

**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.**

**If you are in any doubt as to the course of action you should take, you should consult your stockbroker, bank manager, solicitor, accountant or other professional adviser immediately.**

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**TELEKOM MALAYSIA BERHAD**  
198401016183 (128740-P)  
(Incorporated in Malaysia)

## **CIRCULAR TO SHAREHOLDERS**

### **IN RELATION TO THE**

#### **PART A**

### **PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE**

#### **PART B**

### **PROPOSED AMENDMENT TO THE CONSTITUTION OF THE COMPANY**

The resolution in respect of the above proposals will be tabled at the Thirty-Fifth Annual General Meeting (35<sup>th</sup> AGM) of Telekom Malaysia Berhad ("the Company") to be held fully virtual on Wednesday, 10 June 2020 at 10.00 a.m. with the Broadcast Venue at Kristal Hall, TM Convention Centre, Menara TM, Jalan Pantai Baharu, 50672 Kuala Lumpur, Malaysia or at any adjournment thereof.

In line with the Government's initiative to contain the spread of Coronavirus Disease 2019 ("COVID-19") and the Guidance Note on the Conduct of General Meetings for Listed Issuers by the Securities Commission Malaysia on 18 April 2020, the 35<sup>th</sup> AGM will be conducted in a fully virtual manner via Remote Participation and Electronic Voting ("RPEV") facilities. NO SHAREHOLDERS will be physically present at the Broadcast Venue on the day of the AGM.

Please follow the procedures provided in the Administrative Details for the 35<sup>th</sup> AGM in order to register, participate and vote remotely via the RPEV facilities. You may appoint the Chairman of the Meeting as your proxy and indicate the voting instruction in the Proxy Form. Please complete, sign and return the Proxy Form in accordance with the instructions printed thereon.

The Notice of the 35<sup>th</sup> AGM, Proxy Form and Administrative Details can be downloaded from TM Website via [www.tm.com.my/annualreport](http://www.tm.com.my/annualreport).

Last date and time for lodgement of the Proxy Form is not less than 24 hours before the time appointed for the taking of the poll or no later than 12.00 noon on Tuesday, 9 June 2020.

## DEFINITIONS

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The following definitions shall apply throughout this Circular unless the context requires otherwise:

Act	:	Companies Act 2016, as amended from time to time and any re-enactment thereof
AGM	:	Annual General Meeting
Axiata	:	Axiata Group Berhad
Axiata Group	:	Axiata and/or its subsidiaries
BAC	:	Board Audit Committee
Board	:	Board of Directors of our Company
Bursa Securities	:	Bursa Malaysia Securities Berhad
Celcom	:	Celcom Axiata Berhad
Circular	:	This circular to the shareholders of the Company dated 19 May 2020
CMSA	:	Capital Markets and Services Act, 2007, as amended from time to time and any re-enactment thereof
Constitution	:	Constitution of the Company, as amended from time to time
Director	:	(a) A Director of our Company or our subsidiary, and shall have the same meaning as given in Section 2(1) of the CMSA; and  (b) For purposes of the Proposed Renewal of Shareholders' Mandate, includes any person who is or was within the preceding six (6) months of the date on which the terms of the transaction were agreed upon, a director or a chief executive of our Company, our subsidiary or holding company, in accordance with the definition in Chapter 10 of the Main LR
Khazanah	:	Khazanah Nasional Berhad, a Major Shareholder of our Company
LPD	:	30 April 2020, being the latest practicable date prior to the printing of this Circular
Main LR	:	Main Market Listing Requirements of Bursa Securities, as amended from time to time
Major Shareholder	:	(a) A person who has an interest or interests in one (1) or more voting shares in our Company or our subsidiary and the number or the aggregate number of those shares, is:  (i) ten percent (10%) or more of the total number of voting shares in our Company; or (ii) five percent (5%) or more of the total number of voting shares in our Company where such person is the largest shareholder of our Company.  For the purpose of this definition, " <b>interest</b> " shall have the meaning given in Section 8 of the Act; and  (b) For purposes of the Proposed Renewal of Shareholders' Mandate, it also includes any person who is or was within the preceding six (6) months of the date on which the terms of the transaction were agreed upon, a Major Shareholder of our Company, or any other corporation which is our Company's subsidiary or holding company
MOF Inc.	:	Minister of Finance, a body corporate established under the Ministry of Finance (Incorporation) Act, 1957
NA	:	Net assets attributable to shareholders of our Company
Person Connected	:	In relation to any person (referred to as "said Person") means such person who falls under any one of the following categories:  (a) a family member of the said Person;  (b) a trustee of a trust (other than a trustee for a share scheme for employees or pension scheme) under which the said Person, or a family member of the said Person, is the sole beneficiary;

