

Reaching out

2001

Annual Report



TELEKOM MALAYSIA BERHAD
(128740-P)

Reaching Out

Yesterday, information took time to get across.
The further the distance, the older the news.

Today, calls can be made across continents in milliseconds.
Multimedia information can be transmitted instantly.

Tomorrow, promises to be an exciting frontier.
With **technology** we can only begin to dream about.

We're reaching out,
to make your lives more meaningful.

We're reaching out,
to enhance your business opportunities.

We're reaching out,
because we are here, just for you.

Technology is meaningless
without one essential ingredient...

... our customers.



vision

To be a **World Class**
Communications Company
providing **Total Customer Care**



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Our **Mission** is to provide **Total Customer Satisfaction** as we strive to become a **World Class Communications Company**. We will achieve this through developing people, products and services of the highest quality while meeting the needs of our nation, employees and shareholders.

mission



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notice of annual general meeting

T E L E K O M M A L A Y S I A B E R H A D

NOTICE IS HEREBY GIVEN THAT the Seventeenth Annual General Meeting of the Company will be held at 10.00 a.m., on Tuesday, 21 May 2002 at the Legend Grand Ballroom, 9th Floor, The Legend Hotel, 100 Jalan Putra, 50350 Kuala Lumpur, for the following purposes:-

1. To receive, consider and adopt the audited Accounts for the year ended 31 December 2001 together with the Reports of the Directors and Auditors thereon. (Ordinary Resolution 1)
2. To approve the declaration of a final dividend of 10 sen per share (less 28% Malaysian Income Tax) and special dividend of 5 sen per share (less 28% Malaysian Income Tax) in respect of the year ended 31 December 2001. (Ordinary Resolution 2)
3. To re-elect the following Directors retiring pursuant to Article 103:-
 - (i) Y.B. Tuan Joseph Salang Gandum (Ordinary Resolution 3)
 - (ii) Dato' Dr. Mohd Munir bin Abdul Majid (Ordinary Resolution 4)
 - (iii) Y.B. Dato' Ir. Haji Mohd Zin bin Mohamed (Ordinary Resolution 5)
4. To approve the Directors' fees and remuneration. (Ordinary Resolution 6)
5. To appoint the Auditors and to authorise the Directors to fix their remuneration. (Ordinary Resolution 7)
6. As SPECIAL BUSINESS

To consider and if thought fit to pass the following Ordinary Resolution:- (Ordinary Resolution 8)

“THAT subject to the Companies Act 1965, the Articles of Association of the Company, approval from the Kuala Lumpur Stock Exchange (KLSE) and other Government or regulatory bodies, where such approval is necessary, full authority be and is hereby given to the Board of Directors pursuant to Section 132D of the Companies Act 1965, to issue

shares in the capital of the Company at any time upon such terms and conditions and for such purposes as the Directors may in their discretion deem fit provided always that the aggregate number of shares to be issued, shall not exceed 10% of the issued share capital of the Company.”

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

- a. Shares deposited into the Depositor's Securities Account before 12.30 p.m. on 6 May 2002 (in respect of shares which are exempted from Mandatory Deposit);
- b. Shares transferred into the Depositor's Securities Account before 12.30 p.m. on 6 May 2002 in respect of Ordinary Transfer;
- c. Shares bought on the KLSE on cum entitlement basis according to the Rules of the KLSE.

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 Malaysian Central 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 eligibility to attend this Meeting for such undeposited shares will be the MOF.

NOTICE OF BOOK CLOSURE FOR PAYMENT OF DIVIDENDS

NOTICE IS ALSO HEREBY GIVEN THAT, the Register of Members will be closed from 29 May 2002 to 31 May 2002 (both dates inclusive) to determine the Shareholders' entitlement to the dividend payment. The dividend, if approved by the shareholders at the Company's Seventeenth Annual General Meeting, will be paid on 24 June 2002 to shareholders whose names appear in the Register of Depositors on 28 May 2002.

FURTHER NOTICE IS HEREBY GIVEN THAT a Depositor shall qualify for dividend entitlement only in respect of:-

- a. Shares deposited into the Depositor's Securities Account before 12.30 p.m. on 24 May 2002 (in respect of shares which are exempted from Mandatory Deposit);
- b. Shares transferred into the Depositor's Securities Account before 12.30 p.m. on 28 May 2002 in respect of Ordinary Transfer;



- c. Shares bought on the KLSE on a cum entitlement basis according to the Rules of the KLSE.

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 Malaysian Central 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 dividend for such undeposited shares will be paid to MOF.

By Order of the Board

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

Kuala Lumpur
Date: 29 April 2002

Notes:

- (i) A member entitled to attend and vote at the above Meeting is entitled to appoint a proxy to attend and vote in his stead. A proxy need not be a member of the Company.
- (ii) 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 appointee is a corporation, either under its common seal or under the hand of an attorney duly appointed under a power of attorney.
- (iii) The instrument appointing the proxy must be deposited at the office of the Share Registrar, Tenaga Koperat Sdn. Bhd., 20th Floor, Plaza Permata (formerly known as IGB Plaza) Jalan Kampar, Off Jalan Tun Razak, 50400 Kuala Lumpur not less than 48 hours before the time appointed for holding the Meeting or any adjournment thereof.
- (iv) Explanatory Note for Ordinary Resolution No. 8
In line with the Company's plan for expansion/diversification, the Company is actively looking into prospective areas so as to broaden its operating base and earnings potential. As the expansion/diversification may involve the issuance of new shares, the Directors, under present circumstances would be required to convene a general meeting to approve the issuance of new shares even though the number involved is less than 10% of the issued share capital. In order to avoid any delay and cost involved in convening a general meeting to approve such issue of shares, it is considered appropriate that the Directors be now empowered to issue shares in the Company up to an amount not exceeding in total, 10% of the issued share capital of the Company for the time being, for such purposes as they consider would be in the interest of the Company. This authority unless revoked or varied at a general meeting will expire at the next Annual General Meeting of the Company.

financial calendar

financial CALENDAR

15 May 2001

16th Annual General Meeting.

29 May 2001

Announcement of unaudited consolidated 1st quarter results for the three months ended 31 March 2001.

15 June 2001

Date of payment of the first and final dividend of 10 sen per share (less 28% Malaysian Income Tax) for the financial year ended 31 December 2000.

28 August 2001

Announcement of unaudited consolidated 2nd quarter results for the six months ended 30 June 2001.

27 November 2001

Announcement of unaudited consolidated 3rd quarter results for nine months ended 30 September 2001.

26 February 2002

Announcement of audited consolidated results and the proposed dividend for the financial year ended 31 December 2001.

