

INFORMATION ON EXCELCOMINDO

1. HISTORY AND BUSINESS

Excelcomindo was incorporated on 6 October 1989 in the Republic of Indonesia. It was incorporated as a limited liability company under the laws of the Republic of Indonesia, under the name PT Grahametropolitan Lestari. In 1995, Excelcomindo changed its name from PT Grahametropolitan Lestari to its present name. The authorised share capital of Excelcomindo as at 31 March 2005 was Rp566,250,000,000 comprising 2,265,000 ordinary shares of Rp250,000 each, all of which have been issued and fully paid-up. The financial information on Excelcomindo for the past five (5) financial years is set out in Section 5 below.

The principal activity of Excelcomindo is the provision of mobile telecommunications services. Excelcomindo is the third largest mobile telephone operator, by subscriber base, adopting GSM standard in the Republic of Indonesia. It started commercial operations in October 1996 using a GSM 900 spectrum which was later complemented with a GSM 1800 spectrum.

As of today, Excelcomindo has built an extensive network of base transceiver stations in the Republic of Indonesia, predominantly in Java, Bali and Lombok but also in the major population centres of Sumatra, Kalimantan and Sulawesi. Excelcomindo has also built an end-to-end nationwide transmission backbone using the fibre optic network which covers all the major cities in Java and microwave network outside Java that is backed by very small aperture terminal (“VSAT”) links and provides quality transmission of voice and data traffic. Excelcomindo has also deployed high capacity submarine links between Java, Sulawesi and Kalimantan.

As at 31 December 2004, Excelcomindo has approximately 3.8 million subscribers and a market share in the Republic of Indonesia of approximately 12.3%. In 2004, Excelcomindo registered strong growth, increasing its subscriber base by approximately one (1) million subscribers compared to the previous year. Excelcomindo’s subscribers are predominantly prepaid, with 99% subscribing on a pre-paid basis. It recently completed a rebranding and product re-launch exercise where it launched its new corporate logo and brand, developed new distinct pre-paid and post-paid products, *jempol*, as well as realigned and rebranded its previously known *proXL* pre-paid and post-paid products to *bebas and Xplor*, respectively.

In addition to providing mobile services, Excelcomindo also provides leased line, internet services (ISP) and VoIP services to meet the needs of corporate customers, particularly in the industries of media and telecommunications, banking, gas and mining and manufacturing.

Based on the consolidated audited translated financial statements of Excelcomindo for the financial year ended 31 December 2004, Excelcomindo reported a total revenue of RM1,364,483,000. The breakdown of Excelcomindo’s revenue is as follows:

Revenue	RM 000	%
Domestic	1,294,212	94.8
Foreign	<u>70,271</u>	<u>5.2</u>
	<u>1,364,483</u>	<u>100.0</u>

2. SHARE CAPITAL

The authorised and issued and paid-up share capital of Excelcomindo as at 31 March 2005 are as follows:

	Rp 000
Authorised	
2,265,000 ordinary shares of Rp250,000 each	<u>566,250,000</u>
Issued and fully paid-up	
2,265,000 ordinary shares of Rp250,000 each	<u>566,250,000</u>

The changes to the issued and paid-up share capital of Excelcomindo since its incorporation up to 31 March 2005 are as follows:

Allotment date	No. of shares allotted	Par value Rp 000	Consideration	Cumulative issued and paid-up share capital Rp 000
6 October 1989	100	1,000	Subscriber's shares	100,000
26 June 1995	49,900	1,000	Cash	50,000,000
20 November 1995	200,000	250	Share split ^{*1}	50,000,000
20 November 1995	253,000	250	Cash	113,250,000
2 June 1997	1,812,000	250	Bonus issue ^{*2}	566,250,000

Notes:

^{*1} The par value of the share capital was sub-divided from Rp1,000,000 to Rp250,000 per share.

^{*2} Bonus issue on the basis of four (4) new shares for every one (1) existing share held.

3. DIRECTORS' AND SUBSTANTIAL SHAREHOLDERS' SHAREHOLDINGS

As at 31 March 2005, the shareholders of Excelcomindo are as follows:

Shareholder	No. of ordinary shares held	%
Telekomindo	1,359,000	60.0
Indocel	523,215	23.1
AIF	287,655	12.7
Mitsui	95,130	4.2
	<u>2,265,000</u>	<u>100.0</u>

As at 31 March 2005, none of the Directors of Excelcomindo directly held any shares in Excelcomindo.

4. SUBSIDIARIES AND ASSOCIATED COMPANIES

As at 31 March 2005, the details of Excelcomindo's subsidiaries are as follows:

Subsidiaries	Date and place of incorporation	Issued and paid-up share capital	Effective equity interest %	Principal activities
Excel Phoneloan 818 B.V.	12 May 1997 Netherlands	NLG40,000* ¹	100	Financing company
GSM One (L) Limited	17 December 1996 Malaysia	USD1.00	100	Financing company
GSM Two (L) Limited	24 November 1997 Malaysia	USD1.00	100	Financing company
Excelcomindo Finance Company B.V.	23 December 2003 Netherlands	EUR20,000* ²	100	Financing company

Notes:

*¹ NLG represents Dutch Guilders

*² EUR represents Euros

As at 31 March 2005, Excelcomindo does not have any associated companies.

5. SUMMARY OF FINANCIAL DATA

A summary of Excelcomindo's financial information for the five (5) financial years ended 31 December 2000 to 31 December 2004 based on the consolidated audited and translated financial statements of Excelcomindo and its subsidiaries restated in compliance with approved accounting standards of the Malaysian Accounting Standards Board is set out below:

	Year ended 31 December-				
	2000* ² RM 000	2001* ³ RM 000	2002* ⁴ RM 000	2003* ⁵ RM 000	2004* ⁶ RM 000
Revenue	618,693	787,751	968,674	1,141,891	1,364,483
(Loss)/Profit before taxation and exceptional items	(138,288)	121,266	448,952	290,348	10,555
Exceptional items	-	-	-	-	-
(LBT)/PBT	(138,288)	121,266	448,952	290,348	10,555
Taxation	39,420	(38,997)	(136,151)	(95,488)	(9,159)
(Loss)/Profit after taxation before extraordinary items	(98,868)	82,269	312,801	194,860	1,396
Extraordinary items	-	-	-	-	-
(Loss)/Profit after taxation and extraordinary items	(98,868)	82,269	312,801	194,860	1,396
(Loss)/Earnings per share (RM)	(43.65)	36.32	138.10	86.03	0.62
Dividend rate (%)	-	-	-	-	-

Notes:

*¹ Balance sheet amounts are converted at the exchange rate prevailing at the respective balance sheet dates while profit and loss items are converted at the average exchange rate for the respective financial years.

The closing and average rates used for the translation of the financial statements are as follows:

	2000	2001	2002	2003	2004
Foreign currency	RM	RM	RM	RM	RM
Rp100 (as at 31 December)	0.03950	0.03650	0.04150	0.04550	0.04160
Rp100 (average)	0.04650	0.03800	0.03900	0.04350	0.04355

*2 Revenue is mainly derived from the provision of GSM telecommunication services to external parties. For the financial year ended 31 December 2000, Excelcomindo reported a loss after taxation of RM98.868 million primarily due to significant foreign exchange losses incurred during the year on its US Dollar borrowings of RM280.379 million as a result of a depreciation of the Indonesian Rupiah against the US Dollar during the year.

*3 Revenue for the financial year ended 31 December 2001 increased by RM169.058 million or approximately 27.3%, from RM618.693 million in the financial year ended 31 December 2000 to RM787.751 million in the financial year ended 31 December 2001. This was due to a significant increase in the number of subscribers by approximately 0.5 million subscribers (71.4%), from 0.7 million subscribers to 1.2 million subscribers. The increase in number of subscribers is primarily due to the expansion of network infrastructure and coverage to Java.