- (c) a partner of the said Person;
- (d) a person, or where the person is a body corporate, the body corporate or its directors, who is/are accustomed or under an obligation, whether formal or informal, to act in accordance with the directions, instructions or wishes of the said Person;
- (e) a person, or where the person is a body corporate, the body corporate or its directors, in accordance with whose directions, instructions or wishes the said Person is accustomed or is under an obligation, whether formal or informal, to act;
- (f) a body corporate in which the said Person, or persons connected with the said Person are entitled to exercise, or control the exercise of, not less than 20% of the votes attached to voting shares in the body corporate; or
- (g) a body corporate which is a related corporation of the said Person.

Proposed Amendment	:	Proposed amendment to the Constitution of the Company as set out in Appendix II of this Circular
Proposed Renewal of Shareholders' Mandate	:	Proposed renewal of shareholders' mandate for RRPT to be entered into as set out in Appendix I of this Circular
Related Party	:	A Director, Major Shareholder or Person Connected with such Director or Major Shareholder
Related Party Transaction	:	A transaction entered into between our Company or a subsidiary of our Company which involves the interest, direct or indirect, of a Related Party
RRPT	:	A Related Party Transaction which is recurrent, of a revenue or trading nature and which is necessary for our Group's day-to-day operations and are in the ordinary course of business of our Group
Shareholders	:	Shareholders of our Company
TNB	:	Tenaga Nasional Berhad
TNB Group	:	TNB and/or its subsidiaries
TM or Company	:	Telekom Malaysia Berhad
TM Group or Group	:	TM and/or its subsidiaries

All references to "**our Company**" in this Circular are to TM. References to "**our Group**" are to our Company and our subsidiaries. References to "**we**", "**us**", "**our**" and "**ourselves**" are to our Company and where the context requires, shall include our subsidiaries.

All references to "**you**" in this Circular are to the shareholders of TM.

Words denoting the singular shall, where applicable, include the plural and vice versa, and words denoting the masculine gender shall, where applicable, include the feminine and/or neuter genders, and vice versa. References to persons shall include corporations.

Any reference to any enactment in this Circular is a reference to that enactment as for the time being amended or re-enacted.

Any reference to a time or date in this Circular is a reference to Malaysian time or date, unless otherwise stated.

Any discrepancy in the tables between the amounts listed, actual figures and the totals in this Circular are due to rounding.

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## CONTENTS

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### **PART A**

#### **LETTER TO OUR SHAREHOLDERS IN RELATION TO THE PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE**

	<b>PAGE</b>
1. INTRODUCTION	1
2. DETAILS OF THE PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE	2
3. RATIONALE FOR THE PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE	6
4. EFFECTS OF THE PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE	6
5. APPROVALS REQUIRED FOR THE PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE	7
6. DIRECTORS AND MAJOR SHAREHOLDERS' INTERESTS	7
7. DIRECTORS' RECOMMENDATION	7
8. AGM	8
9. FURTHER INFORMATION	8