29 April 2002

Issuance of Notice of the 17th Annual General Meeting, Notice of Dividend Payment and Book Closure, and Annual Report for the financial year ended 31 December 2001.

21 May 2002

17th Annual General Meeting.

29-31 May 2002

Book Closure for determining the entitlement for the dividend.

24 June 2002

Date of payment of the final dividend of 10 sen per share less 28% Malaysian Income Tax and special dividend of 5 sen per share (less 28% Malaysian Income Tax) for the financial year ended 31 December 2001.

statement accompanying the notice of annual general meeting

TELEKOM MALAYSIA BERHAD

PARTICULARS OF DIRECTORS SEEKING RE-ELECTION AT THE ANNUAL GENERAL MEETING

1. Details of Board of Directors Meetings of the Company held during the financial year ended 31 December 2001 and attendance of Directors seeking re-election at the Annual General Meeting

Meeting No	Date	Time	Venue
*S1/2001	15 January 2001	9.30 a.m.	Boardroom 2nd Floor, Ibupejabat Telekom Malaysia, Jalan Pantai Baharu, 50672 Kuala Lumpur
1/2001	16 January 2001	9.30 a.m.	Boardroom 2nd Floor, Ibupejabat Telekom Malaysia, Jalan Pantai Baharu, 50672 Kuala Lumpur
2/2001	27 February 2001	9.30 a.m.	Boardroom 2nd Floor, Ibupejabat Telekom Malaysia, Jalan Pantai Baharu, 50672 Kuala Lumpur
3/2001	16 April 2001	9.30 a.m.	Boardroom 2nd Floor, Ibupejabat Telekom Malaysia, Jalan Pantai Baharu, 50672 Kuala Lumpur
*S2/2001	14 May 2001	9.30 a.m.	Boardroom 2nd Floor, Ibupejabat Telekom Malaysia, Jalan Pantai Baharu, 50672 Kuala Lumpur
4/2001	29 May 2001	9.30 a.m.	Boardroom 2nd Floor, Ibupejabat Telekom Malaysia, Jalan Pantai Baharu, 50672 Kuala Lumpur
*S3/2001	28 June 2001	6.30 p.m.	Room Putra II, Renaissance Palm Garden Hotel, IOI Resort, 52502 Putrajaya
5/2001	17 July 2001	9.30 a.m.	Boardroom 2nd Floor, Ibupejabat Telekom Malaysia, Jalan Pantai Baharu, 50672 Kuala Lumpur
6/2001	28 August 2001	11.30 a.m.	Boardroom 2nd Floor, Ibupejabat Telekom Malaysia, Jalan Pantai Baharu, 50672 Kuala Lumpur
7/2001	16 October 2001	9.30 a.m.	Boardroom 2nd Floor, Ibupejabat Telekom Malaysia, Jalan Pantai Baharu, 50672 Kuala Lumpur
*S4/2001	26 November 2001	9.30 a.m.	Boardroom 2nd Floor, Ibupejabat Telekom Malaysia, Jalan Pantai Baharu, 50672 Kuala Lumpur
8/2001	27 November 2001	9.30 a.m.	Boardroom 2nd Floor, Ibupejabat Telekom Malaysia, Jalan Pantai Baharu, 50672 Kuala Lumpur

*Special Board Meetings

The attendance of Directors seeking re-election pursuant to Article 103 of the Company's Articles of Association at the above mentioned Board Meetings are as follows:

Y.B. Tuan Joseph Salang Gandum attended all the Board Meetings set out above except for meeting No. 5/2001 held on 17 July 2001.

Dato' Dr. Mohd Munir bin Abdul Majid attended all the Board Meetings set out above except for meeting No. 4/2001 held on 29 May 2001.

Y.B. Dato' Ir. Haji Mohd Zin bin Mohamed attended all the Board Meetings set out above.



2. Further details of Directors seeking re-election at the Annual General Meeting

Name	Y.B. Tuan Joseph Salang Gandum	Dato' Dr. Mohd Munir bin Abdul Majid	Y.B. Dato' Ir. Haji Mohd Zin bin Mohamed
Age	52	54	48
Nationality	Malaysian	Malaysian	Malaysian
Qualification	<ul style="list-style-type: none"> B.A. (Econs) from Western Maryland College, USA. MBA from Iran Center for Management Studies. 	<ul style="list-style-type: none"> B.Sc (Econs) from the London School of Economics and Political Science (LSE), UK. Ph.D. in International Relations from LSE, UK. 	<ul style="list-style-type: none"> Diploma in Civil Engineering, Universiti Teknologi Mara (UiTM). B.Sc. (Civil Engineering), Bradley University, Peoria, USA. M.Sc. (Civil Engineering), Bradley University, Peoria, USA. Member of Malaysian Institute of Engineers (MIEM). Member of the Board of Engineers of Malaysia.
Position on the Board	Independent Non-Executive Director	Senior Independent Non-Executive Director	Independent Non-Executive Director
Date first appointed on the Board	6 January 1987	22 May 2000	22 May 2000
Working Experience and Occupation	As enumerated in profile on page 26.	As enumerated in profile on page 26.	As enumerated in profile on page 27.
Directorships of other public companies	Director of Tabak Holdings Berhad and its subsidiary Borneo Securities Holdings Berhad	Saujana Resorts (Malaysia) Berhad	Brisdale Holdings Berhad
Securities holdings in the Company and its subsidiaries	15,000 ordinary shares in the Company	None	None
Family relationship with any Director and/or major shareholder of the Company	None	None	None
Conflict of interest with the Company	None	None	None
List of convictions for offences within the past 10 years other than traffic offences	None	None	None
Number of Board Meetings of the Company attended in the financial year	11/12 (92%)	11/12 (92%)	12/12 (100%)

five-year group financial highlights

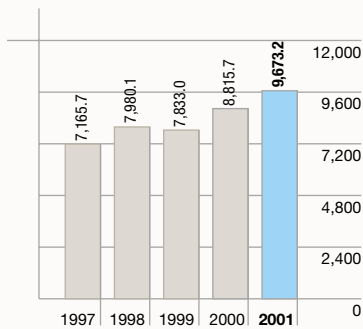
TELEKOM MALAYSIA BERHAD

In millions	1997	1998	1999	2000	2001
1. Operating income	7,165.7	7,980.1	7,833.0	8,815.7	9,673.2
2. Profit before taxation#	702.3	2,123.6	1,017.0	1,250.8	2,443.6
3. Profit after taxation#	172.0	1,472.1	953.0	697.8	1,835.8
4. Profit after taxation and minority interest#	156.5	1,445.8	951.9	705.2	1,811.9
5. Total shareholders funds#	11,246.9	11,847.4	12,443.3	13,422.5	14,823.9
6. Total assets#	24,105.9	25,640.8	25,630.1	27,266.9	27,388.1
7. Total borrowings	7,821.7	7,899.0	8,059.5	8,436.0	7,074.7

