

FURTHER INFORMATION

1. RESPONSIBILITY STATEMENT

Our Directors have seen and approved this Circular and they collectively and individually accept full responsibility for the accuracy of the information in this Circular. They confirm, after making all reasonable enquiries, that to the best of their knowledge and belief, there are no false or misleading statements or other facts which, if omitted, would make a statement in this Circular false or misleading.

2. WRITTEN CONSENT

CIMB, UBS Securities Malaysia Sdn Bhd (“**UBS**”), PricewaterhouseCoopers (“**PwC**”), PIVB, and Frost & Sullivan have given and have not subsequently withdrawn their written consent to include their name, letters and reports (where applicable) and all reference thereto in this Circular in the form and context in which they appear.

3. DECLARATION OF CONFLICT OF INTERESTS

3.1 CIMB

CIMB and its related companies engage in transactions with and perform services for the TM Group and/its affiliates in the ordinary course of business. CIMB and its related companies have extended credit facilities and/or have engaged and in the future may engage in private banking, commercial banking and investment banking in the ordinary course of business with the TM Group.

Save as disclosed above, CIMB is not aware of any possible conflict of interest which exists or is likely to exist in its capacity as the Joint Adviser for the Proposed Demerger, Proposed Listing, Proposed Shareholders' Mandate, Proposed Option Scheme, Proposed Acquisition and Proposed Exemption only.

3.2 UBS

UBS and/or its affiliates engage in transactions with, and perform services for the TM Group and/or its affiliates in the ordinary course of business and have engaged, and in the future may engage, in private banking, commercial banking and investment banking with the TM Group and/or its affiliates, for which UBS and/or its affiliates have received, or may in the future receive, customary compensation.

UBS and its affiliates, in their capacity as the Joint Adviser for the Proposals, are involved, and may in the future be involved, in a wide range of commercial banking and investment banking activities globally (including investment advisory, asset management, wealth management, research, securities issuance, trading (proprietary and customer) and brokerage) from which conflicting interests or duties may arise. In addition, in the ordinary course of business, UBS and/or its affiliates may trade the securities of the TM Group and/or its affiliates for UBS' and/or its affiliates' own account and for the accounts of customers, and may at any time hold a long or short position in such securities.

Therefore, conflicts may arise between duties of UBS as the Joint Adviser in relation to the Proposed Demerger, Proposed Listing, Proposed Shareholders' Mandate, Proposed Option Scheme, Proposed Acquisition and Proposed Exemption, and other duties or interest of UBS and its affiliates.

UBS and its affiliates operate rules, policies and procedures, including independence policies and permanent and ad hoc information barriers between and within divisions of UBS and its affiliates, directed to ensuring that the individual directors, officers and employees involved in an assignment undertaken by UBS and/or its affiliates are not influenced by any such conflicting interest or duty.

Save as disclosed above, UBS is not aware of any possible conflict of interest which exists or is likely to exist in its capacity as the Joint Adviser for the Proposed Demerger, Proposed Listing, Proposed Shareholders' Mandate, Proposed Option Scheme, Proposed Acquisition and Proposed Exemption only.

3.3 PwC

PwC is not aware of any possible conflict of interest which exists or is likely to exist in its capacity as the Reporting Accountants for the Proposals.

3.4 PIVB

PIVB is not aware of any possible conflict of interest which exists or is likely to exist in its capacity as the Independent Adviser in respect of the Proposed Acquisition and Proposed Exemption.

4. MATERIAL CONTRACTS

4.1 TM Group

Save as disclosed below, neither we nor our subsidiaries have entered into any contracts which are or may be material, not being contracts entered into in the ordinary course of business, during the 2 years preceding the LPD:

- (a) Joint Venture Agreement dated 9 February 2006 between us, Keretapi Tanah Melayu Berhad ("**KTMB**") and Petrofibre Networks (M) Sdn Bhd ("**Petrofibre**") to regulate the relationship between the parties as shareholders of Fiberail Sdn Bhd ("**Fiberail**") and also to regulate and conduct the affairs and business of Fiberail;
- (b) Put Option Agreement dated 9 February 2006 between us, KTMB and Petrofibre where:
 - (i) in consideration of the completion of the Sale of Business and Business Assets of Petrofibre Contract dated 12 December 2005 between Fiberail and Petrofibre ("**Sale of Business Agreement**") relating to the acquisition by Fiberail from Petrofibre of the business of Petrofibre being the provision of telecommunications services in Peninsula Malaysia ("**Business**") and all the property and rights of Petrofibre used in the conduct of the Business comprising assets which include property, plant and equipment, receivables and liabilities at a total consideration of RM100.5 million to be satisfied in cash and the issuance of 1,580,000 ordinary shares of RM1.00 each in Fiberail ("**Fiberail Shares**") valued at an issue price of RM8.08 each, representing 10% of the enlarged issued and paid-up share capital of Fiberail; and
 - (ii) payment of RM1 by Petrofibre to us and KTMB,

we and KTMB grant an option (“**Put Option**”) to Petrofibre or its nominee(s) to require us and KTMB to purchase (in the proportion of 60% by us and 40% by KTMB) up to 10% of Fiberail’s enlarged issued and paid-up share capital (1,580,000 ordinary shares of RM1.00 each), being part of the consideration payable by Fiberail to Petrofibre under the Sale of Business Agreement (“**Option Shares**”) at an exercise price of RM8.08 per share. If KTMB declines to purchase any or all of its portion of the Option Shares, we shall purchase such Option Shares within the period commencing 1 year from 9 February 2006 and ending on the 5th anniversary of that date or 30 days from the date of receipt of notice from Fiberail of the engagement of the lead adviser for an initial public offering of Fiberail, whichever is earlier;

- (c) Call Option Agreement dated 9 February 2006 between us and KTMB where in consideration of KTMB paying RM1 to us, we grant an option (“**Fiberail Call Option**”) to KTMB to require us to sell to KTMB Fiberail Shares which were acquired by us due to KTMB declining to acquire those Fiberail Shares under the Put Option Agreement. The Fiberail Call Option may be exercised within the following period:
 - (i) in the case where Fiberail has appointed the lead adviser for an initial public offering of Fiberail and we have acquired the Option Shares under the Put Option Agreement, the period of 1 month from the date of registration of the Option Shares in our name or from the date the Put Option was exercised by Petrofibre, whichever is later; or
 - (ii) in any other case, the period of 12 months commencing from the date of registration of the Option Shares in our name;
- (d) Agreement dated 17 February 2006 between Samart Corporation Public Company Limited (“**Samart**”) and TM International for the acquisition by TM International from Samart of the 105,000,000 issued and outstanding ordinary shares of Thailand Baht (“**Baht**”) 1 each, representing 24.42% of the total issued and outstanding shares in Samart I-Mobile Public Company Limited (“**Samart I-Mobile**”) for a cash consideration of Baht1,312.5 million;
- (e) Shareholders’ Agreement dated 17 February 2006 between Samart and TM International to regulate the relationship between the parties as shareholders of Samart I-Mobile and to regulate the operation and management of Samart I-Mobile;
- (f) Agreement dated 17 February 2006 between Samart and TM International for the acquisition by TM International from Samart of 1,038,700 ordinary shares with par value of USD4.00 each representing 49% of the total issued and outstanding shares in Cambodia Samart Communication Company Limited (*now known as TMIC*) for a total cash consideration of USD29 million;
- (g) Share Sale and Purchase Agreement dated 10 March 2006 between Distacom India Holdings Limited (“**DIHL**”), Dai (Mauritius) Company Limited (“**Dai**”), Deutsche Bank AG, Ashmore Cayman SPC Limited (“**Ashmore**”), the Ashmore funds, namely Ashmore Global Special Situations Fund Limited, Ashmore Global Special Situations Fund 2 Limited, Asset Holder PCC No. 2 Limited Re Ashmore Asian Recovery Fund, EMDCD Ltd, Asset Holder PCC Limited Re Ashmore Emerging Markets Liquid Investment Portfolio and Ashmore Emerging Markets Debt Fund and TM International on the acquisition of the entire issued and paid-up share capital of Distacom Communications (India) Limited (“**DCIL**”) by TM International from DIHL and Dai for a cash consideration of USD178.8 million;

