreement with MCI WorldCom and Global One Communications L.L.C. to terminate international traffic coming into Malaysia. On the domestic front, TIME dotCom will be favourably placed to meet the forthcoming broadband demand and will position itself as a leading bandwidth provider in retail and wholesale markets in Malaysia.

2.3.2 Moving towards Service Bundling

As the telecommunications market becomes more liberalised and more competitive, the trend is for the price of telecommunication services to fall, especially in the international voice and mobile services.

In order to remain competitive in the market, service bundling is key in service delivery and product pricing. TIME dotCom, as an integrated service provider with a wide product range, is uniquely positioned to cross-sell and to offer packaged services to its customers. For example, with over 90% of its customers being business customers, TIME dotCom is able to offer a corporate fixed-mobile package with Internet access through broadband and WAP. Further bundling with Renong Group of Companies' customers is also envisaged. Such strategy has already proven to be successful, for example, in the case of bundling Equal Access with the Touch N' Go cards, where call charges are rebated into the subscriber's Touch N' Go stored value cards.

2.4 Market Demand and Outlook

The following table shows the projected telecommunication industry revenue between 2000 – 2003.

Table: 2.1

US\$M	2000	2001	2002	2003	CAGR
PSTN	2,619	3,090	3,647	4,376	19%
Mobile voice	401	482	602	753	23%
Data and others	158	210	371	596	56%
Internet Access	142	167	198	250	21%
Internet Commerce	164	427	994	2,066	233%
Total	3,484	4,376	5,812	8,041	32%

Source: Management's estimate

TIME dotCom is active in all these markets. Its extensive fibre optic network as the backbone carrier for its cellular, fixed and internet services, allows competitive pricing for its products and services.

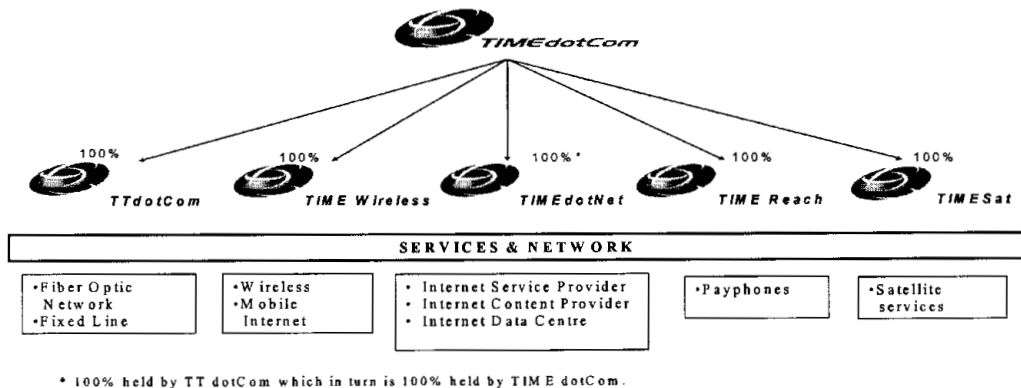
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3 BUSINESS OVERVIEW

TIME dotCom is one of the leading telecommunication service providers in Malaysia, providing a full range of telecommunication services including fixed line, payphone, mobile and internet services supported by a fully digital broadband fibre optic infrastructure providing the most resilient of all delivery platforms.

The full range of services provided by TIME dotCom group is best described in the following chart which also illustrates the corporate structure of the group:-

The Premier Integrated Telecommunication Service and Network Provider



3.1 The Network

3.1.1 Network Infrastructure

The fully digital fibre backbone network consists of three tiers:-

- SDH trunk network carries the national traffic at a maximum bandwidth of 2.5 Gbps;
- Metropolitan Area Network (MAN) handles regional traffic of major cities at a maximum bandwidth of 622 Mbps; and
- Customer Access Network (CAN) connects customer buildings to local exchanges via fibre with some copper and coaxial cable for physical connection.

This extensive network was built to target and capture the highest traffic volume areas in the country. The network architecture allows effective deployment of network equipment and network management. The ring structure of trunk and MAN enables a fully diverse routing and self-healing capability that allows it to achieve network availability of over 99.97%. This makes TIME dotCom an attractive choice for global corporations and service providers where robust and resilient transmission is important.