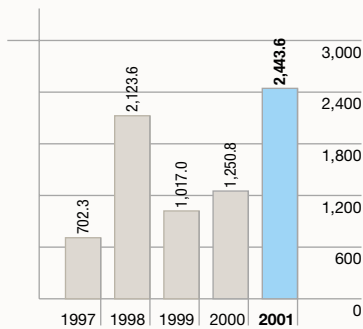
Growth Rates Over Previous Years

1. Operating income	11.7%	11.4%	-1.8%	12.5%	9.7%
2. Profit before taxation#	-70.8%	202.4%	-52.1%	23.0%	95.4%
3. Total shareholders funds#	-6.8%	5.3%	5.0%	7.9%	10.4%
4. Total assets#	20.6%	6.4%	0.0%	6.4%	0.4%
5. Total borrowings	115.8%	1.0%	2.0%	4.7%	-16.1%

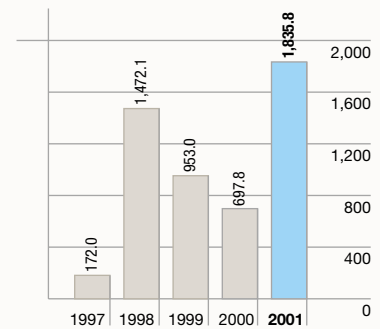
Operating Income



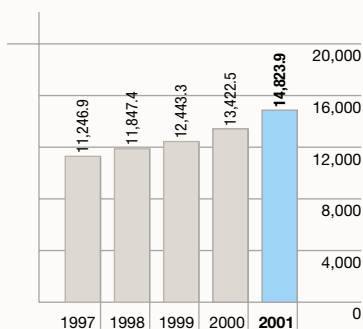
Profit Before Taxation



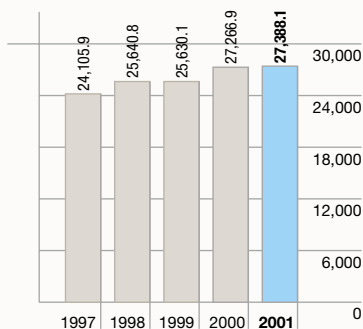
Profit After Taxation



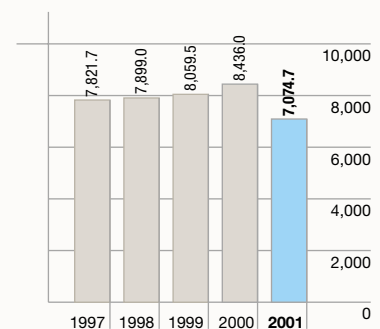
Total Shareholders Funds



Total Assets



Total Borrowings



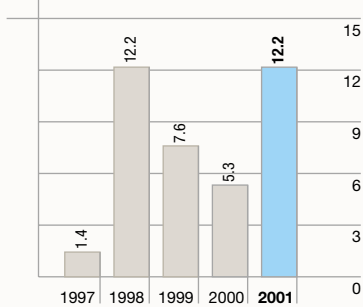


	1997	1998	1999	2000	2001
Ratio					
1. Return on shareholders funds#	1.4%	12.2%	7.6%	5.3%	12.2%
2. Return on total assets#	0.7%	5.7%	3.7%	2.6%	6.7%
3. Debt equity ratio	0.7	0.7	0.6	0.6	0.5
4. Dividend rate	12.0%	10.0%	10.0%	10.0%	15.0%
5. Dividend cover#	0.4	4.8	3.2	2.3	3.9
6. Earnings per share#					
– Basic	5.2 sen	48.2 sen	31.6 sen	22.9 sen	58.6 sen
7. Net tangible assets per share#	375.1 sen	395.0 sen	410.9 sen	434.8 sen	477.7 sen
8. Share price information					
High*	RM15.20	RM13.10	RM14.70	RM17.70	RM12.60
Low	RM6.95	RM4.34	RM7.55	RM9.65	RM7.50

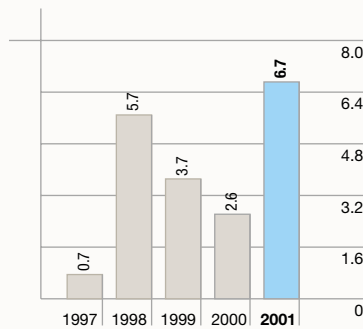
Comparative figures for 1997 – 1999 are restated to conform with the changed accounting policy in year 2000 on the treatment of foreign exchange differences as well as the prior year adjustment on Group’s share of post acquisition profits less losses of associated companies.

* The high price for 1997 was recorded in January and was adjusted for bonus issue in 1997.