- (h) Shareholders' Agreement dated 10 March 2006 between TM International, Modi Wellvest Private Limited, Super Infosys Private Limited, MCorpglobal Private Limited, India Televentures Private Limited, MCorp Telecom Limited and Spice Communications Private Limited ("**Spice**"), as amended by supplemental agreements dated 28 April 2006 and 10 January 2007, which sets out their respective rights and obligations as shareholders of Spice in relation to the acquisition of the entire issued and paid-up share capital of DCIL;
- (i) Joint Venture Agreement dated 16 January 2007 entered into between CT Paging Sdn Bhd ("**CT Paging**"), i-Mobile International Co. Ltd ("**I-Mobile**") and C-Mobile Sdn Bhd ("**C-Mobile**") for the purpose of establishing a joint venture company, C-Mobile, as a vehicle to operate a distribution network of dealers and concept retail stores based on the intellectual property rights owned by Celcom. The agreement also regulates the relationship between CT Paging and I-Mobile as the shareholders of C-Mobile subject to the terms and conditions contained therein;
- (j) Settlement Agreement dated 8 October 2007 between TMIB and Bangladesh Telecommunication Regulatory Commission ("**BTRC**") evidencing full, final and conclusive settlement of the investigation and show cause notice issued by the BTRC in respect of an allegation of breach of section 65 of the Bangladesh Telecommunication Act, 2001 by TMIB concerning the unauthorised use of Voice over Internet Protocol technology services by TMIB subscribers, and pursuant to which TMIB agrees to pay an administrative fine of Bangladeshi taka 1,450 million to the BTRC, in settlement of such allegation of breach;
- (k) the Demerger Agreement;
- (l) Framework Agreement dated 10 December 2007, among our Company, Celcom and TM International to govern the existing and future commercial arrangements among our Company, Celcom and TM International including sales and marketing, IT services, access, network, facilities, research and development, finance services and human resource services and an agreement that our Company will not engage in or make any investment in any mobile business without TM International's prior consent, and TM International will not engage in or make any investment in any fixed-line business in Malaysia without our Company's prior consent, for a period of three years from completion of the Proposed Demerger or such other time as may be mutually agreed by parties in writing;
- (m) Shareholders' Agreement dated 11 December 2007 between TMIL and Etisalat International Indonesia Limited ("**Etisalat**") to govern the relationship between TMIL and Etisalat in respect of the shares held in XL, pursuant to Etisalat's entry as a new shareholder of XL;
- (n) The following material contracts entered into between us and Menara ABS Berhad ("**MAB**"), a special purpose vehicle, in connection with the issuance of up to RM1,100 million Islamic Asset-Backed Sukuk Ijarah by MAB:
 - (i) Conditional Sale and Purchase Agreement dated 2 January 2008 ("**SPA1**") between our Company and MAB for the sale by our Company to MAB of the following properties:
 - (aa) freehold land held under the issue document title of HS(M) 3885, Lot No. PT 3901, Tempat Jalan Pantai Baru, Mukim and Daerah Kuala Lumpur, Negeri Wilayah Persekutuan measuring approximately 30,708 square meters, together with the building erected on the land bearing postal address Menara TM, Jalan Pantai Baharu, 50672 Kuala Lumpur ("**Menara TM**");

- (bb) freehold land held under the issue document of title HS(D) 71280, Lot No. PT 3569, Mukim and Daerah of Kuala Lumpur, Negeri Wilayah Persekutuan measuring approximately 4,230 square meters together with the building erected on the land bearing postal address Wisma TM, Taman Desa, Jalan Desa Utama, 58100 Kuala Lumpur ("**Wisma TM Taman Desa**"); and
- (cc) property bearing postal address Komplek TM Cyberjaya, 3300, Lingkaran Usahawan 1 Timur, 63000, Cyberjaya, Selangor held under a portion of the master title HSD 7791, Lot PT 12,056, Mukim Dengkil, Daerah Sepang measuring approximately 8,799 square meters ("**Cyberjaya Complex**")

for a total cash consideration of RM850 million;

- (ii) Supplemental Agreement dated 2 January 2008 to the sale and purchase agreement 28 August 2007 ("**SPA2**") between our Company and MAB for the sale by our Company to MAB of the leasehold land held under the issue document of title HS(D) 64439, Lot No. PT 24, Seksyen 87A, Bandar Kuala Lumpur, Daerah Kuala Lumpur, Negeri Wilayah Persekutuan measuring approximately 9,108 square meters together with the building erected on the land bearing postal address Menara Celcom, Jalan Semarak, Kuala Lumpur ("**Menara Celcom**"), for a total cash consideration of RM150 million;
- (iii) Master Ijarah Agreement dated 2 January 2008 between MAB as the lessor/issuer and our Company as the lessee to govern the lease back arrangement in relation to Menara TM, Wisma TM Taman Desa, Cyberjaya Complex and Menara Celcom (collectively "**Properties**") upon the completion of SPA1 and SPA2 such that MAB shall grant to us leases in respect of the Properties for a period of 15 years at the following rentals:
 - (aa) a fixed rental of RM65.4 million per annum for year 1 to 5, RM75.2 million for year 6 to 10 and RM86.5 million for year 11 to 15; and
 - (bb) additional rental comprising inter alia the property manager's fees of RM117,000 per month payable by MAB to us as property manager under the Property Management Agreement dated 2 January 2008 (as referred to in paragraph (iv) below);

whereby we will continue to occupy, maintain and manage the Properties.

- (iv) Property Management Agreement dated 2 January 2008 between MAB and us to govern the relationship between MAB and us as the property manager to service, administer and carry out all such duties in respect of all the Properties on behalf of MAB at a fee of RM117,000 per month as property manager's fee, for the duration of the leases of the Properties; and
- (o) the SPA for the Proposed Acquisition.

4.2 SunShare

SunShare has not entered into any contracts which are or may be material, not being contracts entered into in the ordinary course of business, during the 2 years preceding the LPD.

5. MATERIAL LITIGATION

5.1 TM Group

Save as disclosed below, as at the LPD, neither we nor our subsidiaries are engaged in any material litigation, claims or arbitration, either as plaintiff or defendant, which has a material effect on our financial position or business, and we are not aware of any proceedings, pending or threatened, or of any facts likely to give rise to any proceedings which may materially affect our financial position or business:

(i) **TM v. Business Focus Sdn Bhd (Kuala Lumpur High Court Suit No. D6-22-14884-2002)**

In accordance with the agreement dated 20 February 1997, Business Focus Sdn Bhd ("**Business Focus**" or "**Defendant**") had agreed to procure a third party to purchase TM's shares in Penang Shipbuilding and Construction Industries Berhad ("**PSCI**"), failing which Business Focus will purchase TM's shares in PSCI. TM entered into a Supplementary Agreement with Business Focus on 1 December 1997 where Business Focus agreed to purchase TM's shares in PSCI to be satisfied by the transfer of certain properties and cash ("**Consideration**"). However, only part of the Consideration was settled on 28 August 1998 via the transfer of a piece of land in Johor only.

On 26 April 2004, TM obtained Summary Judgement against the Defendant for RM174.7 million together with interest and other costs.

On 17 January 2005, Business Focus' appeal against the Summary Judgment's decision was dismissed with costs. Business Focus had filed a Notice of Appeal against the said decision in the Court of Appeal on 24 January 2005. The Court of Appeal has yet to fix the hearing date for the appeal filed by Business Focus.

On 29 July 2005, TM served a notice under Section 218 of the Act ("**Section 218 Notice**") against Business Focus and in response, Business Focus had on 4 August 2005 disputed the entire allegation made in the Section 218 Notice. On 21 November 2005, the Court granted a winding-up order against Business Focus pursuant to a petition filed by Export-Import Bank Malaysia Berhad.

On 17 January 2006, TM filed the proof of debt against Business Focus for the recovery of the amount due and payable to TM. During the second creditors' meeting held on 25 January 2006, Business Focus' creditors had unanimously agreed to appoint O & M Corporate Advisory Sdn Bhd as the private liquidator for this matter. Pursuant to an application by the Official Receiver, the Kuala Lumpur High Court ordered the appointment of Mr. Wong Cham Mew and Mr. Ong Kong Lai, both from O & M Corporate Advisory Sdn Bhd, as liquidators of Business Focus on 6 March 2006 and the sealed Court Order was extracted on 20 April 2006.