Excelcomindo experienced a significant improvement in its financial performance as shown in the profit after taxation of RM82.269 million in the financial year ended 31 December 2001 as compared to a loss after taxation of RM98.868 million in the financial year ended 31 December 2000. This was primarily due to the increase in revenue as well as a significant decrease in foreign exchange loss on its US Dollar borrowings of approximately RM197.244 million (70.3%), from RM280.379 million in the financial year ended 31 December 2000 to RM83.135 million in the financial year ended 31 December 2001.

*4 Revenue for the financial year ended 31 December 2002 increased by RM180.923 million or approximately 23.0% from RM787.751 million in the financial year ended 31 December 2001 to RM968.674 million in the financial year ended 31 December 2002. This was due to an increase in the number of subscribers by approximately 0.5 million subscribers (41.7%), from 1.2 million subscribers to 1.7 million subscribers. The increase in number of subscribers is primarily due to the expansion of network infrastructure and coverage to Sumatra, Kalimantan and Sulawesi.

Accordingly, profit after taxation for the financial year ended 31 December 2002 increased by RM230.532 million (280.2%) from RM82.269 million to RM312.801 million. The significant improvement in Excelcomindo's results was due to a significant foreign exchange gain made on its US Dollar borrowings during the financial year ended 31 December 2002 of RM188.549 million as compared to a foreign exchange loss of RM83.135 million incurred in the financial year ended 31 December 2001. In the financial year ended 31 December 2002, Indonesian Rupiah has appreciated against the US Dollar.

*5 Revenue for the financial year ended 31 December 2003 increased by RM173.217 million or approximately 17.9% from RM968.674 million in the financial year ended 31 December 2002 to RM1,141.891 million in the financial year ended 31 December 2003. This was due to a significant increase in the number of subscribers by approximately 0.9 million subscribers (52.9%), from 1.7 million subscribers to 2.6 million subscribers primarily due to successful launch of regional pricing plan which has enhanced customer acquisition, stimulated usage and maintained customer loyalty.

Nevertheless, profit after taxation for the financial year ended 31 December 2003 decreased by RM117.941 million (37.7%), from RM312.801 million to RM194.860 million. The decrease in results was due to higher operating expenses which mostly arose from the increase in the number of base transceiver stations from 950 stations in 2002 to 1,491 stations in 2003, which resulted in an increase in depreciation charges, repair and maintenance expense and general and administration expenses.

*6 Revenue for the financial year ended 31 December 2004 increased by RM222.592 million or approximately 19.5% from RM1,141.891 million in the financial year ended 31 December 2003 to RM1,364.483 million in the financial year ended 31 December 2004. This was due to a significant increase in the number of subscribers by approximately 0.9 million subscribers (31.0%), from 2.9 million subscribers to 3.8 million subscribers as a result of aggressive marketing and innovative service offerings to customers.

Nevertheless, profit after taxation for the financial year ended 31 December 2004 decreased by RM193.464 million (99.3%) from RM194.860 million to RM1.396 million. The decrease in results was primarily due to the depreciation of Indonesian Rupiah against US Dollar during the year which resulted in a significant foreign exchange loss on its US Dollar borrowings of RM119.279 million as compared to a foreign exchange gain of RM82.984 million in the financial year ended 31 December 2003.

INFORMATION ON INDOCEL

1. HISTORY AND BUSINESS

Indocel was incorporated in Malaysia as a private unlimited company under the Companies Act, 1965 on 25 October 1995 as Nynex Indocel Holding Sdn. On 6 January 2005, the company changed its name to Indocel Holding Sdn. On 29 March 2005, the company was converted to a private limited company and is now known as Indocel Holding Sdn Bhd. It is a special purpose vehicle with the sole business activity of which since incorporation involves the holding of Excelcomindo Shares.

2. SHARE CAPITAL

The authorised and issued and paid-up share capital of Indocel as at 31 March 2005 are as follows:

	RM
Authorised	
100,000 ordinary shares of RM1.00 each	<u>100,000</u>
Issued and fully paid-up	
100,000 ordinary shares of RM1.00 each	<u>100,000</u>

The changes to the issued and paid-up share capital of Indocel since its incorporation up to 31 March 2005 are as follows:

Allotment date	No. of shares allotted	Par value RM	Consideration	Cumulative issued and paid-up share capital RM
25 October 1995	2	1.00	Cash	2
17 December 1995	98	1.00	Cash	100
12 January 1996	100	1.00	Cash	200
24 March 2005	99,800	1.00	Cash	100,000

3. DIRECTORS' AND SUBSTANTIAL SHAREHOLDERS' SHAREHOLDINGS

Prior to the completion of the Initial Acquisition, Indocel was wholly owned by Rogan, and none of the Directors of Indocel directly held any shares in Indocel.

As at 31 March 2005, Indocel is wholly owned by TMIL.

As at 31 March 2005, none of the Directors of Indocel directly held any shares in Indocel.

4. SUBSIDIARIES AND ASSOCIATED COMPANIES

As at 31 March 2005, Indocel does not have any subsidiaries.

As at 31 March 2005, the details of Indocel's associated company are as follows:

Associated company	Date and place of incorporation	Issued and paid-up share capital Rp 000	Effective equity interest %	Principal activity
Excelcomindo	6 October 1989 Republic of Indonesia	566,250,000	23.1	Provision of mobile telecommunications services

5. SUMMARY OF FINANCIAL DATA

A summary of Indocel's financial information for the five (5) financial years ended 31 December 2000 to 31 December 2004 based on its audited financial statements is set out below:

	Year ended 31 December				
	2000 RM 000	2001 RM 000	2002 RM 000	2003 ^{*1} RM 000	2004 ^{*2} RM 000
Revenue	-	-	-	-	-
Profit before taxation and exceptional item	-	-	-	-	-
Exceptional item	-	-	-	-	-
PBT	-	-	-	42,920	339,096
Taxation	-	-	-	-	-
Profit after taxation before extraordinary items	-	-	-	42,920	339,096
Extraordinary items	-	-	-	-	-
Profit after taxation and extraordinary items	-	-	-	42,920	339,096
Earnings per share (RM 000)	-	-	-	214.60	1,695.48
Dividend rate (%)	-	-	-	-	-

Notes:

^{*1} PBT for the financial year ended 31 December 2003 is due to a write back of impairment losses on investment in its associated company, namely Excelcomindo. Indocel had, in the financial year ended 31 December 1996, made a provision for diminution in value of investment in Excelcomindo of RM382.016 million.

^{*2} PBT for the financial year ended 31 December 2004 is due to a write back of the remaining impairment losses on investment in Excelcomindo of RM339.096 million.

INFORMATION ON MTN NETWORKS

1. HISTORY AND BUSINESS

MTN Networks was incorporated in Sri Lanka pursuant to a joint venture agreement dated 27 August 1993, entered into between TMI and a Sri Lankan company, Sunpower. MTN Networks was established to operate a cellular mobile telephone network in Sri Lanka. In 1996, MTN Networks became a wholly owned subsidiary of TMI. Following an internal restructuring of our group, TMI's holdings of 36,999,999 ordinary shares in MTN Networks were transferred to TMIL on 27 October 2004.

Currently, the authorised share capital of MTN Networks is Rs6,000,000,000, comprising 469,442,124 ordinary shares of Rs10 each and 21,759,646 redeemable convertible cumulative preference shares of Rs60 each, out of which Rs1,638,978,760 comprising 37,000,000 MTN Networks Shares and 21,149,646 MTN Networks RCCPS have been issued and fully paid-up.

MTN Networks operates Sri Lanka's largest mobile phone network under the brand name of Dialog GSM with a market share in excess of 55%. As at 31 March 2005, MTN Networks has approximately 1.539 million subscribers. The company is also a key player in the internet service provision market through its state of the art internet services (ISP), Dialog Internet, and also operates Dialog SAT, Sri Lanka's pioneer mobile satellite service provider. Having made an aggressive entry into the international services market, MTN Networks has established itself as a premier provider of international services in Sri Lanka.

The core business of MTN Networks is to establish, maintain and operate an island wide cellular mobile telephone network and internet service. MTN Networks also provides, distributes and resells internet related products and services and carry on the business of providing electronic commerce and mobile-commerce services to include but not limited to the facilitation of business transactions via internet and mobile communications infrastructure and services.