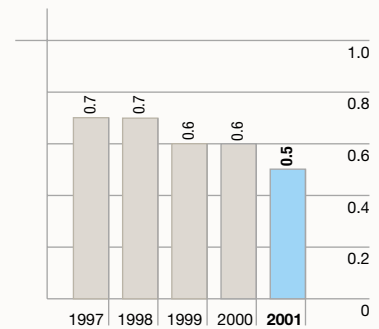
Return On Shareholders Funds



Return On Total Assets



Debt Equity Ratio

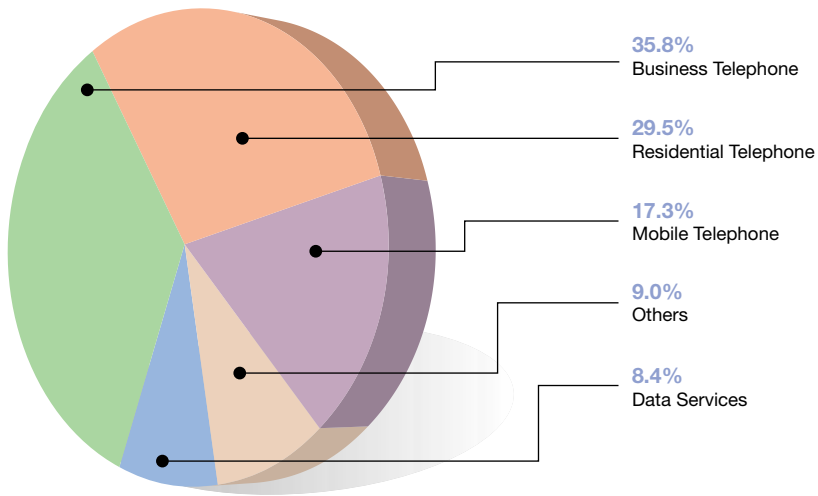


Financial highlights

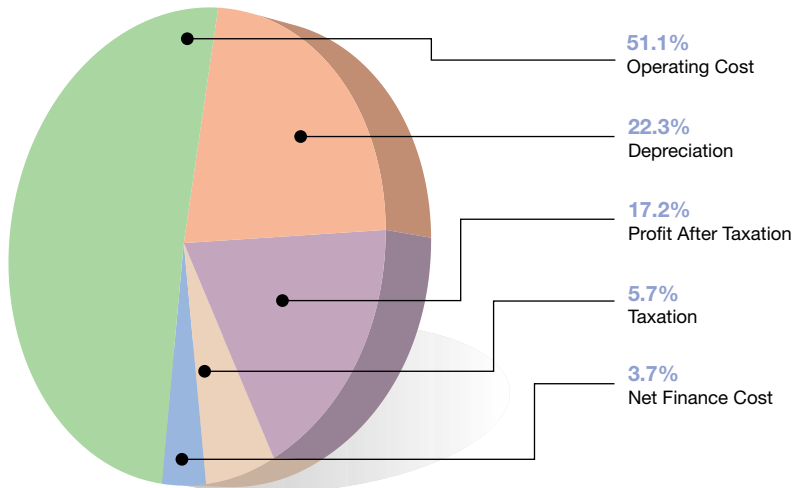
group financial performance 2001

TELEKOM MALAYSIA BERHAD

Operating Income



Distribution of Income

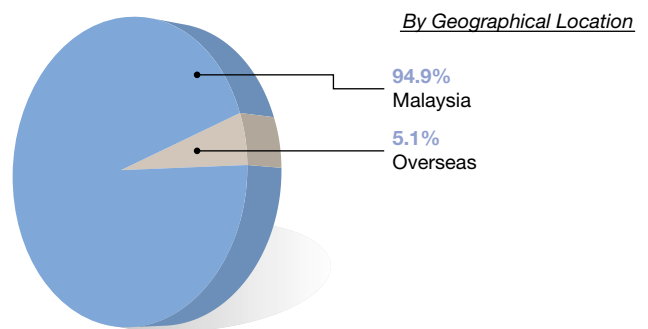
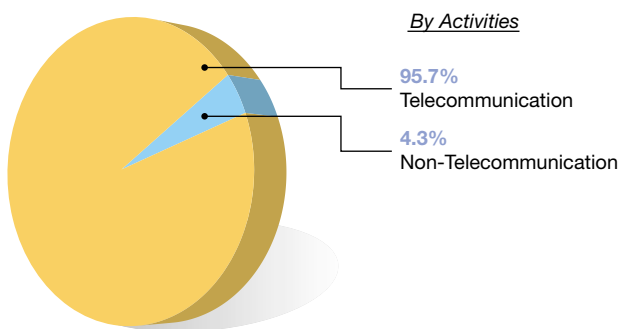




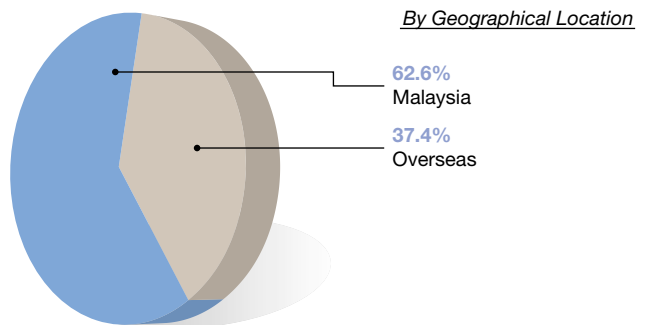
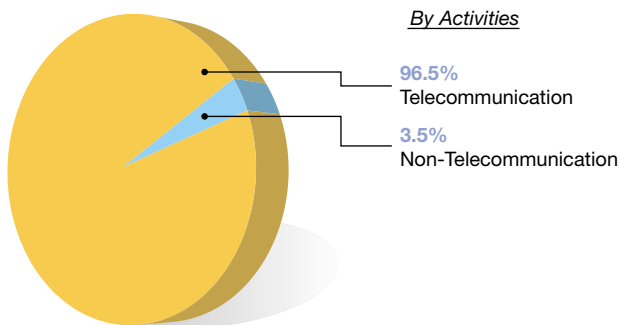
group segmental analysis

TELEKOM MALAYSIA BERHAD

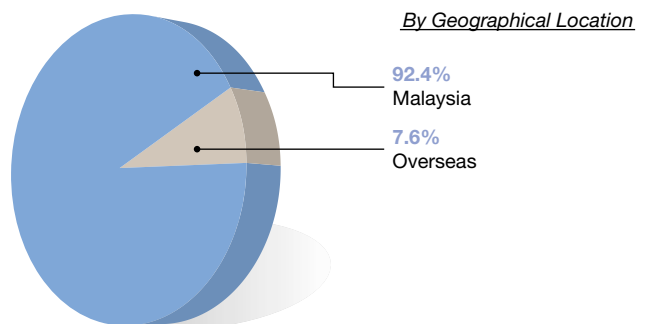
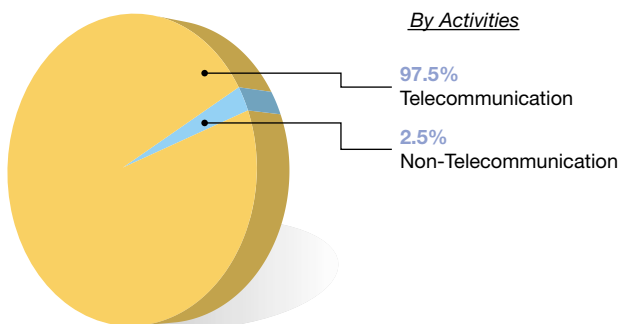
OPERATING INCOME FOR THE YEAR ENDED 31 DECEMBER 2001