Since their appointment, the liquidators have tried various means to locate the assets of Business Focus but to no avail. At the creditors' meeting on 21 March 2007, the liquidators proposed certain causes of action including investigating past transactions of Business Focus to recover Business Focus' assets for the benefit of the creditors and seeking the relevant orders from the Court to compel Business Focus' officers and other parties whom the liquidators had contacted to provide the required information. As the liquidators have been unable to locate any significant assets of Business Focus, the liquidators highlighted that their proposed cause of action would need to be funded by the stakeholders of Business Focus. The liquidators are currently seeking the decision of the stakeholders of Business Focus.

(ii) **Celcom v. DeTeAsia Holding GmbH**
(Kuala Lumpur High Court (Special and Appellate Powers Division) Originating Summons No. R1-24-85-2005)

In 2003, DeTeAsia Holding GmbH ("**DeTeAsia**") initiated arbitration in the International Court of Arbitration of the International Chamber of Commerce in Paris ("**ICC**") against Celcom for monetary damages caused by Celcom's alleged breach of the Amended and Restated Supplemental Agreement between Celcom, DeTeAsia, Technology Resources Industries Berhad ("**TRI**") and TR International Limited ("**TRIL**") dated 4 April 2003 ("**ARSA**"). The arbitration proceedings were held in July 2004 in Geneva. In August 2005, the arbitral tribunal found in DeTeAsia's favor and ordered Celcom to pay the full amount of its principal claim of approximately USD177.2 million together with interest at 8% from 16 October 2002 until full settlement and costs ("**Award**"). In February 2006, Celcom satisfied the Award without prejudice to proceedings that Celcom was contemplating to commence in Malaysia.

On 17 November 2005, Celcom commenced proceeding in Malaysia seeking, inter alia, a declaration that the Award was contrary to the public policy of Malaysia and hence unenforceable in Malaysia. DeTeAsia has responded with an application to set aside this proceeding. The hearing for DeTeAsia's application has been fixed for 29 February 2008. Celcom's action will be heard by the Malaysian courts only after DeTeAsia's response has been disposed of.

Celcom's solicitors are of the opinion that Celcom has an even chance of success in obtaining the relief sought.

(iii) **Rego Multi-Trades Sdn Bhd v. Aras Capital Sdn Bhd & Tan Sri Dato' Tajudin Ramli**
(Kuala Lumpur High Court (Commercial Division) Civil Suit No. D2-22-1411-2005)

In 2005, Rego Multi-Trades Sdn Bhd ("**Rego**"), a wholly-owned subsidiary of Celcom, commenced proceedings in the High Court against Aras Capital Sdn Bhd ("**Aras Capital**") and Tan Sri Dato' Tajudin Ramli ("**TSDTR**") for amounts due to Rego pursuant to an investment agreement with Aras Capital and an indemnity letter given by TSDTR. The sum claimed in the proceedings is RM261,849,264.26 as at 30 November 2004 together with interests and costs. On 13 May 2005, TSDTR filed its defence and instituted a counterclaim against Rego, TRI and its directors to void and rescind the indemnity letter and also claim damages. Subsequently, Rego, TRI and its directors filed their respective applications to strike-out TSDTR's counter-claim on 19 July 2005 but their respective applications were dismissed by the Registrar on 18 May 2006. Rego, TRI and its directors then filed their respective appeals and the same are fixed for mention on 4 March 2008.

Rego's solicitors are of the view that it has good prospects of succeeding on the claim and successfully defending the counterclaim if the same were to proceed to trial.

(iv) **TM & Telekom Publications Sdn Bhd v. Buying Guide (M) Sdn Bhd
(Kuala Lumpur High Court Suit No. D6-22-1332-2003)**

On 11 August 2003, TM jointly with Telekom Publications Sdn Bhd (*now known as TM Info-Media Sdn Bhd*) ("TMIM"), TM's wholly-owned subsidiary, instituted legal proceedings against Buying Guide (M) Sdn Bhd ("BGSB") relating to the infringement of TMIM's and TM's copyright and passing off.

BGSB filed their defence and counterclaim on 15 October 2003 for RM114.3 million which was dismissed by the Assistant Registrar.

On 27 July 2004, BGSB filed their notice of appeal against the Assistant Registrar's decision which was dismissed on 8 April 2005 with cost. On 10 June 2005, TMIM and TM filed their reply to BGSB's statement of defence and TM's defence to BGSB's counterclaim.

The case management of this matter was heard on 14 February 2007, 11 June 2007, 14 September 2007, and 5 November 2007 respectively, and TMIM and TM had filed and served the tentative list of witness and tentative list of documents. The next case management hearing is on 17 March 2008.

TM's solicitor is of the view that based on the available documents and the various discussions with TM and TMIM, TM has a reasonable chance of success in its claim and defending BGSB's counterclaim.

(v) **TM & Telekom Publications Sdn Bhd v. BG Online Sdn Bhd & BG Media Sdn Bhd
(Kuala Lumpur High Court Suit No. D7-22-1144-2004)**

On 10 August 2004, TM jointly with TMIM filed an application for an injunction against BG Online Sdn Bhd ("BGO") and BG Media Sdn Bhd ("BGM") to prevent them from publishing any telephone directories including the Super Pages directory comprising the Yellow Pages mark and/or the Yellow Pages Get-Up which is confusingly similar to TM's mark or get-up.

On 9 August 2005, the High Court allowed TM's application for the Interim Injunction. The approval on the terms of the order was obtained from the High Court on 18 August 2005.

The said Interim Injunction would be effective and valid until the full trial of the case. At the current moment, no trial date has been fixed by the High Court.

TMIM and TM filed for Notice of Motion for committal against BGM/BGO's directors on 27 January 2006.

On 3 October 2007, the Court dismissed the BGM/BGO directors' application to cross-examine the deponent of the affidavit in support of the Notice of Motion. The parties have been further requested to file their respective written submission in court in respect of TM/TMIM's Notice of Motion to commit the directors of BGM and BGO to prison.

On 23 November 2007, the Court dismissed TM's Notice of Motion and fixed the case for further Case Management on 16 April 2008.

TM's solicitor is of the view that based on the available documents and the various discussions with the relevant parties, TM has reasonable prospects of success in this action.

(vi) **MCAT GEN Sdn Bhd v. Celcom**

MCAT Gen Sdn Bhd ("MCAT") has commenced two related proceedings against Celcom. Details of these proceedings as follows:

(a) **Contractual Claim**
(Kuala Lumpur High Court Civil Suit No. D4-22-1682-2005)

In November 2005, MCAT filed a claim against Celcom for alleged breach of an agreement between Celcom and MCAT for MCAT to resell Celcom's application and network services on a prepaid basis ("Reseller Agreement"). MCAT sought, amongst other remedies, specific performance of the Reseller Agreement, damages in the sum of RM765.1 million and damages in lieu or in addition to specific performance. Celcom's position is that it did not enter into the Reseller Agreement and there is no agreement between the parties. In 2006, MCAT unsuccessfully applied for an injunction to restrain Celcom from entering into a similar agreement with any other party that would be detrimental to MCAT's alleged rights under the Reseller Agreement and from disclosing any confidential information to third parties.

Celcom applied to the High Court for security of costs and to strike out parts of MCAT's statement of claim on the basis that the statement did not satisfy the Court's direction to furnish further and better particulars to Celcom. The High Court granted Celcom's application for security for costs and MCAT has paid an aggregate of RM250,000 into the Court. Celcom's striking out application was however dismissed by the Court. The matter commenced to trial in June 2007 and hearings are scheduled to continue in May 2008.

(b) **Libel Claim**
(Kuala Lumpur High Court Civil Suit No. S6-23-74-2005)

In connection with the abovementioned suit, in November 2005, MCAT filed a claim against Celcom, alleging that Celcom's denial of any contractual relationship with MCAT in respect of the Reseller Agreement constituted libel. MCAT sought, amongst other remedies, damages for libel in the sum of RM1.0 billion, aggravated and exemplary damages, an injunction restraining Celcom from further publishing any similar allegedly defamatory words, a public apology, interests and costs. Celcom then filed a defence on the grounds that there was no concluded contract between the parties and, furthermore, that its statements were published by third parties and, in any event, not defamatory of MCAT. It also instituted a counterclaim against MCAT for passing off its products and services as those of Celcom's, implying a trade association with Celcom when no such association exists and for misrepresenting itself as a reseller of its products and services, and filed an application to strike out MCAT's claim.