MTN Networks invests in research and development ("R & D") as a continuous process for its product development. The annual cost incurred for R & D is approximately Rs100 million. Currently, the R & D is performed by a team of 15 people which consists mainly of technical engineers and IT consultants.

As at 31 December 2004, MTN Networks reported a total revenue of Rs11,406,685,000. The breakdown of the revenue is as follows:

Revenue	Rs 000	%
Domestic	9,158,615	80.3
Foreign		
- Roaming revenue	1,703,855	14.9
- Termination revenue	544,215	4.8
	<u>11,406,685</u>	<u>100.0</u>

2. SHARE CAPITAL

The authorised and issued and paid-up share capital of MTN Networks as at 31 March 2005 are as follows:

	Rs
Authorised	
469,442,124 ordinary shares of Rs10 each	4,694,421,240
21,759,646 redeemable convertible cumulative preference shares of Rs60 each	<u>1,305,578,760</u>
Issued and fully paid-up	
37,000,000 ordinary shares of Rs10 each	370,000,000
21,149,646 redeemable convertible cumulative preference shares of Rs60 each	<u>1,268,978,760</u>

The salient terms of the MTN Networks RCCPS are as follows:

Maturity Date	: 31 December 2005 (renewable on a yearly basis subject to the approval of the holders).
Tenure	: Period from 1 August 1997 (the "Issue Date") to the Maturity Date.
Conversion	: Convertible into ordinary shares of MTN Networks, at the holder's option, at the Conversion Rate during the tenure of the MTN Networks RCCPS.
Dividend Rate	: Fixed cumulative preferential rate of 8.5% per annum. For any dividend not paid, an additional dividend will be payable at a rate of 8.5% per annum on any such amount.
Mandatory Redemption	: MTN Networks may redeem all the MTN Networks RCCPS in issue on the Mandatory Redemption Date at the Mandatory Redemption Price. Mandatory Redemption Date is the earlier of: (i) 31 December 2005 (renewable on a yearly basis subject to the approval of the holders); and (ii) the day immediately preceding the date of commencement of the winding up of the company. Mandatory Redemption Price will be the aggregate of: (i) the nominal amount of the MTN Networks RCCPS of USD1.00; and (ii) the amount of any dividends remaining unpaid on the Mandatory Redemption Date in relation to the MTN Networks RCCPS.
Optional Redemption	: MTN Networks may redeem the MTN Networks RCCPS at the Optional Redemption Price at any one time from the Issue Date until and including the Maturity Date. Optional Redemption Price will be the aggregate of: (i) the nominal amount of the MTN Networks RCCPS of USD1.00; and (ii) the amount of any dividends remaining unpaid on the Option Redemption Date in relation to the MTN Networks RCCPS.

Conversion Rate : Optional Conversion Price divided by the Issue Price per share in respect of one (1) ordinary share in MTN Networks.

The Optional Conversion Price will be the aggregate of :

- (i) the Issue Price for the MTN Networks RCCPS; and
- (ii) the amount of any dividends remaining unpaid on the Optional Conversion payment date in relation to the MTN Networks RCCPS.

The Issue Price will be the multiple of:

- (i) the net maintainable earnings per share of MTN Networks computed by an appointed auditor; and
- (ii) the net price earnings multiple of seven (7) divided by ten (10) being the par value of the ordinary shares of Rs10 per share.

The changes to the issued and paid-up share capital of MTN Networks since its incorporation up to 31 March 2005 are as follows:

Allotment date	No. of shares allotted	Par value Rs	Consideration	Cumulative issued and paid-up share capital Rs
Ordinary shares				
24 May 1995	37,000,000	10	Cash	370,000,000
Redeemable convertible cumulative preference shares				
1 August 1997	5,390,000	60	Cash	323,400,000
1 July 1998	9,961,730	60	Cash	921,103,800
1 December 1998	5,797,916	60	Cash	1,268,978,760

3. DIRECTORS' AND SUBSTANTIAL SHAREHOLDERS' SHAREHOLDINGS

As at 31 March 2005, the holders of MTN Networks Shares are as follows:

Shareholder	No. of ordinary shares held	%
TMIL	36,999,999	100.0
TMI	1	0.0
	<u>37,000,000</u>	<u>100.0</u>

As at 31 March 2005, all the MTN Networks RCCPS are held by TMI.

As at 31 March 2005, none of the Directors of MTN Networks directly held any shares in MTN Networks.

4. SUBSIDIARIES AND ASSOCIATED COMPANIES

As at 31 March 2005, MTN Networks does not have any subsidiaries and associated companies.

5. SUMMARY OF FINANCIAL DATA

A summary of MTN Networks' financial information for the five (5) financial years ended 31 December 2000 to 31 December 2004 based on its audited financial statements is set out below:

	-----Year ended 31 December-----				
	2000	2001	2002	2003	2004
	Rs 000	Rs 000	Rs 000	Rs 000	Rs 000
Revenue	2,267,973	3,218,267	4,589,909	7,476,924	11,406,685
Profit before taxation and exceptional items	539,120	955,310	1,305,738	2,413,787	4,139,901
Exceptional items	-	-	-	-	-
PBT	539,120	955,310	1,305,738	2,413,787	4,139,901
Taxation	-	(222,575)	(222,575)	445,150	(39,382)
Profit after taxation before extraordinary items	539,120	732,735	1,083,163	2,858,937	4,100,519
Extraordinary items	-	-	-	-	-
Profit after taxation and extraordinary items	539,120	732,735	1,083,163	2,858,937	4,100,519
Earnings per ordinary share (Rs)	14.57	16.89	26.36	74.35	107.90
Dividend rate for ordinary shares (%)	35.9	35.9	43.9	170.2	772.7

Note:

The revenue of MTN Networks has been growing at a compounded annual growth rate of 50% from 2000 to 2004 mainly due to the rapid increase in the subscriber base, resulting from fast expansion of network coverage and effective marketing. As such, MTN Networks has continued to be the market leader in the mobile telecommunication industry in Sri Lanka with a market share in excess of 55%. The international services, which was introduced in 2003, has also helped to boost revenue for 2003 and 2004.

For the same period, profit after tax has grown at an average rate of 73%. This is largely due to the improvements in efficiencies of MTN Networks and benefits gained via economies of scale. The profit margins for 2003 and 2004 are higher mainly due to the large expansion of network coverage during the relevant years.

PROPOSED BYE-LAWS AMENDMENTS

The details of the Proposed Bye-Laws Amendments are as follows:

	EXISTING PROVISION	AMENDED PROVISION
(i)	BYE-LAW 1: DEFINITIONS AND INTERPRETATIONS	
(a)	Bye-Law 1.1: Definition None.	“Bursa Securities LR” : The Listing Requirements of Bursa Securities
(b)	“CDS Account” : The account established by Malaysian Central Depository Sdn Bhd for a depositor for the recording of dealings by that depositor of securities	“CDS Account” : The account established by Bursa Malaysia Depository Sdn Bhd (formerly known as Malaysian Central Depository Sdn Bhd) (Company No.: 165570-W) for a depositor for the recording of dealings by that depositor of securities
(c)	None.	“Effective Date of the 2005 Amendments” : Being the date on which the amendments to the Bye-Laws of the ESOS tabled at the extraordinary general meeting of shareholders in the calendar year 2005 becomes effective
(d)	“Eligible Subsidiaries” : Subsidiaries of the Company (as defined in Section 5 of the Act) which are incorporated in Malaysia, and which are at any time and from time to time nominated by the Options Committee to be companies participating in the ESOS in accordance with Clause 4 hereof, and “Eligible Subsidiary” means any one of them	“Eligible Subsidiaries” : Subsidiaries of the Company (as defined in Section 5 of the Act) which are incorporated in Malaysia and which are not dormant, and which are at any time and from time to time nominated by the Options Committee to be companies participating in the ESOS in accordance with Clause 4 hereof, and “Eligible Subsidiary” means any one of them
(e)	“KLSE” : Kuala Lumpur Stock Exchange	“KLSE-Bursa Securities” : Kuala Lumpur Stock Exchange Bursa Malaysia Securities Berhad (Company No.: 635998-W)
(f)	“Market Day” : Any day between Monday and Friday (inclusive) which is not a public holiday and on which the KLSE is open for trading of securities	“Market Day” : Any day between Monday and Friday (inclusive) which is not a public holiday and on which the KLSE -Bursa Securities is open for trading of securities
(g)	“Previous Company” : “Previous Company” as defined in Clause 4.4(i)	“Previous Company” : “Previous Company” as defined in Clause 4.45(i)