PROFIT BEFORE TAXATION FOR THE YEAR ENDED 31 DECEMBER 2001



ASSETS EMPLOYED AS AT 31 DECEMBER 2001



business & other statistics

TELEKOM MALAYSIA BERHAD

<i>Year ended 31 December</i>	1997	1998	1999	2000	2001
Customer Base					
1. Residential telephone	3,052,203	3,226,879	3,258,044	3,405,744	3,406,655
2. Business telephone	1,170,839	1,157,269	1,172,755	1,228,601	1,252,352
3. Public payphone	172,465	188,839	162,276	156,600	120,528
4. Leased circuits	46,269	50,636	61,280	63,527	62,134
5. Other services	6,910	7,148	6,031	5,592	5,022
6. Toll Free (1-300 and 1-800)	1,780	1,102	1,295	1,573	1,658
7. ISDN	4,576	8,866	18,089	34,512	52,202
8. Total access lines	4,223,042	4,384,148	4,430,799	4,634,345	4,659,007
9. Total access lines per 100 population	20.1	20.4	20.1	20.9	20.0
Network Capacity ('000)					
1. Kilometers cable pair	29,551	29,878	30,069	30,404	30,724
2. Fibre kilometers	91	120	172	245	295
3. Exchange lines	6,414	7,190	7,337	7,970	8,528
4. International gateway exchange	22.10	32.90	33.00	34.50	40.3
Productivity					
1. Number of employees	27,484	27,089	25,442	24,789	21,237
2. Number of access lines per employee	154	162	174	187	217
Quality of Service					
1. Total faults report per line	0.4	0.4	0.5	0.4	0.4
2. Total complaints per 1,000 lines	7.1	13.2	10.2	8.3	5.6
3. Leased circuits fault restoration (within 24 hours)	92.4	98.0	97.3	100	85.1



group financial review

TELEKOM MALAYSIA BERHAD

Operating Income | For the financial year ended 31 December 2001, the Group's operating income has increased commendably by 9.7% (RM857.5 million) to RM9,673.2 million as compared to RM8,815.7 million recorded in 2000. This robust growth was attributed largely to the 10.8% growth in telephony services from RM7,216.3 million recorded in 2000 to RM7,994.9 million in 2001. Telephony services comprise business, residential and mobile.

Business and residential telephony, inclusive of fixed line, ISDN, payphone and international in-payment grew by 1.4% (RM85.2 million) to RM6,319.4 million as compared to RM6,234.2 million recorded in 2000.

Mobile, inclusive of interconnection has registered significant growth of 70.6% (RM693.4 million) to RM1,675.5 million as compared to RM982.1 million recorded in 2000. This growth was in line with the growth in the number of subscribers in TM Cellular Sdn. Bhd.

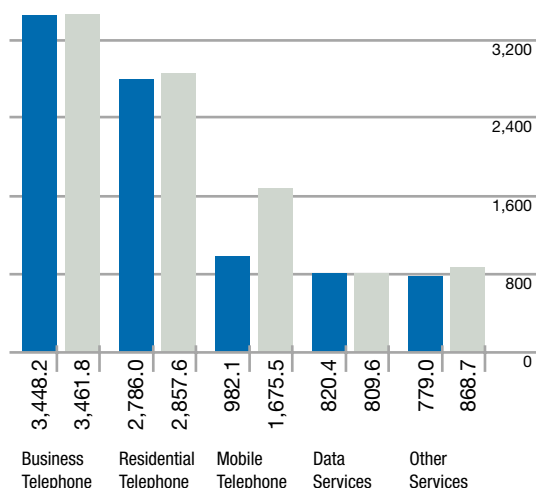
Income from data services has declined by 1.3% mainly due to 9.0% reduction in income from leased services due to reduced tariff since 1 May 2001. Other data services such as COINS and Frame relay and packet services have recorded impressive growth of 53.5% and 52.9% respectively.

Income from internet and multimedia services has grown by 55.2% (RM54.5 million) mainly due to increase in the number of subscribers in TMnet and growth in other multimedia services.

Other telecommunication related services comprise mainly recoverable works order, maintenance, international services and broadcasting have also registered encouraging growth of 27.3%.

Non-telecommunication related services comprise mainly services from subsidiary companies with core business in consultancy, property management, education, printing and publication of telephone directories, trading in consumers premises equipment and others. Operating income from this segment decreased by 6.4% (RM28.6 million) mainly due to lower contribution from Telekom Smart School Sdn. Bhd.

There was no major change in the operating income mix for the Group. Telephony services being the core business of the Group has contributed 82.6% (2000: 81.9%) of the Group operating income with business and residential telephony services contributed 65.3% (2000: 70.7%) and the remaining 17.3% (2000: 11.2%)



● 00'

● 01'

Operating Income (RM Million)

was from mobile division. The contribution from data services, internet and multimedia service and other telecommunication related services are 8.4% (2000: 9.3%), 1.6% (2000: 1.1%) and 3.1% (2000: 2.6%) respectively. Income from non-telecommunication related services has contributed 4.3% (2000: 5.1%) to the Group operating income.

group financial review

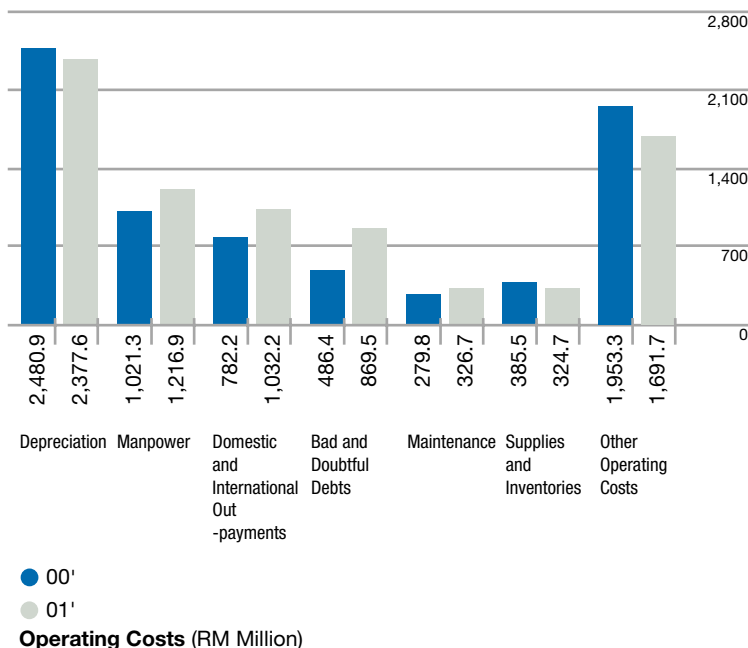
TELEKOM MALAYSIA BERHAD

Operating Costs | The Group's operating costs have increased by 6.1% (RM449.9 million) from RM7,389.4 million recorded in 2000 to RM7,839.3 million in 2001. The main contributors to the increase in operating costs were bad and doubtful debts and manpower.

Bad and doubtful debts expense grew by 78.8% (RM383.1 million) mainly due to increase in provision at TM Cellular Sdn. Bhd. which represented 21.4% of its operating income as a result of massive house cleaning exercise in the third quarter of 2001. Provision at Telekom Malaysia company level, mainly for telephony and leased services has increased by 43.8% (RM128.9 million) as compared to corresponding year but remained at a manageable level of 5.4% of total operating income.