In December 2006, at the Court's direction, Celcom successfully applied to consolidate this action with the suit mentioned in item (vii) below (under the heading - Tan Sri Abdul Rashid Bin Abdul Manaf, Danny Ng Siew L'Leong, Datuk Yaacob Bin Md Amin, Ungku Safian Bin Ungku Abdullah & Mohd Razi Bin Adam v. Celcom), which MCAT appealed against. Subsequently MCAT has withdrawn the appeal with no order as to costs.

On 22 March 2007, Celcom's striking out application was dismissed with costs and Celcom subsequently filed an appeal against this dismissal. On 29 January 2008, the High Court dismissed Celcom's appeal. Celcom is presently considering whether to file a notice of appeal to the Court of Appeal. The notice of appeal to the Court of Appeal must be filed within 30 days from 29 January 2008.

Based on the available documents and various discussions with the relevant parties, Celcom's solicitors are of the view that Celcom has an even chance of defending the contractual and libel claims.

(vii) Tan Sri Abdul Rashid Bin Abdul Manaf, Danny Ng Siew L'Leong, Datuk Yaacob Bin Md Amin, Ungku Safian Bin Ungku Abdullah & Mohd Razi Bin Adam v. Celcom (Kuala Lumpur High Court Civil Suit No. S4-23-77-2005)

In 2005, the directors of MCAT, namely, Tan Sri Abdul Rashid Bin Adul Manaf, Danny Ng Siew L'Leong, Datuk Yaacob Bin Md Amin, Ungku Safian Bin Ungku Abdullah and Mohd Razi Bin Adam commenced a libel action against Celcom in their personal capacities on the same basis as the libel action commenced by MCAT mentioned in item (vi)(b) above (see "MCAT GEN Sdn Bhd v. Celcom - (b) Libel Claim") ("**MCAT Libel Suit**"). The plaintiffs sought, amongst other remedies, an aggregate amount of RM1.1 billion in damages, aggravated and exemplary damages, a retraction of the allegedly defamatory statements and an injunction restraining Celcom from further publishing any similar allegedly defamatory words. Celcom filed its defence and striking out application on the same grounds as its defence in the MCAT Libel Suit. It also filed a counterclaim against Mohd Razi Bin Adam for a breach of his employment contract with Celcom and his fiduciary duties as an employee of Celcom prior to his joining MCAT as its chief executive officer. Celcom also applied for an injunction to restrain him from disclosing confidential information acquired by him as an employee of Celcom. Celcom's striking out application was allowed with costs on 12 November 2007. The plaintiffs have filed an appeal and no dates have been fixed. On 9 March 2007, Celcom successfully applied to consolidate this suit with the MCAT Libel Suit. Consequently, this proceeding shall only be heard after the MCAT Libel Suit has been disposed off.

Based on the available documents and various discussions with the relevant parties, Celcom's external solicitors are of the view that Celcom has an even chance of defending the libel claim.

(viii) Celcom & Another v. TSDTR & 8 Others (Kuala Lumpur High Court (Commercial Division) Suit No. D5-22-610-2006)

In connection with the Award in DeTeAsia's favour mentioned in item (ii) above, Celcom instituted proceedings against eight of its former directors alleging that they had breached their fiduciary duties in entering into a subscription agreement on its behalf on 25 June 1996 with Deutsche Telekom AG, and an amended and restated supplemental agreement dated 4 April 2002 with DeTeAsia whilst they were directors of Celcom. In addition, Celcom has also made a claim against TSDTR for alleged unauthorised profits made by him in connection with the execution of the abovementioned agreements. Celcom is seeking an indemnity from the directors for the sums paid by Celcom to DeTeAsia in satisfaction of the Award against it, return of the alleged unauthorised profits by TSDTR amounting to RM446 million, all monies received by the directors arising out of such breaches, losses and damages. Proceedings have been served on all the Defendants. Mr Axel Hass, one of the former directors was served by way of substituted service.

Celcom's and TRI's application to restrain Dato' Lim Kheng Yew's (one of the directors) solicitors from representing him on the ground that the solicitors had advised on the abovementioned agreements in connection with the acquisition of Celcom by the TM Group will be heard on 26 February 2008. The remaining directors except for Mr Axel Hass have respectively applied to set aside these proceedings on the basis that the issues had been litigated and decided on their merits based on the Award. TSDTR and Bistamam Ramli's application is fixed for hearing on 28 February 2008. The applications for the other directors are scheduled for hearing on 7 March 2008.

Celcom's solicitors are of the view that Celcom and TRI have reasonable prospects of successfully concluding these proceedings.

(ix) **Pengurusan Danaharta Nasional Berhad & 2 Others v. TSDTR (By Original Claim), TSDTR v. Danaharta & 23 Others (By Counterclaim)**
(Kuala Lumpur High Court Civil Suit No. D2-22-673-2006)

In June 2006, TM, TESB, Celcom and TRI (collectively referred to in this paragraph (ix) as "**TM Group**") were served with a defence and counterclaim by TSDTR in connection with proceedings initiated against him by Pengurusan Danaharta Nasional Berhad ("**Danaharta**") and two others. The TM Group and the 20 defendants were joined in these proceedings via the counterclaim.

TSDTR seeks from the defendants, including the TM Group, jointly and severally, amongst others the following relief:

- (a) the sum of RM6,246,492,000.00;
- (b) an account of all sums paid:
 - (aa) under the Facility Agreement dated 13 July 1994 between a syndicate of lenders and TSDTR; and
 - (bb) to Danaharta and its subsidiaries by TSDTR and received by Danaharta from the sale of TRI shares and Naluri Corporation Berhad shares;
- (c) an order for repayment of all sums overpaid by TSDTR to Danaharta; and
- (d) an account of all dividends and payments received by TM and TESB in relation to TRI (now Celcom) shares and an order for payment of these sums.

In addition, TSDTR seeks from all the defendants, inter alia the following relief:

- (a) the sum of RM7,214,909,224.01;
- (b) a declaration that the vesting certificates are illegal and ultra vires the Pengurusan Danaharta Nasional Act, 1998 ("**Danaharta Act**"), unconstitutional and against public policy;
- (c) a declaration that the Settlement Agreement dated 8 October 2001 between TSDTR and Danaharta ("**Settlement Agreement**") is illegal and ultra vires the Danaharta Act, unconstitutional and against public policy; and
- (d) a declaration that all acts and deeds and agreements executed by Danaharta pursuant to the vesting certificates and/or the Settlement Agreement are illegal and unenforceable.

In July 2006, the TM Group's solicitors filed applications on behalf of TM/TESB, and Celcom/TRI respectively to strike out the counterclaim. Both applications were dismissed on 28 August 2007 with costs. TM/TESB appeal against the dismissal is fixed for hearing on 16 July 2008 and Celcom/TRI appeal is fixed for hearing on 26 September 2008.

TSDTR has also applied to re-amend the counterclaim to include 14 additional defendants, 11 of whom are present or former directors/officers of the TM Group. This application is fixed for hearing on 14 March 2008. The TM Group is opposing it on the grounds it is, amongst others, frivolous and an abuse of the process of court.

Based on the evidence presently available, the TM Group's solicitors are of the view that the TM Group has a good defense to the counterclaim.

(x) **Mohd Shuaib Ishak v. TM Group & 11 others***
(Kuala Lumpur High Court (Commercial Division) Civil Suit No. D6-22-1568-2007)

On 26 November 2007, TM, Celcom and TESB (collectively referred to in this paragraph (x) as "**TM Group**") had been served with a Writ of Summons and Statement of Claim in respect of a suit filed by Mohd Shuaib Ishak ("**MSI**"). MSI is seeking from the TM Group and 11 others (including the former and existing directors of TM Group) jointly and/or severally, inter alia, the following:

- (a) a Declaration that the Sale and Purchase Agreement dated 28 October 2002 between Celcom and TM (or TESB) for the acquisition by Celcom of the shares in TM Cellular Sdn Bhd (*now known as Celcom Mobile Sdn Bhd*), and all matters undertaken thereunder including but not limited to the issuance of shares by Celcom are illegal and void and of no effect;
- (b) a Declaration that all purchases of shares in Celcom made by TESB and/or TM and/or parties acting in concert with them with effect from and including the date of the Notice of the Mandatory Offer dated 3 April 2002 issued by Commerce International Merchant Bankers Berhad (*now known as CIMB*) are illegal and void and of no effect;
- (c) all necessary and fit orders and directions as may be required to give effect to the aforesaid Declarations as the Court deemed fit including but not limited to directions for the rescission of all transfers of shares of Celcom made after the Notice of Mandatory Offer for shares in Celcom dated 3 April 2003;
- (d) that TM by itself, its servants and agents be restrained from giving effect to or executing any of the proposals relating to the proposed de-merger of the mobile and fixed-line businesses of the TM Group; and
- (e) various damages to be assessed.