### **PART B**

#### **LETTER TO OUR SHAREHOLDERS IN RELATION TO THE PROPOSED AMENDMENT TO THE CONSTITUTION OF THE COMPANY**

	<b>PAGE</b>
1. INTRODUCTION	10
2. DETAILS OF THE PROPOSED AMENDMENT	10
3. RATIONALE FOR THE PROPOSED AMENDMENT	11
4. APPROVAL REQUIRED FOR THE PROPOSED AMENDMENT	11
5. DIRECTORS AND MAJOR SHAREHOLDERS' INTERESTS	11
6. DIRECTORS' RECOMMENDATION	11
7. AGM	11

### **APPENDICES**

I. DETAILS OF THE RRPT TO BE ENTERED INTO BY OUR GROUP UNDER THE PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE	12
II. DETAILS OF THE PROPOSED AMENDMENT	14
III. FURTHER INFORMATION	18

**PART A**

**LETTER TO OUR SHAREHOLDERS IN RELATION TO THE  
PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE**



**TELEKOM MALAYSIA BERHAD**  
198401016183 (128740-P)  
(Incorporated in Malaysia)

**Registered office:**  
Level 51 North Wing  
Menara TM  
Jalan Pantai Baharu  
50672 Kuala Lumpur  
Malaysia

19 May 2020

**Directors:**

Tan Sri Dato' Seri Mohd Bakke Salleh	<i>(Chairman, Non-Independent Non-Executive Director)</i>
Dato' Noor Kamarul Anuar Nuruddin	<i>(Group Chief Executive Officer/Managing Director Non-Independent Executive Director)</i>
Dato' Asri Hamidin @ Hamidon	<i>(Non-Independent Non-Executive Director)</i>
Dato' Mohamed Nasri Sallehuddin	<i>(Non-Independent Non-Executive Director)</i>
Dato' Mohd Naim Daruwish	<i>(Non-Independent Non-Executive Director)</i>
Datuk Zalekha Hassan	<i>(Senior Independent Non-Executive Director)</i>
Tunku Afwida Tunku Dato' A.Malek	<i>(Independent Non-Executive Director)</i>
Balasingham A. Namasiwayam	<i>(Independent Non-Executive Director)</i>
Hisham Zainal Mokhtar	<i>(Independent Non-Executive Director)</i>
Suhendran Sockanathan	<i>(Independent Non-Executive Director)</i>
Dato' Ibrahim Marsidi	<i>(Independent Non-Executive Director)</i>
Iszad Jeffri Ismail	<i>(Alternate Director to Dato' Asri Hamidin @ Hamidon Non-Independent Non-Executive Alternate Director)</i>

**To: Our Shareholders**

Dear Sir/Madam,

**PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE (PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE)**

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**1. INTRODUCTION**

- 1.1 At our Company's AGM held on 29 May 2019, our Company had obtained the renewal and additional shareholders' mandates for our Company and/or our subsidiaries to enter into RRPT of a revenue or trading nature which are necessary for our Group's day-to-day operations and are in the ordinary course of business and on terms that are not more favourable to the Related Parties than those generally available to the public (**Existing Mandates**).
- 1.2 The Existing Mandates shall, in accordance with the Main LR, lapse at the conclusion of our forthcoming 35<sup>th</sup> AGM, unless the authority for its renewal is obtained from our shareholders at our forthcoming 35<sup>th</sup> AGM.

- 1.3 Accordingly, our Board had announced on 21 February 2020 that we propose to seek your approval for the Proposed Renewal of Shareholders' Mandate at the forthcoming AGM.
- 1.4 The purpose of this Circular is to provide you with the information on the Proposed Renewal of Shareholders' Mandate and to seek your approval for the resolution pertaining to the Proposed Renewal of Shareholders' Mandate to be tabled at our forthcoming AGM.