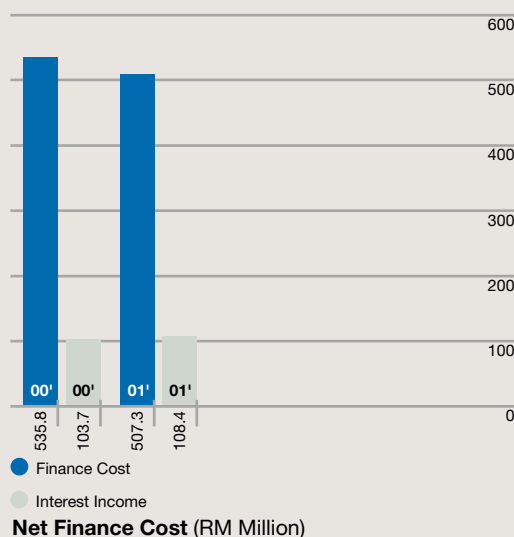
Manpower cost (excluding retirement benefits) of RM1,216.9 million grew by 19.2% (RM195.6 million) mainly due to salary review and adjustment at Telekom Malaysia company level as well as yearly increment for other companies in the Group. Increase in number of employees of few subsidiary companies due to business expansion also contributed to the higher manpower cost.

Depreciation charge reduced by 4.2% (RM103.3 million) to RM2,377.6 million mainly due to lower than average capital expenditure spending in recent years. Despite the reduction, it remained the biggest cost component of the Group. It constituted 30.3% of group operating costs followed by manpower cost (15.5%), domestic and international out-payments (13.2%), bad and doubtful debt expense (11.1%), maintenance (4.2%), supplies and inventories (4.1%) and etc.



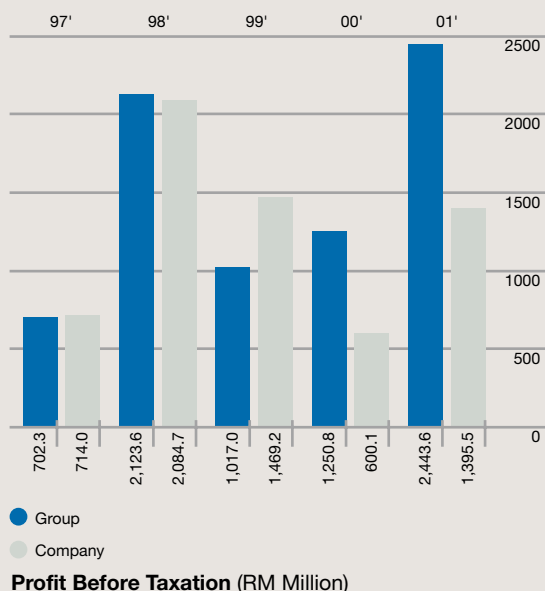


Net Finance Cost | The current year net finance cost of RM398.9 million was 7.7% (RM33.2 million) lower than 2000 mainly due to lower interest expense. Reduction in interest expense was achieved through savings arising from prepayment of borrowings bearing high interest rate by Telekom Malaysia and few subsidiary companies. This was evident by the reduction in group borrowings from RM8,436.0 million as at 31 December 2000 to RM7,074.7 million as at 31 December 2001.



Profit Before Taxation | The Group's profit before taxation increased significantly by 95.4% (RM1,192.8 million) to RM2,443.6 million over RM1,250.8 million recorded in the corresponding year. Exceptional gain on disposal of an associated company, Digital Phone Company Limited amounting to RM827.8 million was the main contributor. Lower losses of mobile division and positive contribution from associated companies also contributed to the increase. TM Cellular Sdn. Bhd. has reduced its losses significantly by 38.6% (RM93.5 million) attributed to significant increase in subscribers from 0.8 million in 2000 to 1.2 million in 2001.

Telkom SA Limited and Ghana Telecommunications Company Limited have jointly contributed RM80.6 million (2000: RM174.9 million) to the Group profit before taxation. Lower contribution was due to Telkom SA Limited



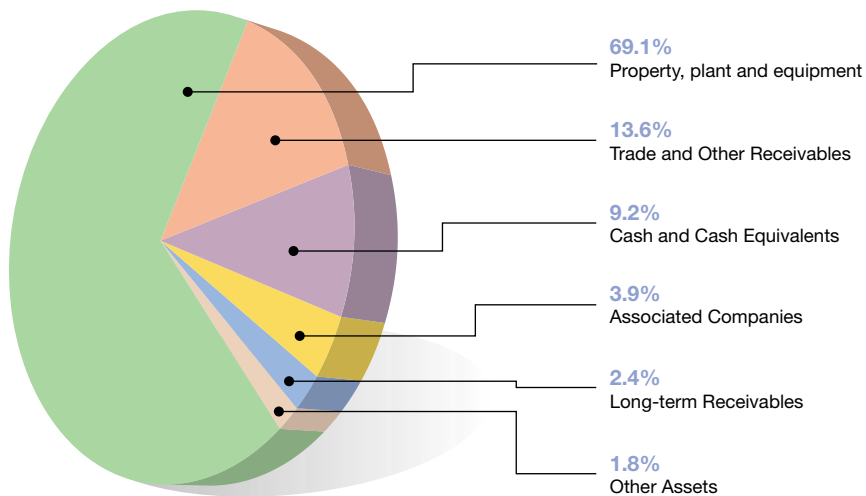
2001 results has incorporated bad debts and assets written-off amounting to RM102.1 million. Despite lower contribution from Telkom SA Limited, the Group's share of profit less losses of associated companies has improved significantly mainly due to sharing of lower losses from Digital Phone Company Limited, which was disposed off during the year.

Consequent from 95.4% increase in profit before tax, the profit after tax and minority interest has increased by 156.9% (RM1,106.7 million) from RM705.2 million to RM1,811.9 million.

group financial review

TELEKOM MALAYSIA BERHAD

Total Assets 2001



Assets | Total assets for the group has increased from RM27,266.9 million in 2000 to RM27,388.1 million in 2001 mainly due to increase in property, plant and equipment, short term investments and cash and cash equivalent.

Increased capital spending by TM Cellular Sdn. Bhd. to improve its network coverage and quality was the main contributing factor to the increase in property, plant and equipment of 1.2% (RM220.7 million). Short term investments increased by 33.9% (RM56.3 million) resulting from purchase of investment portfolio from the retirement benefit trust fund at market value. Higher cash and cash equivalent of RM2,520.1 million (2000: RM2,215.7 million) was mainly due to proceeds from disposal of Digital Phone Company Limited and proceeds from operating activities.