EXISTING PROVISION

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(h)	<p>“SC Guidelines” : Policies and Guidelines on Issue/Offer of Securities of the SC including any modifications or amendments thereto that may be made from time to time</p>	<p>“SC Guidelines” : Policies and Guidelines on Issue/Offer of Securities of the SC including any modifications or amendments thereto that may be made from time to time</p>
(i)	None.	<p>“Senior Management” : Persons holding senior managerial positions nominated at any time and from time to time by the Options Committee whether through identification of a level of employment scale or by name, to be prescribed as Senior Management for the purpose of Clause 4.2</p>
(j)	<p>“Subsequent Company” : (For the purposes of Clause 4.5) a corporation which is not a member of the Group</p>	<p>“Subsequent Company” : (For the purposes of Clause 4.5) a corporation which is not a member of the Group</p>
(k)	<p>“TM” or “Company” : TM Berhad (Company No.: 128740-P), a public listed company incorporated in Malaysia</p>	<p>“TM” or “Company” : TM Telekom Malaysia Berhad (Company No.: 128740-P), a public listed company incorporated in Malaysia</p>
(l)	None.	<p>“Top Management” : Persons holding top managerial positions nominated at any time and from time to time by the Options Committee whether through identification of a level of employment scale or by name, to be prescribed as Top Management for the purpose of Clause 6.2</p>
(m)	<p>Bye-Law 1.2 Interpretation</p> <p>(i) a reference to a statutory provision shall include any subordinate legislation made from time to time under that provision and any listing requirements, policies and/or guidelines of the KLSE and/or SC respectively (in each case, whether or not having the force of law but, if not having the force of law, the compliance with which is in accordance with the reasonable commercial practice of persons to whom such requirements, policies and/or guidelines are addressed to by the KLSE and/or SC);</p>	<p>(i) a reference to a statutory provision shall include any subordinate legislation made from time to time under that provision and any listing requirements, policies and/or guidelines of the KLSE Bursa Securities and/or the SC respectively (in each case, whether or not having the force of law but, if not having the force of law, the compliance with which is in accordance with the reasonable commercial practice of persons to whom such requirements, policies and/or guidelines are addressed to by the KLSE Bursa Securities and/or the SC);</p>
(ii)	<p>BYE-LAW 3: QUANTUM</p>	
(a)	<p>Bye-Law 3.1:</p> <p>3.1 The maximum number of Shares to be offered and allotted under the Scheme (“Aggregate”) shall not exceed an amount equivalent to ten percent (10%) of the issued and paid-up ordinary share capital of the Company at any point in time during the duration of the Scheme. Not more than fifty percent (50%) of the Shares available under the Scheme shall be allocated, in aggregate, to Eligible Employees</p>	<p>3.1 The maximum number of Shares to be offered and allotted under the Scheme (“Aggregate”) shall not exceed an amount equivalent to ten percent (10%) of the issued and paid-up ordinary share capital of the Company at any point in time during the duration of the Scheme. Not more than fifty percent (50%) of the Shares available under the Scheme shall be allocated, in aggregate, to Eligible Employees</p>

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who are Executive Directors or are in senior management. In addition, not more than ten percent (10%) of the Shares available under the Scheme shall be allocated to any individual Eligible Employee who, either singly or collectively with his associates (as defined in the Act Guidelines), holds twenty percent (20%) or more of the issued and paid-up capital of the Company.

(b)

Bye-Law 3.2:

3.2 Notwithstanding the provision of Clause 3.1 and any other provision herein contained, in the event the Aggregate exceeds the aforesaid ten percent (10%) (or such other percentage as may be permitted by the SC from time to time) as a result of TM purchasing its own Shares in accordance with the provisions of Section 67A of the Act and reducing its issued and paid-up ordinary share capital, then all Offers and Options granted prior to the adjustment of the issued and paid-up ordinary share capital of the Company shall remain valid and exercisable in accordance with the provisions of the ESOS as if that reduction had not occurred.

(iii)

BYE-LAW 4: ELIGIBILITY

(a)

Bye-Law 4.1:

4.1 Any employee (including the Executive Directors), but excluding any Skim A employee, of the Group shall be eligible to participate in the ESOS if, as at the Date of Allocation, the employee (who must be a Malaysian citizen or a Malaysian permanent resident):

- (i) has attained the age of eighteen (18) years;
- (ii) is employed full-time by and on the payroll of a corporation within the Group; and
- (iii) has been in the employment of the Group for a period of at least one (1) year of continuous service prior to and up to the Date of Allocation, including service during the probation period, and is confirmed in service;

AMENDED PROVISION

who are Executive Directors or are in senior management. In addition, not more than ten percent (10%) of the Shares available under the Scheme shall be allocated to any individual Eligible Employee who, either singly or collectively with his associates through persons connected with him (as defined in the Act Guidelines paragraph 1.01 of the Bursa Securities LR), holds twenty percent (20%) or more of the issued and paid-up capital of the Company.

3.2 Notwithstanding the provision of Clause 3.1 and any other provision herein contained, in the event the Aggregate exceeds the aforesaid ten percent (10%) (or such other percentage as may be permitted by the SC Bursa Securities and/or other relevant authorities from time to time) as a result of TM purchasing its own Shares in accordance with the provisions of Section 67A of the Act and/or reducing its issued and paid-up ordinary share capital, no further Offers and Options shall be granted until the number of Shares that may be available under the Scheme falls below ten percent (10%). then all Offers and Options granted prior to the adjustment of the issued and paid-up ordinary share capital of the Company shall remain valid and exercisable in accordance with the provisions of the ESOS as if that reduction had not occurred.

4.1 Any employee (including the Executive Directors), but excluding any Skim A employee, of the Group shall be eligible to participate in the ESOS if, as at the Date of Allocation, the employee (who must be a Malaysian citizen or a Malaysian permanent resident):

- (i) has attained the age of eighteen (18) years;
- (ii) is employed full-time by and on the payroll of a corporation within the Group; and
- (iii) (subject to Clause 4.2) has been in the employment of the Group for a period of at least one (1) year of continuous service prior to and up to the Date of Allocation, including service during the probation period, and is confirmed in service;

EXISTING PROVISION

PROVIDED THAT the Options Committee may, at its discretion, nominate any employee (including Executive Directors) of the Group to be an Eligible Employee despite the eligibility criteria under Clause 4.1(iii) hereof is not met, at any time and from time to time, subject to the provisions of the SC guidelines.

(b) To include new Bye-Law 4.2

(c) **Bye-Law 4.2:**

4.2 Notwithstanding Clause 4.1 hereof, the Options Committee may, at its discretion, nominate any subsidiary of the Company (being a subsidiary that is incorporated in Malaysia) to be an Eligible Subsidiary at any time and from time to time provided that the Options Committee shall not nominate any corporation which is dormant to be an Eligible Subsidiary. A corporation shall cease to be an Eligible Subsidiary at the time when such corporation ceases to be a subsidiary of the Company. Additionally, the Options Committee may at its discretion revoke or suspend the nomination of any Eligible Subsidiary at any time and from time to time, whereupon the employees of such corporation shall henceforth cease to be eligible to receive an Offer under the ESOS PROVIDED THAT any Options already granted shall not be affected by such revocation or suspension.

AMENDED PROVISION

PROVIDED THAT the Options Committee may, at its discretion, nominate any employee (including Executive Directors) of the Group to be an Eligible Employee despite ~~the non-fulfilment of the eligibility criteria under Clause 4.1(iii) hereof is not met, at any time and from time to time, subject to the provisions of the SC guidelines~~ Bursa Securities L.R.