The fibre optic network is also readily capable of supporting new technologies. TIME dotCom will invest in ATM and frame relay network together with xDSL technology to provide bandwidth-on-demand services and will upgrade its Advanced Intelligence Network (AIN) platform to enable TIME dotCom to maintain and develop new services and achieve greater efficiency in the network.

3.1.2 *Network Planning*

As a new entrant, TIME dotCom has strategically planned its network to enable local access connectivity to target high usage customers and future growth opportunities. Currently, TIME dotCom has connected to over 800 commercial buildings in Malaysia.

For future network planning, TIME dotCom intends to maximise the return on current investment with network expansion mainly focused on growth in CAN and MAN. The main customer focus areas include Free Trade Zones, High Density Business Centres, industrial estates and selected high-end residential areas.

3.1.3 *Transmission and switch network*

TIME dotCom has built an extensive fibre optic network with full resiliency. The national mesh comprised of 14 point-to-point STM-16 links and 9 digital cross-connect level. The network deploys the SDH equipment with a maximum bandwidth of STM-16 (2.5 Gbps). The network comprised one STM-16 national mesh and seven STM-4 regional rings designed to support trunk by-pass and broadband requirement in Peninsular Malaysia.

TIME dotCom's switch network consists of 8 digital trunk and local switches. They currently provide services including TIME Tone, TIME PABX, Leased Lines, Equal Access and ISP nationwide. The two main switch nodes are in Glenmarie and Universiti Putra Malaysia.

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3.2 Products and Services

The fibre optic infrastructure of TIME dotCom supports an extensive array of services which the Directors believe is of high quality and affordable, as depicted in the following table:-

Extensive Range of Products And Services			
<ul style="list-style-type: none"> ➤ Believed by Directors to be of high quality and affordable ➤ Synergies to be extracted from marketing under a unified brand ➤ Opportunities for cross selling and bundling 			
TT dotCom - Fixed Line	TWSB - Mobile	TRSB - Payhone	TIME dotNet - Internet
<ul style="list-style-type: none"> ◇ Voice & Data services via fixed wire & fixed wireless technology ◇ Extensive & technologically advanced fibre optic cable ◇ Leased Line ◇ Equal Access (IDD & STD) ◇ Card services <ul style="list-style-type: none"> • TIME Kontact (prepaid cards) • Home Country Direct • VoIP cards 	<ul style="list-style-type: none"> ◇ GSM 1800 network ◇ 25 MHz spectrum ◇ SMS ◇ Smartinfo/Webinfo ◇ Voicemail ◇ Network Services <ul style="list-style-type: none"> • Call Waiting • Call Conferencing • Caller Identification • Call Divert ◇ Introduced WAP ◇ Introduced GPRS ◇ Prepaid Services ◇ Roaming with more than 80 international networks 	<ul style="list-style-type: none"> ◇ Operating under the "Uniphone" brand (rebranding now as "TIME") <ul style="list-style-type: none"> • Coin • Magnetic card • Credit card • Smart card ◇ Prepaid phone card under "UniphoneKad" brand <ul style="list-style-type: none"> • Local • STD • IDD 	<ul style="list-style-type: none"> ◇ Internet access ◇ Introducing E-commerce <ul style="list-style-type: none"> • B2B applications • B2C content
No.2 market share of fixed line market.	One of 8 operators. Cost-effective because of fibre optic network. Pricing will be main issue for year 2001. VoIP and TIME GOLD is expected to attract good demand	No.2 market share of payphone market	

Subscriber Base

Since the beginning of year 2000, TIME dotCom has been aggressively expanding its subscriber base by leveraging on its products and services of Equal Access, TIME GOLD, IDD Ekonomi, VoIP and prepaid wireless. The increase in the number of subscribers is as follows:-

	End 1999*		Cummulative as at 31 December 2000 [^]		Growth %
Data		1,200		1,700	43%
Voice	Fixed Line	76,000	Fixed Line	835,000	>+100%
	Payphones	53,000	Payphones	45,000	-15%
	Mobile - postpaid	167,000	Mobile - postpaid	285,000	70%
	- prepaid	6,800	- prepaid	303,000	+>100%
	Sub Total	302,800	Sub Total	1,468,000	
Internet		-		137,000	
TOTAL		304,000		1,607,000	

* Source: Monthly Management Report.

[^] Source: Daily Sales Report (gross basis) for the 12 months ended 31 December 2000

The company's subscriber base continues to increase at the rate of approximately 3,600 users daily.