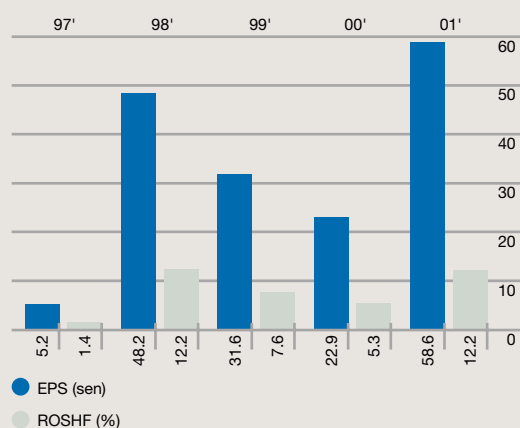
Resulting from higher profit after taxation, the return on total assets has increased significantly from 2.6% in 2000 to 6.7% in 2001.



Shareholders Fund | The Group shareholders fund has increased by 10.4% (RM1,401.4 million) to RM14,823.9 million. The increase was mainly attributed to higher retained earnings and issuance of new shares under the Employees Share Options Scheme (ESOS).

Consequent from the significant increase in profit attributable to shareholders, return on shareholders fund has improved significantly from 5.3% in 2000 to 12.2%. Likewise, earnings per share (EPS) has improved from 22.9 sen in 2000 to 58.6 sen in 2001.

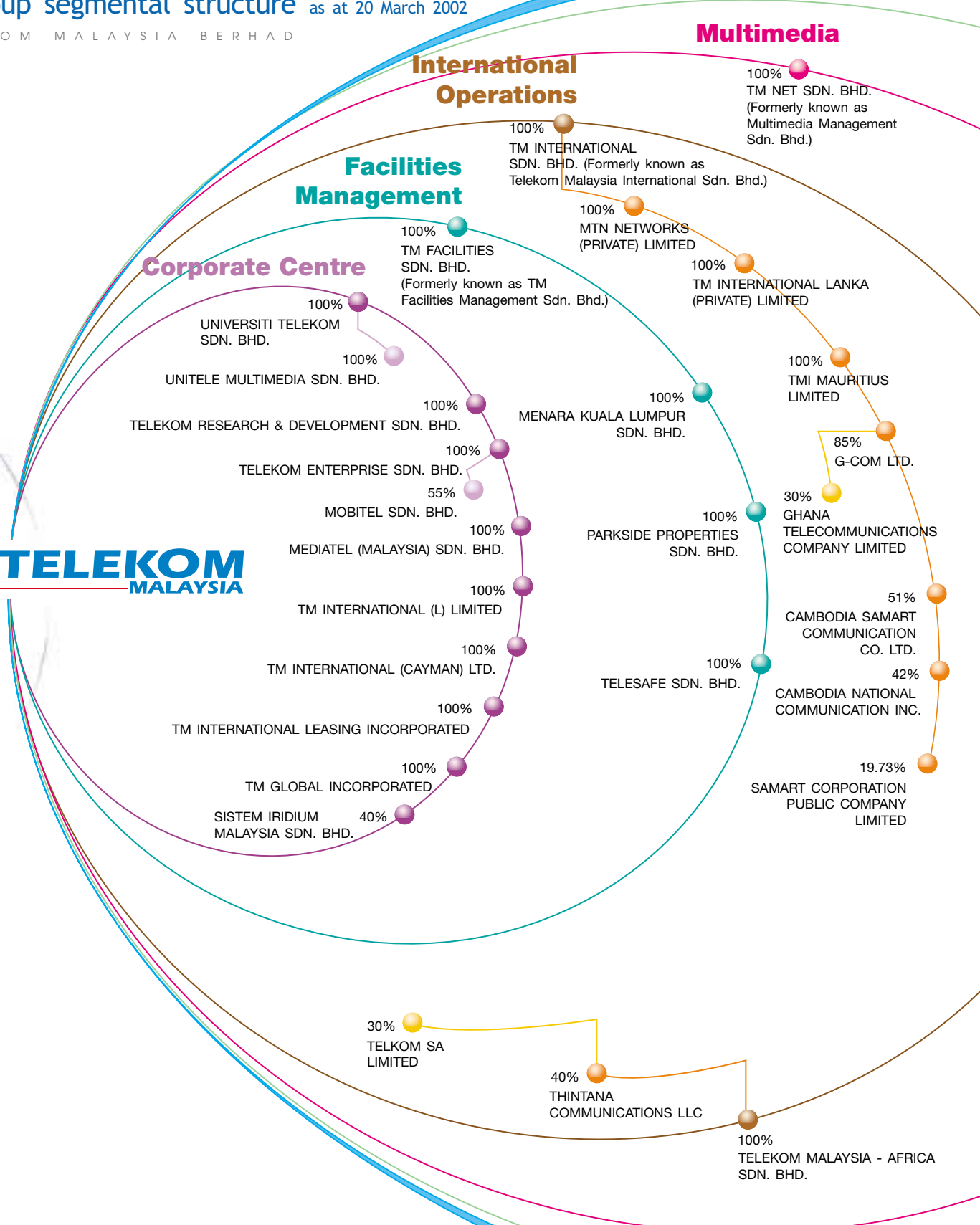
In line with improved performance in 2001, the proposed gross dividend for financial year 2001 was 15.0 sen less 28% taxation (RM343.2 million) compared to 10.0 sen less 28% taxation (RM223.2 million) in 2000. The current year proposed dividend comprise a final gross dividend of 10.0 sen and a special gross dividend of 5.0 sen. With a higher earning per share, dividend cover has increased from 2.3 in 2000 to 3.9 in 2001.