4.2 An employee in the category of Senior Management and above who is employed on a fixed term contract of service shall be eligible to participate in the Scheme if he meets the criteria referred to in Clause 4.1(i) above, and also the period of contract in respect of which he is then employed is for a minimum of one (1) year irrespective of the period remaining unexpired under such contract;

PROVIDED THAT the Options Committee may, at its discretion, nominate any Senior Management employed on a fixed term contract to be an Eligible Employee notwithstanding the non-fulfilment of the requisite period of service set out in Clause 4.1(iii).

4.23 Notwithstanding Clause 4.1 hereof, the Options Committee may, at its discretion, nominate any subsidiary of the Company (being a subsidiary that is incorporated in Malaysia) to be an Eligible Subsidiary at any time and from time to time provided that the Options Committee shall not nominate any corporation which is dormant to be an Eligible Subsidiary. A corporation shall cease to be an Eligible Subsidiary at the time when such corporation ceases to be a subsidiary of the Company. Additionally, the Options Committee may at its discretion revoke or suspend the nomination of any Eligible Subsidiary at any time and from time to time, whereupon the employees of such corporation shall henceforth cease to be eligible to receive an Offer under the ESOS PROVIDED THAT any Options already granted shall not be affected by such revocation or suspension.

EXISTING PROVISION

AMENDED PROVISION

(d)

Bye-Law 4.3:

4.3 Subject to these Bye-Laws, the Options Committee shall have the discretion at any time and from time to time to extend the benefit of the ESOS to employees of companies which are not Eligible Subsidiaries, and deem such employees to be Eligible Employees, subject to the above restrictions in this Clause 4, for the purposes of the ESOS in situations where such employees had at any time whether before or after the coming into force of these Bye-Laws been seconded from the Company or any Eligible Subsidiary to:

- (i) a subsidiary of the Company which is not an Eligible Subsidiary; or
- (ii) an associated corporation.

(e)

Bye-Law 4.4:

4.4 In the case of:

- (i) an employee who is in the employment of a corporation which is not a member of the Group ("Previous Company") which subsequently becomes a member of the Group as a result of a restructuring, acquisition or divestment exercise or other exercise involving the Company and/or any corporation within the Group; or
- (ii) an employee who was employed in a Previous Company and is subsequently transferred from the Previous Company to any member of the Group;

only the period of service of that employee with the Previous Company from the date that that Previous Company becomes a member of the Group shall be counted as a period of service with the Group (for the purposes of the Scheme).

(f)

Bye-Law 4.5:

4.5 Where an employee is transferred to a corporation which is not a member of the Group ("Subsequent Company") from the Company or an Eligible Subsidiary, that employee shall be entitled to continue to exercise his remaining Options subject to the provisions of Clause 9 hereof

4.34

Subject to these Bye-Laws and applicable laws, the Options Committee shall have the discretion at any time and from time to time to extend the benefit of the ESOS to employees of companies which are not Eligible Subsidiaries **on the assumption that such companies are not dormant**, and deem such employees to be Eligible Employees, subject to the above restrictions in this Clause 4, for the purposes of the ESOS in situations where such employees had at any time whether before or after the coming into force of these Bye-Laws been seconded from the Company or any Eligible Subsidiary to:

- (i) a subsidiary of the Company which is not an Eligible Subsidiary **but which is not dormant**; or
- (ii) an associated corporation.

4.45

In the case of:

- (i) an employee who is in the employment of a corporation which is not a member of the Group ("Previous Company") which subsequently becomes a member of the Group as a result of a restructuring, acquisition or divestment exercise or other exercise involving the Company and/or any corporation within the Group; or
- (ii) an employee who was employed in a Previous Company and is subsequently transferred from the Previous Company to any member of the Group;

only the period of service of that employee with the Previous Company from the date that that Previous Company becomes a member of the Group shall be counted as a period of service with the Group (for the purposes of the Scheme).

4.5

~~Where an employee is transferred to a corporation which is not a member of the Group ("Subsequent Company") from the Company or an Eligible Subsidiary, that employee shall be entitled to continue to exercise his remaining Options subject to the provisions of Clause 9 hereof~~

EXISTING PROVISION

AMENDED PROVISION

(g)

Bye-Law 4.7:

4.7 Notwithstanding anything to the contrary, no Eligible Employee or Grantee may participate at any time in another employees' share option scheme of any other company within the Group. In the event that an Eligible Subsidiary shall establish an employees' share option scheme for the employees of that Eligible Subsidiary:

- (a) any Eligible Employee who accepts any offer of options under that Eligible Subsidiary's employees' share option scheme shall forthwith cease to be an Eligible Employee under the ESOS;
- (b) any Grantee who accepts any offer of options under that Eligible Subsidiary's employees' share option scheme shall forthwith be deemed to have terminated all unexercised Options then held by him pursuant to the ESOS; and
- (c) in the case where any Offer has been made to an Eligible Employee or a Grantee, which Offer has not been accepted by him, that Offer shall lapse, and shall be null and void, forthwith upon that Eligible Employee's or Grantee's (as the case may be) acceptance of any offer of options under that Eligible Subsidiary's employees' share option scheme.

4.7

~~Notwithstanding anything to the contrary, no Eligible Employee or Grantee may participate at any time in another employees' share option scheme of any other company within the Group. In the event that an Eligible Subsidiary shall establish an employees' share option scheme ("Eligible Subsidiary's Scheme") for the its employees of that Eligible Subsidiary during the ESOS, the Eligible Subsidiary's employee may, subject to fulfilment of the criteria of eligibility under:~~

- ~~(e) any Eligible Employee who accepts any offer of options under that Eligible Subsidiary's employees' share option scheme shall forthwith cease to be an Eligible Employee under the ESOS;~~
- ~~(b) any Grantee who accepts any offer of options under that Eligible Subsidiary's employees' share option scheme shall forthwith be deemed to have terminated all unexercised Options then held by him pursuant to the ESOS; and~~
- ~~(e) in the case where any Offer has been made to an Eligible Employee or a Grantee, which Offer has not been accepted by him, that Offer shall lapse, and shall be null and void, forthwith upon that Eligible Employee's or Grantee's (as the case may be) acceptance of any offer of options under that Eligible Subsidiary's employees' share option scheme.~~

- (a) Bye-Laws of the Eligible Subsidiary's Scheme; and
 - (b) these Bye-Laws;
- participate in that Eligible Subsidiary's Scheme as well as in the ESOS;

PROVIDED THAT in the above circumstances, the Options Committee may in its sole discretion vary the Eligible Subsidiary's employee's Maximum Allowable Allotment under these Bye-Laws in any manner it deems fit.

For the avoidance of doubt, nothing in these Bye-Laws shall be construed as permitting any Eligible Employee who is not an Eligible Subsidiary's employee, to participate in the Eligible Subsidiary's Scheme.

EXISTING PROVISION

AMENDED PROVISION

Any Eligible Employee or Grantee who has so accepted such offers of options under that Eligible Subsidiary's employees' share option scheme shall forthwith give written notice of such acceptance to the Options Committee.

Any Eligible Employee or Grantee who has so accepted such offers of options under that Eligible Subsidiary's employees' ~~share option~~ ~~s~~Scheme shall forthwith give written notice of such acceptance to the Options Committee.

BYE-LAW 5: OFFER

Bye-Law 5.2:

5.2 Subject always to Clause 3 and 6 hereof, the actual number of TM Shares which may be offered to an Eligible Employee shall be at the discretion of the Options Committee and, subject to any adjustments that may be made under Clause 14 hereof, shall not be less than one thousand (1,000) TM Shares and shall always be in multiples of one thousand (1,000) TM Shares. The numbers of TM Shares so offered pursuant to the Scheme shall be verified by the Company's external auditors as part of its audit exercise, which shall be disclosed in the Company's annual report.