The TM Group has as of 30 November 2007 obtained leave to enter conditional appearance and subsequently on 17 December 2007, TM Group filed the relevant applications to strike out the suit. The hearing date for the striking out applications was 11 February 2008. On 11 February 2008, the Court postponed the hearing for the striking out applications to 15 May 2008.

TM's Board is of the view that the claims made by MSI are not sustainable and accordingly will take steps to strike out the action.

(xi) **Johanes Irwanto Putro v. XL**

On 11 January 2007, XL received a notification letter from the Yogyakarta District Court regarding the execution of a North Jakarta District Court decision relating to a claim by Johanes Irwanto Putro for ownership of XL's land located in Yogyakarta which was purchased in 2002.

On 15 January 2007, XL lodged an objection with the Yogyakarta District Court for the execution of the North Jakarta District Court decision. For the purpose of such objection, XL appointed a law consultant in relation to the retention of XL's ownership of the land located at Jl. Pangeran Mangkubumi 20-22 Yogyakarta. XL lodged an objection on the basis that XL is the legal owner based on HGB Certificates No. B117/Gowongan and No. B.125/Gowongan.

On 22 June 2007, Yogyakarta District Court's verdict stated that XL was the legal owner of the land, and that the North Jakarta District Court decision was not valid and did not have any legal effect with respect to XL, all of the resolutions and memorandum of understanding which follows from the resolution of the Yogyakarta District Court No.02/Pdt.Eks.Del/2006/PN.YK jo No.49/Eks/2006/PN.Ut. jo No.38/Pdt.G/1994-PN.Jkt.Ut dated 8 January 2007.

On 27 June 2007, the North Jakarta District Court produced a new resolution which cancelled the execution of its previous decision No.49/Eks/2006/PN.Ut dated 21 November 2006.

The individual submitted an appeal letter against the Yogyakarta District Court decision No.5/Pdt.Plw/2007/PN.YK, dated 21 June 2007.

On 28 September 2007, XL submitted Contra Appeal Memorandum to the Yogyakarta District Court.

(xii) Commissioner for the Supervision of Business Competition v. XL & 7 Others

On 1 November 2007, the Commissioner for the Supervision of Business Competition ("KPPU") issued a determination to commence a preliminary investigation against XL and seven other telecommunication companies suspected of having established price-fixing of Short Message Services ("SMS") and allegedly breaching Article 5 of Antimonopoly Law (Law No.5/1999).

On 15 November 2007, the KPPU sent a summons letter to XL for a hearing session scheduled on 16 November 2007 which was subsequently postponed to 12 December 2007. Other telecommunication companies also received similar summons letters. The KPPU has completed its preliminary investigation and decided to proceed with the second stage of investigation against all operators, including PT Natrindo Telepon Seluler, which was initially not included in the preliminary investigation. If the KPPU believes that it requires further information from XL, XL may be summoned to appear before the KPPU or requested to provide such information. Under Indonesian Law, the KPPU is required to complete this stage of the investigation within 60 days, although this may be extended for an additional period of up to 30 days. The KPPU has the obligation to decide whether there is a violation or not to the Competition Law within 30 days.

(xiii) Mohd Shuaib Ishak v. Celcom (Kuala Lumpur High Court (Commercial Division) Originating Summons No. D5-24-20-2008)

On 4 February 2008, Celcom had been served with a sealed Originating Summons ("Summons") by MSI seeking leave to bring a derivative action in Celcom's name under Section 181A(1) of the Act ("Proposed Action").

The Proposed Action is against, inter alia, the former and existing directors of Celcom and TM for failing to obtain the consent of DeTeAsia pursuant to the Amended and Restated Agreement ("ARSA") dated 4 April 2002 with DeTeAsia prior to entering into the Sale and Purchase Agreement dated 28 October 2002 with TM for the acquisition by Celcom of the shares in TM Cellular Sdn Bhd (*now known as Celcom Mobile Sdn Bhd*).

MSI alleges that the directors are liable for damages calculated by reference to the difference between the Buy Out Offer price of RM7.00 per Celcom's share under the ARSA and the price of RM2.75 per Celcom's share under the Mandatory General Offer undertaken by TM through TESB in respect of Celcom. The Summons has been fixed for hearing on 19 February 2008.

The Directors are advised by its solicitors that it has reasonably good prospects of resisting the Summons and will take vigorous steps to defend the same.

With respect to the material litigation where both the Proposed TM Group and the Proposed TM International Group are held jointly and severally liable, the Courts would award the damages to the group of defendants as a whole. In such a case, the defendant paying the damages may seek contribution from the other defendants.

5.2 SunShare

As at the LPD, SunShare is not engaged in any material litigation, claims or arbitration, either as plaintiff or defendant, which has a material effect on its financial position or business, and its Directors are not aware of any proceedings, pending or threatened, or of any facts likely to give rise to any proceedings which may materially affect its financial position or business.

6. CORPORATE EXERCISES ANNOUNCED BUT PENDING COMPLETION

Save for the Proposals, we have not announced any corporate exercises which have yet to be completed as at the LPD.

7. DOCUMENTS FOR INSPECTION

Copies of the following documents may be inspected at our registered office at Level 51, North Wing, Menara TM, Jalan Pantai Baharu, 50672 Kuala Lumpur, Malaysia during office hours on Mondays to Fridays (except public holidays) from the date of this Circular up to and including the date of the EGM:

- (a) the Memorandum and Articles of Association of our Company and of TM International;
- (b) the proforma consolidated financial information of our Company for the financial year ended 31 December 2006 and the Reporting Accountants' letter referred to in Appendix V;
- (c) the proforma consolidated financial information of TM International as at 31 December 2006 and the Reporting Accountants' letter referred to in Appendix VI;
- (d) the audited consolidated financial statements of our Company for the past 2 financial years ended 31 December 2005 and 31 December 2006;
- (e) the audited consolidated financial statements of TM International for the past 2 financial years ended 31 December 2005 and 31 December 2006;
- (f) the audited consolidated financial statements of Celcom for the past 2 financial years ended 31 December 2005 and 31 December 2006;
- (g) the audited financial statements of SunShare for the financial period ended 31 December 2005 and the financial year ended 31 December 2006;
- (h) the audited consolidated financial statements of XL for the past 2 financial years ended 31 December 2005 and 31 December 2006;
- (i) the unaudited consolidated financial statements of our Company for the 9-month period ended 30 September 2007;
- (j) the unaudited consolidated financial statements of XL for the 9-month period ended 30 September 2007;
- (k) the letters of consent referred to in Section 2 above;
- (l) the material contracts referred to in Section 4 above;
- (m) the cause papers for material litigation referred to in Section 5 above;
- (n) the draft Trust Deed;
- (o) the draft By-Laws; and
- (p) Frost & Sullivan's Executive Summary reports as referred to in this Circular.