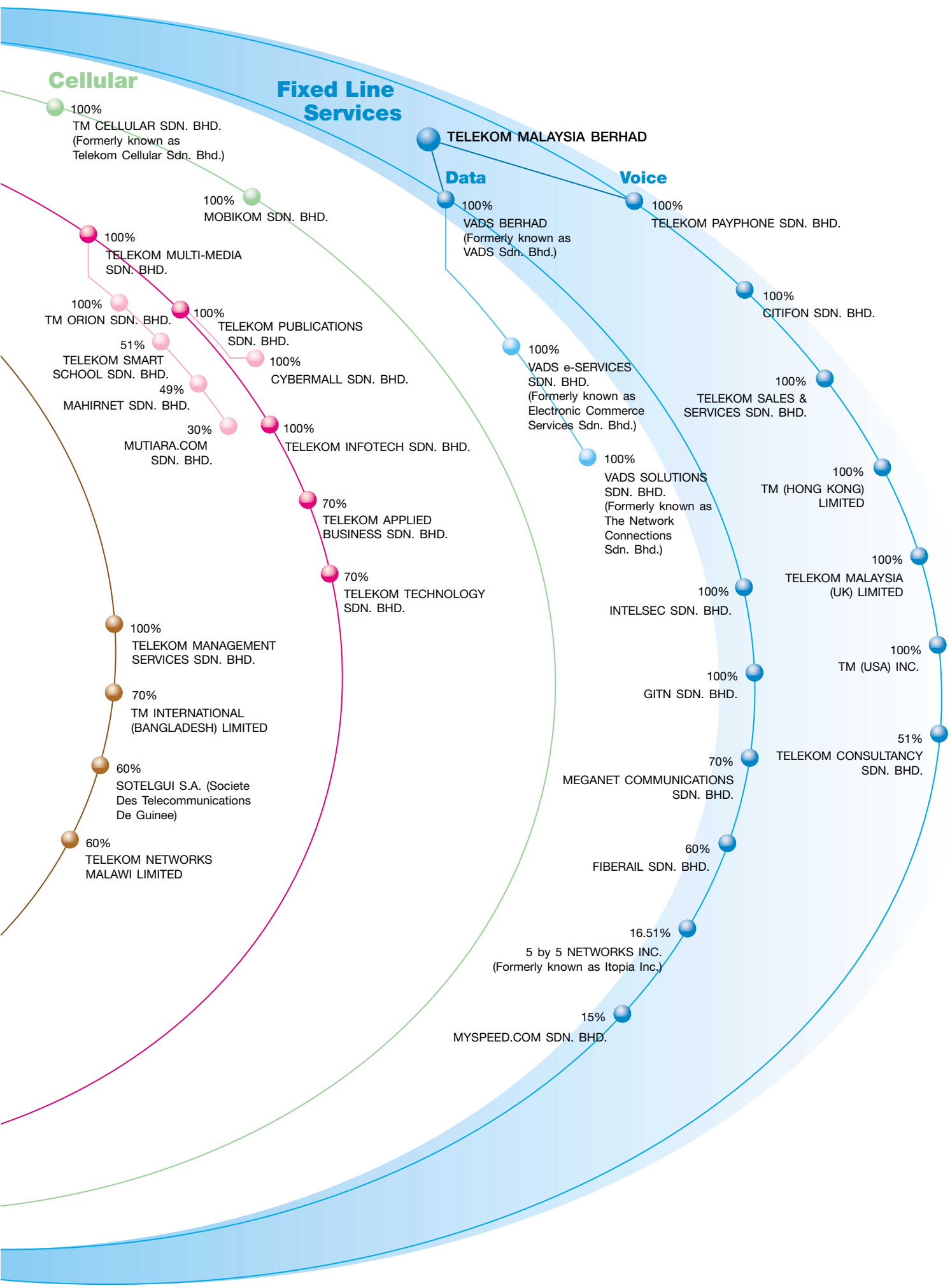


Shareholders Funds

group segmental structure as at 20 March 2002

TELEKOM MALAYSIA BERHAD





corporate information

TELEKOM MALAYSIA BERHAD

BOARD OF DIRECTORS

Dato' Ir. Muhammad Radzi bin Haji Mansor
(Chairman)
(Non-Independent Non-Executive Director)

Dato' Dr. Md Khir bin Abdul Rahman
(Chief Executive)
(Non-Independent Executive Director)

Dato' Dr. Abdul Rahim bin Haji Daud
(Deputy Chief Executive/Executive Director)
(Non-Independent Executive Director)

Dato' Abdul Majid bin Haji Hussein
(Non-Independent Non-Executive Director)

Dato' Dr. Halim bin Shafie
(Non-Independent Non-Executive Director)

Y.B. Tuan Joseph Salang Gandum
(Independent Non-Executive Director)

Dato' Dr. Mohd Munir bin Abdul Majid
(Senior Independent Non-Executive Director)

Y.B. Dato' Ir. Haji Mohd Zin bin Mohamed
(Independent Non-Executive Director)

Lim Kheng Guan
(Independent Non-Executive Director)

Ir. Prabahar N.K. Singam
(Independent Non-Executive Director)

Rosli bin Man
(Non-Independent Non-Executive Director)

Tan Poh Keat
(Non-Independent Non-Executive Director)

Mohammad Zanudin bin Ahmad Rasidi
(Alternate Director to Dato' Abdul Majid bin Haji Hussein)
(Non-Independent Non-Executive Director)

Suriah binti Abd Rahman
(Alternate Director to Dato' Dr. Halim bin Shafie)
(Non-Independent Non-Executive Director)

SECRETARIES

Wang Cheng Yong
Zaiton Ahmad

REGISTERED OFFICE

2nd Floor
Ibupejabat Telekom Malaysia
Jalan Pantai Baharu
50672 Kuala Lumpur
Tel No. : 03-2020 2664
Fax No.: 03-2283 2415/2284 8039

REGISTRAR

Tenaga Koperat Sdn. Bhd.
20th Floor, Plaza Permata
(formerly known as IGB Plaza)
Jalan Kampar
Off Jalan Tun Razak
50400 Kuala Lumpur
Tel No. : 03-4041 6522
Fax No.: 03-4042 6352

AUDITORS

PricewaterhouseCoopers
(Chartered Accountants)

PRINCIPAL BANKERS

Bumiputra-Commerce Bank
Berhad
Malayan Banking Berhad
Affin Bank Berhad

PRINCIPAL SOLICITORS

Zul Rafique & Partners
Zain & Co.
Nik Saghir & Ismail

STOCK EXCHANGE LISTING

Kuala Lumpur Stock Exchange



board of



From Bottom to Top

- Dato' Dr. Halim bin Shafie • Dato' Abdul Majid bin Haji Hussein • Dato' Dr. Md Khir bin Abdul Rahman
- Dato' Ir. Muhammad Radzi bin Haji Mansor • Dato' Dr. Abdul Rahim bin Haji Daud • Y.B. Tuan Joseph Salang Gandum
- Dato' Dr. Mohd Munir bin Abdul Majid • Y.B. Dato' Ir. Haji Mohd Zin bin Mohamed • Lim Kheng Guan • Ir. Prabahar N.K. Singam
- Rosli bin Man • Tan Poh Keat • Mohammad Zanudin bin Ahmad Rasidi • Suriah binti Abd Rahman • Wang Cheng Yong • Zaiton Ahmad