5.2 Subject always to Clause 3 and 6 hereof, the actual number of TM Shares which may be offered to an Eligible Employee shall be at the discretion of the Options Committee and, subject to any adjustments that may be made under Clause 14 hereof, shall not be less than ~~one thousand~~ ~~hundred~~ (1,000) TM Shares and shall always be in multiples of one ~~thousand~~ ~~hundred~~ (1,000) TM Shares. The numbers of TM Shares so offered pursuant to the Scheme shall be verified by the Company's external auditors as part of its audit exercise, which shall be disclosed in the Company's annual report.

BYE-LAW 6: MAXIMUM ALLOWABLE ALLOTMENT AND BASIS OF ALLOTMENT

Bye-Law 6.1:

6.1 Subject to Clauses 6.2, the number of new TM Shares that may be offered under the Options to any one of the Eligible Employees of the Group who are entitled to participate in the ESOS shall be at the discretion of the Options Committee after taking into consideration the performance, grades and number of years in service of the Eligible Employee, and such other criteria as may be determined by the Options Committee in its sole discretion, subject always to Clause 3 and the applicable provisions of the SC Guidelines on ESOS relating to allocations to directors and employees.

6.1 Subject to Clauses 6.2, the number of new TM Shares that may be offered under the Options to any one of the Eligible Employees of the Group who are entitled to participate in the ESOS shall be at the discretion of the Options Committee after taking into consideration the performance, grades and number of years in service of the Eligible Employee, and such other criteria as may be determined by the Options Committee in its sole discretion, subject always to Clause 3 and the applicable provisions of the ~~SC~~ ~~Guidelines~~ **Bursa Securities LR** on ESOS relating to allocations to directors and employees.

Bye-Law 6.2:

6.2 Subject to any adjustment made pursuant to Clause 14, the Maximum Allowable Allotment for an Eligible Employee who has been Offered pursuant to Clause 5 is set out as follows:

6.2 Subject to any adjustment made pursuant to Clause 14, the Maximum Allowable Allotment for an Eligible Employee who has been Offered pursuant to Clause 5 is set out as follows:

EXISTING PROVISION

Group Category	Maximum Allowable Allotment
Executive Directors	500,000
Top Management	
Level 1	250,000
Level 2	180,000
Senior Management	
Level 1	120,000
Level 2	90,000
Executives	70,000
Non-Executives	20,000

BYE-LAW 9: EXERCISE OF OPTIONS

Bye-Law 9.1:

9.1 Subject to Clause 9.2 hereof, an Option can be exercised by the Grantee by notice in writing ("Notice of Exercise") to the Company:

(a) during his employment with the Group; and

(b) within the Option Period (that is, the period commencing from the Offer Date and expiring on the fifth (5th) anniversary thereof, or (if earlier) on the expiry of the ESOS as extended from time to time pursuant to the provisions of Clause 18)

in respect of all or any part of the new TM Shares comprised in the Option, such part being in multiples of and not less than one thousand (1,000) TM Shares save and except that in the event a Grantee's balance of TM Shares exercisable in accordance with these Bye-Laws shall be less than one thousand (1,000), the said balance shall, if exercised, be exercised in a single tranche. Such partial exercise of an Option shall not preclude the Grantee from exercising the Options in respect of the balance of the TM Shares comprised in the Options.

AMENDED PROVISION

Group Category	Maximum Allowable Allotment
Executive Directors	500,000 1,200,000
Top Management	
Level 1	250,000 400,000
Level 2	180,000 280,000
Senior Management	
Level 1	120,000
Level 2	90,000
Executives	70,000
Non-Executives	20,000

9.1 Subject to Clause 9.2 hereof, an Option can be exercised by the Grantee by notice in writing ("Notice of Exercise") to the Company:

- (a) during his employment with the Group; and
- (b) within the Option Period (that is, the period commencing from the Offer Date and expiring on the fifth (5th) anniversary thereof, or (if earlier) on the expiry of the ESOS as extended from time to time pursuant to the provisions of Clause 18)

in respect of all or any part of the new TM Shares comprised in the Option which he is able to exercise in any one (1) year, such part being in multiples of and not less than one ~~thousand~~ hundred (~~1,000~~100) TM Shares save and except that in the event a Grantee's balance of TM Shares exercisable in accordance with these Bye-Laws shall be less than one ~~thousand~~ hundred (~~1,000~~100), the said balance shall, if exercised, be exercised in a single tranche. Such partial exercise of an Option shall not preclude the Grantee from exercising the Options in respect of the balance of the TM Shares comprised in the Options.

EXISTING PROVISION

(b)

Bye-Law 9.2:

9.2 Subject to Clause 14 hereof, a Grantee may exercise his Options subject to the following limits:

Number of Options granted	Percentage of Options available (%)				
	Year 1	Year 2	Year 3	Year 4	Year 5
Below 20,000	100	-	-	-	-
20,000-99,999	*40	30	**30	-	-
100,000 and above	20	20	20	20	20

- * 40% or 20,000 Options whichever is higher
- ** 30% or the remaining number of Options unexercised

and the Options Committee may, at any time and from time to time, before or after an Option is granted, impose any other terms and/or conditions deemed appropriate by the Options Committee in its sole discretion, including amending/varying any terms and conditions imposed earlier.

(c)

Bye-Law 9.3:

9.3 Every Notice of Exercise of Option must be in the form prescribed by the Options Committee from time to time and shall be accompanied by a remittance (calculated in accordance with the provisions of Clause 7 hereof) for the full amount of the subscription monies for the new TM Shares in respect of which the notice is given. Within ten (10) Market Days (or such other period as may be prescribed by the KLSE) from the receipt by the Company of the aforesaid notice (duly completed) and full remittance from the Grantee, the Company shall allot and issue the relevant number of new TM Shares, dispatch notices of allotment to the Grantee

AMENDED PROVISION

9.2 Subject to Clause 14 hereof, a Grantee may exercise his Options subject to the following limits:

(i) In respect of any Options remaining unexercised prior to the Effective Date of the 2005 Amendments:

Number of Options granted	Percentage of Options available (%)				
	Year 1	Year 2	Year 3	Year 4	Year 5
Below 20,000	100	-	-	-	-
20,000-99,999	*40	30	**30	-	-
100,000 and above	20	20	20	20	20

- * 40% or 20,000 Options whichever is higher
- ** 30% or the remaining number of Options unexercised

(ii) In respect of any Options offered after the Effective Date of the 2005 Amendments, the number of Options which a Grantee may exercise in a relevant year shall be evenly distributed over the number of unexpired years of the Scheme, as calculated on the date of acceptance of the Options, save as determined otherwise by the Options Committee;

and the Options Committee may, at any time and from time to time, before or after an Option is granted, impose any other terms and/or conditions deemed appropriate by the Options Committee in its sole discretion, including amending/varying any terms and conditions imposed earlier.

9.3

Every Notice of Exercise of Option must be in the form prescribed by the Options Committee from time to time and shall be accompanied by a remittance (calculated in accordance with the provisions of Clause 7 hereof) for the full amount of the subscription monies for the new TM Shares in respect of which the notice is given. Within ten (10) Market Days (or such other period as may be prescribed by the ~~KLSE~~ Bursa Securities) from the receipt by the Company of the aforesaid notice (duly completed) and full remittance from the Grantee, the Company shall allot and issue the relevant number of new TM Shares, dispatch notices of allotment to