TELEKOM MALAYSIA BERHAD

(Company No. 128740-P)
(Incorporated in Malaysia under the Companies Act, 1965)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Extraordinary General Meeting ("EGM") of Telekom Malaysia Berhad ("TM" or "Company") will be held at Multi Purpose Hall, Menara TM, Jalan Pantai Baharu, 50672 Kuala Lumpur, Malaysia on Thursday, 6 March 2008 at 10.00 a.m., or at any adjournment, for the purpose of considering and, if thought fit, passing with or without modifications, the following resolutions:

ORDINARY RESOLUTION 1

PROPOSED INTERNAL RESTRUCTURING OF TM GROUP OF COMPANIES ("TM GROUP") ("PROPOSED INTERNAL RESTRUCTURING")

THAT, subject to and conditional upon the approvals of all relevant authorities being obtained, and subject further to and conditional upon **Ordinary Resolution 2** and **Ordinary Resolution 3** being passed, approval be and is hereby given for the Proposed Internal Restructuring based on the terms set out in the Demerger Agreement dated 10 December 2007 ("**Demerger Agreement**"), which involves the following transactions:

- (i) Celcom Transmission (M) Sdn Bhd, a wholly-owned subsidiary of Celcom (Malaysia) Berhad ("**Celcom**"), transferring its entire holding of 38,250,000 ordinary shares of RM1.00 each in Fibrecomm Network (M) Sdn Bhd ("**Fibrecomm**"), representing 51% of the issued and paid-up share capital of Fibrecomm, to Telekom Enterprise Sdn Bhd ("**TESB**") for a consideration of RM33 million;
- (ii) TESB, a wholly-owned subsidiary of the Company, transferring its entire holding of 1,237,534,681 ordinary shares of RM1.00 each in Celcom, representing 100% of the issued and paid-up share capital of Celcom, to TM International Berhad ("**TM International**") for a consideration of RM4,677 million;
- (iii) the Company transferring its entire holding of 37,433,992 redeemable convertible preference shares of United States of America Dollar ("**USD**") 0.01 each in SunShare Investments Ltd ("**SunShare**"), representing approximately 51% of the issued and paid-up share capital of SunShare, to TM International for a consideration of RM141 million; and
- (iv) settlement of net amount owing as at 30 November 2007 of RM3,041 million by the Proposed TM International Group (being TM International and its subsidiaries upon completion of the Proposed Internal Restructuring) to the Proposed TM Group (being TM and its subsidiaries upon completion of the proposed demerger of the TM Group comprising the Proposed Internal Restructuring and Proposed Distribution (as defined in Ordinary Resolution 2 below) ("**Proposed Demerger**")),

whereby the net consideration of RM7,826 million will be satisfied as follows:

- (i) RM3,801 million shall be satisfied through the issuance of such number of new ordinary shares of RM1.00 each in TM International ("**TM International Shares**") by TM International in favour of the Company or its nominee(s) at an issue price to be determined such that the enlarged number of TM International Shares (after the Proposed Demerger) is the same as the number of ordinary shares of RM1.00 each in TM ("**TM Shares**") in issue as at a date (to be determined and announced later) on which TM's shareholders must be registered in TM's Register of Members or Record of Depositors as at 5.00 p.m. in order to participate in the Proposed Distribution ("**Entitlement Date**");
- (ii) RM2,925 million shall be satisfied by way of an amount owing from TM International to the Company at a finance cost of 5.90% per annum; and
- (iii) RM1,100 million shall be satisfied by way of an amount owing from TM International to the Company at a finance cost of 6.72% per annum.

In addition, as part of the Proposed Internal Restructuring, the Company proposes to transfer the 3G Spectrum Assignment to Celcom on an 'as is where is basis' for a cash consideration of RM40.1 million.

The 3G Spectrum Assignment refers to the Spectrum Assignment No. SA/01/2003 granted to the Company dated 2 April 2003 over the following frequency bands with effect from 2 April 2003 until 1 April 2018:

- (i) 1950 megahertz ("**MHz**") - 1965 MHz;
- (ii) 2140 MHz - 2155 MHz; and
- (iii) 2020 MHz - 2025 MHz

as varied by the variations to the Spectrum Assignment No. SA/1/2003 dated 14 March 2007 and 15 November 2007;

AND THAT, the Board of Directors of the Company be and is hereby empowered and authorised to do or procure to be done all acts, deeds and things and to execute, sign and deliver on behalf of the Company and any of its subsidiaries, all such documents as it may deem necessary, expedient and/or appropriate to implement, give full effect to and complete the Proposed Internal Restructuring, with full powers to assent to any conditions, modifications, variations and/or amendments as the Board of Directors of the Company may deem fit and/or as may be imposed by any relevant authorities in connection with the Proposed Internal Restructuring.

ORDINARY RESOLUTION 2

PROPOSED DISTRIBUTION BY THE COMPANY OF ITS ENTIRE HOLDING OF AND RIGHTS TO TM INTERNATIONAL SHARES FOLLOWING THE PROPOSED INTERNAL RESTRUCTURING TO ITS SHAREHOLDERS

THAT, subject to and conditional upon the approvals of all relevant authorities being obtained, and subject further to and conditional upon **Ordinary Resolution 1** and **Ordinary Resolution 3** being passed, approval be and is hereby given for a dividend in specie of the Company's entire holding of and rights to the TM International Shares following the Proposed Internal Restructuring, to the Company's shareholders whose names appear in the Record of Depositors or Register of Members of the Company as at the Entitlement Date on the basis of 1 TM International Share for every 1 TM Share held as at the Entitlement Date ("**Proposed Distribution**");

THAT, the Board of Directors of the Company be and is hereby empowered and authorised to apply the approved sum from the retained earnings of the Company in order to give effect to the Proposed Distribution;

AND THAT, the Board of Directors of the Company be and is hereby empowered and authorised to do or procure to be done all acts, deeds and things and to execute, sign and deliver on behalf of the Company and any of its subsidiaries, all such documents as it may deem necessary, expedient and/or appropriate to implement, give full effect to and complete the Proposed Distribution, with full powers to assent to any conditions, modifications, variations and/or amendments as the Board of Directors of the Company may deem fit and/or as may be imposed by any relevant authorities in connection with the Proposed Distribution.

ORDINARY RESOLUTION 3

PROPOSED LISTING OF TM INTERNATIONAL ON THE MAIN BOARD OF BURSA MALAYSIA SECURITIES BERHAD

THAT, subject to and conditional upon the approvals of all relevant authorities being obtained, and subject further to and conditional upon **Ordinary Resolution 1** and **Ordinary Resolution 2** being passed, approval be and is hereby given for the listing of the entire issued and paid-up ordinary share capital of TM International on the Main Board of Bursa Malaysia Securities Berhad ("**Proposed Listing**");

AND THAT, the Board of Directors of the Company be and is hereby empowered and authorised to do or procure to be done all acts, deeds and things and to execute, sign and deliver on behalf of the Company and any of its subsidiaries, all such documents as it may deem necessary, expedient and/or appropriate to implement, give full effect to and complete the Proposed Listing, with full powers to assent to any conditions, modifications, variations and/or amendments as the Board of Directors of the Company may deem fit and/or as may be imposed by any relevant authorities in connection with the Proposed Listing.

ORDINARY RESOLUTION 4

PROPOSED SHAREHOLDERS' MANDATE FOR THE ISSUANCE OF UP TO 10% OF TM INTERNATIONAL'S ISSUED AND PAID-UP SHARE CAPITAL

THAT, approval be and is hereby given to the Company to grant to TM International, the authority pursuant to Section 132D of the Companies Act, 1965 ("**Proposed Shareholders' Mandate**") for the issuance of up to 10% of TM International's issued and paid-up share capital upon such terms and conditions and for such purposes as the Board of Directors of TM International may at its absolute discretion deem fit or in pursuance of offers, agreements or options to be made or granted by the Board of Directors of TM International while the Proposed Shareholders' Mandate is in force **PROVIDED THAT** the aggregate number of TM International Shares to be issued under the Proposed Shareholders' Mandate shall not exceed 10% of the total issued and paid-up share capital of TM International;

AND THAT, the Proposed Shareholders' Mandate shall be effective at any time and from time to time until the conclusion of the next annual general meeting of TM International or the expiration of the period within which TM International's next annual general meeting is required by law to be held, whichever is earlier,

AND THAT, the Board of Directors of the Company and/or TM International be and is hereby empowered and authorised to do or procure to be done all acts, deeds and things and to execute, sign and deliver on behalf of the Company and/or TM International and any of their subsidiaries, all such documents as they may deem necessary, expedient and/or appropriate to implement, give full effect to and complete the Proposed Shareholders' Mandate, with full powers to assent to any conditions, modifications, variations and/or amendments as the Board of Directors of the Company and/or TM International may deem fit and/or as may be imposed by any relevant authorities in connection with the Proposed Shareholders' Mandate.