EXISTING PROVISION	AMENDED PROVISION
	<p>the Grantee accordingly, and make an application for the quotation of such new TM Shares on the KLSE-Bursa Securities, subject to the provisions in the Articles.</p>
(d)	<p>To include new Bye-Law 9.4</p>
(e)	<p>To include new Bye-Law 9.5</p>
(f)	<p>Bye-Law 9.4:</p> <p>9.4 The new TM Shares to be issued pursuant to the exercise of an Option will be credited directly into the CDS account of the Grantee and no physical share certificate will be issued and delivered to the Grantee.</p>
(g)	<p>Bye-Law 9.5:</p> <p>9.5 The new TM Shares to be issued pursuant to the ESOS will, upon allotment and issue, rank pari passu in all respects with the then existing issued and paid-up TM Shares provided that in the event if there is any right to participate in any rights, allotments or any distributions, the new TM Shares shall rank pari passu with the then existing TM Shares if the relevant exercise date is before the Record Date save and except that such TM Shares will not be entitled to any dividends or any distributions declared or to be declared in respect of financial years or interim periods preceding the financial years or interim periods in which the new TM Shares were issued. For the purpose hereof, Record Date means the date as at the close of business on which shareholders must be registered as shareholders in order to participate in any dividends, rights, allotments or any other distributions whilst interim period means the period after a financial year end but before the next financial year end.</p>
	<p>9.4 A Grantee who is transferred to a company which is not a member of the Group ("Subsequent Company") from the Company or an Eligible Subsidiary shall only be entitled to continue to exercise his remaining Options subject to the provisions of Bye-Law 10.1(iv) hereof.</p>
	<p>9.5 Subject to Bye-Law 9.2, a Grantee under a fixed employment contract, who, having exercised his Options, resigns before the expiry of the first year of his contract, shall, upon his resignation, pay to the Company any gains from proceeds of exercised Options.</p>
	<p>9.46 The new TM Shares to be issued pursuant to the exercise of an Option will be credited directly into the CDS account of the Grantee and no physical share certificate will be issued and delivered to the Grantee.</p>
	<p>9.57 The new TM Shares to be issued pursuant to the ESOS will, upon allotment and issue, rank pari passu in all respects with the then existing issued and paid-up TM Shares provided that in the event if there is any right to participate in any rights, allotments or any distributions, the new TM Shares shall rank pari passu with the then existing TM Shares if the relevant exercise date is before the Record Date save and except that such TM Shares will not be entitled to any dividends or any distributions declared or to be declared in respect of financial years or interim periods preceding the financial years or interim periods in which the new TM Shares were issued. For the purpose hereof, Record Date means the date as at the close of business on which shareholders must be registered as shareholders in order to participate in any dividends, rights, allotments or any other distributions whilst interim period means the period after a financial year end but before the next financial year end.</p>

EXISTING PROVISION

AMENDED PROVISION

(h)

Bye-Law 9.6:

9.6 All Options to the extent that they have not been exercised upon the expiry of the Option Period shall lapse and have no further effect, unless extended at any time and from time to time by the Options Committee PROVIDED THAT the extended Option Period shall not in any event exceed ten (10) years from the date of the Offer.

9.68 All Options to the extent that they have not been exercised upon the expiry of the Option Period shall lapse and have no further effect, unless extended at any time and from time to time by the Options Committee PROVIDED THAT the extended Option Period shall not in any event exceed ten (10) years from the date of the Offer.

(i)

Bye-Law 9.7:

9.7 In the event that a Grantee is subject to Disciplinary Proceedings (whether or not such Disciplinary Proceedings will give rise to a dismissal or termination of service) the Options Committee shall have the right, at its discretion and by notice in writing to that effect, to suspend the Options (with effect from the date specified in such notice) pending the outcome of such Disciplinary Proceedings. The Options Committee may impose such terms and conditions as the Options Committee shall deem appropriate having regard to the nature of the charges made or brought against the Grantee PROVIDED ALWAYS THAT:

9.79 In the event that a Grantee is subject to Disciplinary Proceedings (whether or not such Disciplinary Proceedings will give rise to a dismissal or termination of service) the Options Committee shall have the right, at its discretion and by notice in writing to that effect, to suspend the Options (with effect from the date specified in such notice) pending the outcome of such Disciplinary Proceedings. The Options Committee may impose such terms and conditions as the Options Committee shall deem appropriate having regard to the nature of the charges made or brought against the Grantee PROVIDED ALWAYS THAT:

(i) in the event that such Grantee shall subsequently be found to be not guilty of all the charges which gave rise to such Disciplinary Proceedings, the Options Committee shall forthwith reinstate the rights of such Grantee to exercise his Option;

(i) in the event that such Grantee shall subsequently be found to be not guilty of all the charges which gave rise to such Disciplinary Proceedings, the Options Committee shall forthwith reinstate the rights of such Grantee to exercise his Option;

(ii) in the event the Disciplinary Proceeding results in a dismissal or termination of service of such Grantee, the Options shall immediately lapse and be null and void and of no further force and effect upon the date of the notice of the dismissal or termination of service of such Grantee notwithstanding that such dismissal or termination of service may be subsequently challenged by the Grantee in any other forum; and

(ii) in the event the Disciplinary Proceeding results in a dismissal or termination of service of such Grantee, the Options shall immediately lapse and be null and void and of no further force and effect upon the date of the notice of the dismissal or termination of service of such Grantee notwithstanding that such dismissal or termination of service may be subsequently challenged by the Grantee in any other forum; and

(iii) in the event such Grantee is found guilty of some or all of the charges but no dismissal or termination of service is recommended, the Options Committee shall have the right to determine at its discretion whether or not the Grantee may continue to exercise his Options and if so, to impose such limits, terms and conditions as it deems appropriate, on such exercise.

(iii) in the event such Grantee is found guilty of some or all of the charges but no dismissal or termination of service is recommended, the Options Committee shall have the right to determine at its discretion whether or not the Grantee may continue to exercise his Options and if so, to impose such limits, terms and conditions as it deems appropriate, on such exercise.

EXISTING PROVISION

BYE-LAW 10: TERMINATION OF THE OPTION

Bye-Law 10.1:

10.1 In the event of the cessation of employment of a Grantee with the Group for whatever reason prior to the full exercise of an Option, such Option or the balance thereof, as the case may be, shall forthwith cease to be valid without any claim against the Company PROVIDED ALWAYS THAT subject to the written approval of the Options Committee in its discretion, if such cessation occurs by reason of:

- (i) retirement on attaining the retirement age under the Group's retirement policy;
- (ii) retirement before attaining the normal retirement age;
- (iii) ill health, injury, physical or mental disability;
- (iv) redundancy or retrenchment, or pursuant to the acceptance by that Grantee of a voluntary separation scheme offered by the Company; or
- (v) any other circumstances which are acceptable to the Options Committee;

such Option shall remain exercisable during the Option Period.

Bye-Law 10.2:

10.2 An Option shall lapse forthwith upon the Grantee giving notice of his resignation from employment with the Group and the TM Shares comprised in such Option or the balance thereof not subscribed for may, at the discretion of the Options Committee, be re-offered to other Eligible Employees.

AMENDED PROVISION

10.1 In the event of the cessation of employment of a Grantee with the Group for whatever reason prior to the full exercise of an Option, such Option or the balance thereof, as the case may be, shall forthwith cease to be valid without any claim against the Company PROVIDED ALWAYS THAT subject to the written approval of the Options Committee in its discretion, if such cessation occurs by reason of:

- (i) retirement on attaining the retirement age under the Group's retirement policy;
- (ii) retirement before attaining the normal retirement age;
- (iii) ill health, injury, physical or mental disability;
- (iv) **transfer of the Grantee to a corporation outside of the Group;**
- (v) redundancy or retrenchment, or pursuant to the acceptance by that Grantee of a voluntary separation scheme offered by the Company; or
- (vi) any other circumstances which are acceptable to the Options Committee;

such Option shall remain exercisable ~~during the Option Period~~ **for such period prescribed by the Options Committee.**

10.2 **Upon a Grantee giving notice of his resignation from employment with any company within the Group, A-n Option shall lapse forthwith upon the Grantee giving notice of his resignation from employment with the Group on the date such resignation becomes effective and the TM Shares comprised in such Option or the balance thereof not subscribed for may, at the discretion of the Options Committee, be re-offered to other Eligible Employees.**

	EXISTING PROVISION	AMENDED PROVISION
(viii)	<p>BYE-LAW 14: ALTERATION OF SHARE CAPITAL DURING THE OPTION PERIOD</p>	
(a)	<p>Bye-Law 14.1:</p> <p>14.1 In the event of any alteration in the capital structure of the Company during the Option Period, whether by way of capitalisation of profit or reserves, rights issues, reduction, subdivisions or consolidations of capital or otherwise howsoever taking place:</p> <p>(i) the Subscription Price; and/or</p> <p>(ii) the number of TM Shares comprised in an Option which may be exercised</p> <p>may be adjusted in such manner as the external auditors of the Company for the time being (acting as experts and not as arbitrators), upon reference to them by the Options Committee, confirm in writing to be, in their opinion, fair and reasonable and such determination shall be final and binding on the Grantees, PROVIDED ALWAYS THAT:</p> <p>(iii) any adjustment to the Subscription Price shall be rounded down to the nearest one (1) sen and no adjustment to the Subscription Price shall be made which would result in the TM Shares to be issued on the exercise of the Options being issued at a discount to the par value, and if such an adjustment would but for this provision have so resulted, the Subscription Price payable shall be the par value of TM Shares;</p> <p>(iv) upon any adjustment being made pursuant to this Clause, the Options Committee shall notify the Grantee (or his personal representatives where applicable) in writing of the adjusted Subscription Price, the adjusted number of TM Shares comprised in the Options and/or the revised maximum number of TM Shares and/or percentage of the total TM Shares comprised in the Options that may be exercised in a particular year;</p> <p>(v) in the event that a fraction of a TM Share arising from the adjustments referred to in this Clause would otherwise be required to be issued upon the exercise of an Option by the Grantee, the Grantee's entitlement shall be rounded down to the nearest whole number.</p>	<p>14.1 In the event of any alteration in the capital structure of the Company during the Option Period, whether by way of capitalisation of profit or reserves issue, rights issues, bonus issues, capital reduction, subdivisions or consolidations of capital or otherwise howsoever taking place any other variation of capital:</p> <p>(i) the Subscription Price; and/or</p> <p>(ii) the number of TM Shares comprised in an Options which may have yet to be exercised;</p> <p>may be adjusted in such manner as the external auditors of the Company for the time being (acting as experts and not as arbitrators), upon reference to them by the Options Committee, confirm in writing to be, in their opinion, fair and reasonable and such determination shall be final and binding on the Grantees, PROVIDED ALWAYS THAT:</p> <p>(iii) any adjustment to the Subscription Price shall be rounded down to the nearest one (1) sen and no adjustment to the Subscription Price shall be made which would result in the TM Shares to be issued on the exercise of the Options being issued at a discount to the par value, and if such an adjustment would but for this provision have so resulted, the Subscription Price payable shall be the par value of TM Shares;</p> <p>(iv) upon any adjustment being made pursuant to this Clause, the Options Committee shall notify the Grantee (or his personal representatives where applicable) in writing of the adjusted Subscription Price, the adjusted number of TM Shares comprised in the Options and/or the revised maximum number of TM Shares and/or percentage of the total TM Shares comprised in the Options that may be exercised in a particular year;</p> <p>(v) in the event that a fraction of a TM Share arising from the adjustments referred to in this Clause would otherwise be required to be issued upon the exercise of an Option by the Grantee, the Grantee's entitlement shall be rounded down to the nearest whole number.</p>

EXISTING PROVISION

AMENDED PROVISION

Such adjustments pursuant to the above should give the Grantees the same proportion of the capital as that to which they were previously entitled under their respective Options.

Such adjustments pursuant to the above should give the Grantees the same proportion of the capital as that to which they were previously entitled under their respective Options.

BYE-LAW 15: LISTING AND QUOTATION OF TM SHARES

The Company will apply to the KLSE for the listing of and quotation for all the new TM Shares to be allotted pursuant to the ESOS and will use its best endeavours to obtain permission for such listing and quotation.

The Company will apply to ~~the~~ KLSE Bursa Securities for the listing of and quotation for all the new TM Shares to be allotted pursuant to the ESOS and will use its best endeavours to obtain permission for such listing and quotation.

BYE-LAW 17: AMENDMENT AND/OR MODIFICATION TO THE ESOS

To include new Bye-Law 17.2

17.2 No amendments may be made which shall be to the advantage of any Eligible Employees to the following provisions without first obtaining the prior approval of the Company's shareholders:

- (i) Eligible Employees;
- (ii) the maximum number of Options to be Offered;
- (iii) the Maximum Allowable Allotment;
- (iv) the Subscription Price and the basis of its determination;
- (v) the duration of the Scheme;
- (vi) the retention period (if applicable);
- (vii) the rights attaching to the Shares including that arising on a liquidation of the Company; and
- (viii) any formulae for adjustments to the Subscription Price.

BYE-LAW 18: DURATION, EXTENSION AND TERMINATION OF THE ESOS

Bye-Law 18.2:

18.2 Subject to approval of the relevant authorities including the SC and compliance with the requirements of the relevant authorities and the written consent of the Option holders, who have yet to exercise their Options, either in part or in whole, the Company in general meeting may, by ordinary resolution passed by the shareholders of the Company, terminate the continuation of the ESOS at any time and in such an event no further Offers shall be made by the Options Committee from the date of such resolution and all Offers outstanding but not accepted by the Eligible Employee at the date of the said resolution and the Options as yet unexercised or partially exercised shall be deemed to be terminated at the date of such resolution.

18.2 Subject to approval of the relevant authorities including ~~the~~ Bursa Securities and compliance with the requirements of the relevant authorities and the written consent of the Option holders, who have yet to exercise their Options, either in part or in whole, the Company in general meeting may, by ordinary resolution passed by the shareholders of the Company, terminate the continuation of the ESOS at any time and in such an event no further Offers shall be made by the Options Committee from the date of such resolution and all Offers outstanding but not accepted by the Eligible Employee at the date of the said resolution and the Options as yet unexercised or partially exercised shall be deemed to be terminated at the date of such resolution.

EXISTING PROVISION		AMENDED PROVISION
(b)	<p>Bye-Law 18.3:</p> <p>18.3 The Company may, subject to the approval of the SC and any other relevant authorities, establish a new employees' share option scheme after the expiry or termination of the Scheme.</p>	<p>18.3 The Company may, subject to the approval of the SCBursa Securities, its shareholders and any other relevant authorities, establish a new employees' share option scheme after the expiry or termination of the Scheme.</p>
(xii)	<p>BYE-LAW 24: DISCLAIMER OF LIABILITY</p> <p>Notwithstanding any provisions contained herein and subject to the Act, the Options Committee and the Company shall not under any circumstances be held liable for any damages, cost, losses and expenses whatsoever and howsoever arising in any event, including but not limited to the Company's delay in allotting and issuing the Scheme Shares or in applying for or procuring the listing of the Scheme Shares on the KLSE.</p>	<p>Notwithstanding any provisions contained herein and subject to the Act, the Options Committee and the Company shall not under any circumstances be held liable for any damages, cost, losses and expenses whatsoever and howsoever arising in any event, including but not limited to the Company's delay in allotting and issuing the Scheme Shares or in applying for or procuring the listing of the Scheme Shares on the KLSEBursa Securities.</p>
(xii)	<p>BYE-LAW 26: ARTICLES</p>	<p>BYE-LAW 26: ARTICLES AND CIRCULARS</p>
(a)	To include new Bye-Law 26.2	<p>26.2 If a situation of conflict should arise between the ESOS and the provisions of any circulars, directives and correspondences issued, these Bye-Laws shall prevail at all times.</p>
(xiii)	<p>TO INCLUDE NEW BYE-LAW 27: NOTICES</p>	<p>BYE-LAW 27: NOTICES</p>
(a)	To include new Bye-Law 27.1	<p>27.1 Any notice required to be given to an Eligible Employee and/or Grantee shall be sent by way of e-mail to the e-mail addresses in accordance with the Company's records. For employees without e-mail addresses, any notice shall be deemed served once the e-mail is sent through the care of the employee's relevant heads of division. Any broadcast notice on the Company's website shall also be deemed sufficient notice.</p>
(b)	To include new Bye-Law 27.2	<p>27.2 In respect of letters of Offer, the letters shall be sent to the Eligible Employee and/or Grantee by ordinary post to the latest postal address held by the Company in respect of that Eligible Employee and/or Grantee and any such notice shall be deemed to have been delivered four (4) calendar days after the date it is posted and in proving delivery it shall be sufficient to prove that such a letter was properly stamped, addressed and placed in the post.</p>