ORDINARY RESOLUTION 5

PROPOSED ISSUANCE BY TM INTERNATIONAL TO EMPLOYEES PROVIDENT FUND BOARD ("EPF") OF UP TO 30% OF THE NUMBER OF NEW TM INTERNATIONAL SHARES AVAILABLE UNDER THE PROPOSED SHAREHOLDERS' MANDATE

THAT, subject to and conditional upon **Ordinary Resolution 4** being passed, approval be and is hereby given to TM International to issue and allot to EPF up to 30% of the number of new TM International Shares available and which may be issued under the Proposed Shareholders' Mandate, upon such terms and conditions as set out in the Circular to TM's shareholders dated 20 February 2008, and upon such other terms and conditions as the Board of Directors of TM International may at its absolute discretion deem fit ("**Proposed Issue to EPF**");

AND THAT, the Board of Directors of the Company and/or TM International be and is hereby empowered and authorised to do or procure to be done all acts, deeds and things and to execute, sign and deliver on behalf of the Company and/or TM International and any of their subsidiaries, all such documents as they may deem necessary, expedient and/or appropriate to implement, give full effect to and complete the Proposed Issue to EPF, with full powers to assent to any conditions, modifications, variations and/or amendments as the Board of Directors of the Company and/or TM International may deem fit and/or as may be imposed by any relevant authorities in connection with the Proposed Issue to EPF.

ORDINARY RESOLUTION 6

PROPOSED EMPLOYEES' SHARE OPTION SCHEME TO ELIGIBLE EMPLOYEES AND EXECUTIVE DIRECTOR(S) OF TM GROUP

THAT, subject to and conditional upon the approvals of all relevant authorities being obtained, approval be and is hereby given to the Board of Directors of the Company to:

- (i) establish and administer the proposed employees' share option scheme ("**Proposed Option Scheme**") under the terms as contained in the Circular to TM's shareholders dated 20 February 2008, for the benefit of eligible employees and Executive Director(s) of the Company and its subsidiaries (other than those which are incorporated out of Malaysia and/or are dormant) ("**Eligible Employees**") to purchase TM Shares in accordance with the By-Laws governing the Proposed Option Scheme ("**By-Laws**") as set out in Appendix IV of the Circular to TM's shareholders dated 20 February 2008, and to give full effect to the Proposed Option Scheme with full power to assent to any conditions, variations, modifications and/or amendments as the Board of Directors of the Company may deem fit and/or as may be imposed by the relevant authorities;
- (ii) do all things necessary and make the necessary application at the appropriate time or times to Bursa Malaysia Securities Berhad for the listing of and quotation for the new TM Shares to be issued under the Proposed Option Scheme;
- (iii) appoint a Trustee and its successor and authorise the Trustee to subscribe for new TM Shares for the purpose of the Proposed Option Scheme;
- (iv) authorise the Company or any corporation within the TM Group to provide money or other assistance (financial or otherwise) to enable the Trustee to acquire new TM Shares for the purpose of the Proposed Option Scheme provided that the Company or any corporation within the TM Group shall not provide such money or assistance (financial or otherwise) if it would be in breach of any laws of Malaysia;
- (v) allot and issue such number of new TM Shares, being ordinary shares not exceeding four per cent (4%) of the total issued and paid-up ordinary share capital of the Company as at the effective date of the Proposed Option Scheme, subject to the terms and conditions of the Proposed Option Scheme; and

- (vi) do or procure to be done all acts, deeds and things and to execute, sign and deliver on behalf of the Company and any of its subsidiaries, all such documents as it may deem necessary, expedient and/or appropriate to implement, give full effect to and complete the Proposed Option Scheme, with full powers to assent to any conditions, modifications, variations and/or amendments as the Board of Directors of the Company may deem fit and/or as may be imposed by any relevant authorities in connection with the Proposed Option Scheme.

ORDINARY RESOLUTION 7

PROPOSED GRANT OF OPTION TO DATO' SRI ABDUL WAHID OMAR

THAT, subject to and conditional upon **Ordinary Resolution 6** being passed, approval be and is hereby given to the Board of Directors of the Company to grant an option to Dato' Sri Abdul Wahid Omar, Group Chief Executive Officer of the Company, to purchase up to 2,000,000 TM Shares under the Proposed Option Scheme, subject always to such terms and conditions of the By-Laws and/or any adjustments which may be made in accordance with the provisions of the By-Laws.

ORDINARY RESOLUTION 8

PROPOSED GRANT OF OPTION TO MOHD AZIZI ROSLI

THAT, subject to and conditional upon **Ordinary Resolution 6** being passed, approval be and is hereby given to the Board of Directors of the Company to grant an option to Mohd Azizi Rosli, the son of Rosli Man, a Director of the Company, to purchase up to 6,000 TM Shares under the Proposed Option Scheme, subject always to such terms and conditions of the By-Laws and/or any adjustments which may be made in accordance with the provisions of the By-Laws.

ORDINARY RESOLUTION 9

PROPOSED ACQUISITION BY TM INTERNATIONAL AND INDOCEL HOLDING SDN BHD ("INDOCEL") FROM KHAZANAH NASIONAL BERHAD ("KHAZANAH") OF EQUITY INTERESTS IN SUNSHARE AND PT EXCELCOMINDO PRATAMA TBK ("XL") ("PROPOSED ACQUISITION")

THAT, subject to and conditional upon the approvals of all relevant authorities being obtained, and subject further to and conditional upon **Ordinary Resolution 10** being passed, approval be and is hereby given for the Proposed Acquisition based on the terms set out in the Sale and Purchase Agreement between TM International, Indocel and Khazanah dated 6 August 2008 which involves the following:

- (i) proposed acquisition by TM International from Khazanah of 35,965,998 redeemable convertible preference shares of USD0.01 each in SunShare Investments Ltd and 2 Class A ordinary shares of USD1.00 each in SunShare, collectively representing approximately 49% of the issued and paid-up share capital of SunShare for a purchase consideration of RM155 million; and
- (ii) proposed acquisition by Indocel from Khazanah of 1,191,553,500 ordinary shares of Indonesian Rupiah 100 each in XL, representing approximately 16.81% of the issued and paid-up share capital of XL for a purchase consideration of RM1,425 million;

whereby the aggregate purchase consideration of RM1,580 million will be satisfied through the issuance of:

- (i) 176,000,000 new TM International Shares at an issue price of approximately RM8.98 per TM International Share if the Proposed Demerger becomes unconditional in accordance with the terms and conditions of the Demerger Agreement; or
- (ii) 4,500,000 new TM International Shares at an issue price of approximately RM351.11 per TM International Share if the Proposed Demerger does not become unconditional in accordance with the terms and conditions of the Demerger Agreement;

AND THAT, the Board of Directors of the Company and/or TM International be and is hereby empowered and authorised to do or procure to be done all acts, deeds and things and to execute, sign and deliver on behalf of the Company and/or TM International and any of their subsidiaries, all such documents as they may deem necessary, expedient and/or appropriate to implement, give full effect to and complete the Proposed Acquisition, with full powers to assent to any conditions, modifications, variations and/or amendments as the Board of Directors of the Company and/or TM International may deem fit and/or as may be imposed by any relevant authorities in connection with the Proposed Acquisition.

ORDINARY RESOLUTION 10

PROPOSED EXEMPTION FOR KHAZANAH FROM THE OBLIGATION TO CARRY OUT THE MANDATORY TAKE-OVER OFFER ON THE REMAINING VOTING SHARES OF TM INTERNATIONAL NOT OWNED BY KHAZANAH ("PROPOSED EXEMPTION")

THAT, subject to and conditional upon **Ordinary Resolution 9** being passed, approval be and is hereby given for Khazanah to increase its shareholdings in TM International under the Proposed Acquisition without having to carry out a mandatory take-over offer under Part II of the Malaysian Code on Take-overs and Mergers, 1998 for the remaining voting shares of TM International;

AND THAT, the Board of Directors of the Company and/or TM International be and is hereby empowered and authorised to do or procure to be done all acts, deeds and things and to execute, sign and deliver on behalf of the Company and/or TM International and any of their subsidiaries, all such documents as they may deem necessary, expedient and/or appropriate to implement, give full effect to the Proposed Exemption, with full powers to assent to any conditions, modifications, variations and/or amendments as the Board of Directors of the Company and/or TM International may deem fit and/or as may be imposed by any relevant authorities in connection with the Proposed Exemption.

FURTHER NOTICE IS HEREBY GIVEN THAT a Depositor shall be eligible to attend this meeting only in respect of:

- (i) Shares deposited into the Depositor's Securities Account before 12.30 p.m. on 27 February 2008 (in respect of shares which are exempted from Mandatory Deposit);
- (ii) Shares transferred into the Depositor's Securities Account before 4.00 p.m. on 27 February 2008 (in respect of Ordinary Transfer); and
- (iii) Shares bought on Bursa Malaysia Securities Berhad ("**Bursa Securities**") on a cum entitlement basis according to the Rules of Bursa Securities.

Shareholders are reminded that pursuant to the Securities Industry (Central Depositories) (Amendment No. 2) Act, 1998 which came into force on 1 November 1998, all shares not deposited with Bursa Malaysia Depository Sdn Bhd by 12.30 p.m. on 1 December 1998 and not exempted from Mandatory Deposit, have been transferred to the Minister of Finance ("**MOF**"). Accordingly, the person eligible to attend this meeting for such undeposited shares will be the MOF.

BY ORDER OF THE BOARD

Wang Cheng Yong (MAICSA 0777702)
Zaiton Ahmad (MAICSA 7011681)
Secretaries

Kuala Lumpur, Malaysia
20 February 2008

Notes:

1. *A Member entitled to attend and vote at the above Meeting is entitled to appoint a proxy to attend and vote in his/her stead. A proxy need not be a Member of Telekom Malaysia Berhad ("**Company**") and the provisions of Section 149(1)(b) of the Companies Act, 1965 shall not apply to the Company.*
2. *A Member shall not be entitled to appoint more than two (2) proxies to attend and vote at the Meeting provided that where a Member of the Company is an authorised nominee as defined in accordance with the provisions of the Securities Industry (Central Depositories) Act, 1991, it may appoint at least one (1) proxy but not more than two (2) proxies in respect of each securities account it holds with ordinary shares in the Company standing to the credit of the said securities account.*
3. *Where a Member appoints two (2) proxies, the appointments shall be invalid unless the proportion of the holding to be represented by each proxy is specified.*
4. *The instrument appointing a proxy shall be in writing under the hand of the appointer or his attorney duly appointed under a power of attorney or if such appointer is a corporation, either under its common seal or under the hand of an officer or attorney duly appointed under a power of attorney. If the Proxy Form is signed under the hand of an officer duly authorised, it should be accompanied by a statement reading "signed as authorised officer under an Authorisation Document which is still in force, no notice of revocation have been received". If the Proxy Form is signed under the attorney duly appointed under a power of attorney, it should be accompanied by a statement reading "signed under a Power of Attorney which is still in force, no notice of revocation have been received". A copy of the Authorisation Document or the Power of Attorney, which should be valid in accordance with the laws of the jurisdiction in which it was created and is exercised, should be enclosed with this Proxy Form.*
5. *A corporation which is a Member, may by resolution of its Directors or other governing body authorise such person as it thinks fit to act as its representative at the Meeting, in accordance with Article 92 of the Company's Articles of Association.*
6. *The instrument appointing the proxy together with the duly registered power of attorney referred to in Note 4 above, if any, must be deposited at the office of the Share Registrars, Tenaga Koperat Sdn Bhd, G-01 Ground Floor, Plaza Permata, Jalan Kampar, Off Jalan Tun Razak, 50400 Kuala Lumpur, Malaysia not less than 48 hours before the time appointed for holding of the Meeting or any adjournment thereof, or, in the case of a poll, not less than 24 hours before the time appointed for the taking of the poll.*



TELEKOM MALAYSIA BERHAD

(Company No. 128740-P)
(Incorporated in Malaysia under the Companies Act, 1965)

Proxy Form

I/We,
(NAME AS PER NRIC/PASSPORT/CERTIFICATE OF INCORPORATION IN CAPITAL LETTERS)

with (NEW NRIC NO.) (OLD NRIC NO.)

(PASSPORT NO.) (COMPANY NO.)

of
(FULL ADDRESS)

being a Member/Members of TELEKOM MALAYSIA BERHAD hereby appoint.....

.....
(NAME AS PER NRIC/PASSPORT IN CAPITAL LETTERS)

with (NEW NRIC NO.)(OLD NRIC NO.).....(PASSPORT NO.).....

of
(FULL ADDRESS)

or failing him/her,
(NAME AS PER NRIC/PASSPORT IN CAPITAL LETTERS)

with (NEW NRIC NO.)(OLD NRIC NO.).....(PASSPORT NO.).....

of
(FULL ADDRESS)

or failing him/her, the Chairman of the Meeting, as my/our proxy/proxies to vote for me/us on my/our behalf at the Extraordinary General Meeting of Telekom Malaysia Berhad (128740-P) ("Company") to be held at Multi Purpose Hall, Menara TM, Jalan Pantai Baharu, 50672 Kuala Lumpur, Malaysia on Thursday, 6 March 2008 at 10.00 a.m., or at any adjournment.

My/Our proxy/proxies is/are to vote as indicated below:

Please indicate with an 'X' in the appropriate box against each resolution how you wish your proxy to vote. If no instruction is given, this form will be taken to authorise the proxy to vote at his/her discretion.

Ordinary Resolutions	For	Against
Ordinary Resolution 1 - Proposed Internal Restructuring		
Ordinary Resolution 2 - Proposed Distribution		
Ordinary Resolution 3 - Proposed Listing		
Ordinary Resolution 4 - Proposed Shareholders' Mandate		
Ordinary Resolution 5 - Proposed Issue to EPF		
Ordinary Resolution 6 - Proposed Option Scheme		
Ordinary Resolution 7 - Proposed Grant of Option to Dato' Sri Abdul Wahid Omar		
Ordinary Resolution 8 - Proposed Grant of Option to Mohd Azizi Rosli		
Ordinary Resolution 9 - Proposed Acquisition		
Ordinary Resolution 10 - Proposed Exemption		



Signed this day of 2008

No. of shares held	CDS Account No. of Authorised Nominee*

* * Applicable to shares held through a nominee account

.....
Signature(s)/Common Seal of Member(s)

Notes:

1. *A Member entitled to attend and vote at the above Meeting is entitled to appoint a proxy to attend and vote in his/her stead. A proxy need not be a Member of the Company and the provisions of Section 149(1)(b) of the Companies Act, 1965 shall not apply to the Company.*
2. *A Member shall not be entitled to appoint more than two (2) proxies to attend and vote at the Meeting provided that where a member of the Company is an authorised nominee as defined in accordance with the provisions of the Securities Industry (Central Depositories) Act, 1991, it may appoint at least one (1) proxy but not more than two (2) proxies in respect of each securities account it holds with ordinary shares in the Company standing to the credit of the said securities account.*
3. *Where a Member appoints two (2) proxies, the appointments shall be invalid unless the proportion of the holding to be represented by each proxy is specified.*
4. *This instrument appointing a proxy shall be in writing under the hand of the appointer or his attorney duly appointed under a power of attorney or if such appointer is a corporation, either under its common seal or under the hand of an officer or attorney duly appointed under a power of attorney. If this Proxy Form is signed under the hand of an officer duly authorised, it should be accompanied by a statement reading "signed as authorised officer under an Authorisation Document which is still in force, no notice of revocation have been received". If this Proxy Form is signed under the attorney duly appointed under a power of attorney, it should be accompanied by a statement reading "signed under a Power of Attorney which is still in force, no notice of revocation have been received". A copy of the Authorisation Document or the Power of Attorney, which should be valid in accordance with the laws of the jurisdiction in which it was created and is exercised, should be enclosed with this Proxy Form.*
5. *A corporation which is a Member, may by resolution of its Directors or other governing body authorise such person as it thinks fit to act as its representative at the Meeting, in accordance with Article 92 of the Company's Articles of Association*
6. *This instrument appointing the proxy together with the duly registered power of attorney referred to in Note 4 above, if any, must be deposited at the office of the Share Registrars, Tenaga Koperat Sdn Bhd, G-01 Ground Floor, Plaza Permata, Jalan Kampar, Off Jalan Tun Razak, 50400 Kuala Lumpur, Malaysia not less than 48 hours before the time appointed for holding of the Meeting or any adjournment thereof, or, in the case of a poll, not less than 24 hours before the time appointed for the taking of the poll.*

Fold this flap for sealing

Then fold here

AFFIX
STAMP

THE SHARE REGISTRARS
TENAGA KOPERAT SDN BHD
G-01 Ground Floor, Plaza Permata
Jalan Kampar, Off Jalan Tun Razak
50400 Kuala Lumpur
Malaysia

1st fold here