**WE ADVISE YOU TO READ AND CONSIDER CAREFULLY THE CONTENTS OF THIS CIRCULAR TOGETHER WITH THE APPENDICES CONTAINED HEREIN BEFORE VOTING ON THE RESOLUTION IN RELATION TO THE PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE TO BE TABLED AT OUR FORTHCOMING AGM.**

## **2. DETAILS OF THE PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE**

### **2.1 Provisions under the Main LR**

- (a) Pursuant to Paragraph 10.09(2) of Chapter 10 of the Main LR, a listed issuer may seek shareholders' mandate in respect of RRPT subject to the following:
- (i) the transactions are in the ordinary course of business and are on terms not more favourable to the related party than those generally available to the public;
  - (ii) the shareholders' mandate is subject to annual renewal and disclosure is made in the integrated annual report of the aggregate value of transactions conducted pursuant to the shareholders' mandate during the financial year where the aggregate value is equal to or more than the threshold prescribed under Paragraph 10.09(1) of the Main LR;
  - (iii) the circular to shareholders for the shareholders' mandate includes the information as may be prescribed by Bursa Securities;
  - (iv) in meeting to obtain the shareholders' mandate, the relevant related party must comply with the requirements set out in Paragraph 10.08(7) of the Main LR; and
  - (v) a listed issuer must immediately announce to Bursa Securities when the actual value of a RRPT entered into by the listed issuer exceeds the estimated value of the RRPT disclosed in the circular by 10% or more and must include the information as may be prescribed by Bursa Securities in its announcement.
- (b) Transactions entered into between a listed issuer (or any of its wholly-owned subsidiaries) and its wholly-owned subsidiary are excluded from the requirements of Part E of Chapter 10 of the Main LR.
- (c) In accordance with Paragraph 3.1.4 of Practice Note 12 of the Main LR, the shareholders' mandate will take effect from the date on which Shareholders' approval is obtained and shall continue to be in force until:
- (i) the conclusion of the next AGM of a listed issuer following the general meeting at which the shareholders' mandate was granted, at which time it will lapse, unless by a resolution passed at the general meeting, the authority is renewed;
  - (ii) the expiration of the period within which the next AGM after that date is required to be held pursuant to Section 340(2) of the Act (but must not extend to such extension as may be allowed pursuant to Section 340(4) of the Act); or
  - (iii) revoked or varied by resolution passed by Shareholders at a general meeting;
- whichever is the earlier.

- (d) Disclosure will be made in our Company's Integrated Annual Report in accordance with Section 3.1.5 of Practice Note 12 of the Main LR, which provides a breakdown of the aggregate value of the RRPT made during the financial year, amongst others, based on the following information:
  - (i) the type of the RRPT made; and
  - (ii) the names of the related parties involved in each type of the RRPT made and their relationship with the listed issuer.

Accordingly, our Company proposes to procure the approval from our Shareholders for the Proposed Renewal of Shareholders' Mandate for our Group to enter into recurrent transactions with Related Parties which are of a revenue or trading nature and necessary for our Group's day-to-day operations and are in the ordinary course of business, on terms not more favourable to the Related Parties than those generally made available to the public and are not detrimental to the minority shareholders.

The Proposed Renewal of Shareholders' Mandate, if approved, will take effect from the date of our forthcoming 35<sup>th</sup> AGM and will continue to be in force until the conclusion of the next AGM or until the expiration of the period within which the next AGM is required to be held pursuant to Section 340(2) of the Act (but must not extend to such extension as may be allowed pursuant to Section 340(4) of the Act) unless revoked or varied by resolution passed by our Shareholders at a general meeting, whichever is earlier.

## **2.2 Our principal activities**

The principal activities of our Company are the establishment, maintenance and provision of telecommunications and related services. The principal activities of our subsidiaries include the provision of broadband network infrastructure facilities and multimedia services, research and development activities, leasing of optical fibre telecommunication system services, managed network services and other telecommunication related services. Through our subsidiaries, we also provide other non-telecommunication related services such as provision of education, customer service outlets, publication, management of telecommunication tourism tower, fleet management services and integrated security surveillance system.

## **2.3 Classes of Related Parties**

The Proposal will apply to the following classes of Related Parties:

- (a) Major Shareholders;
- (b) Directors; and
- (c) Persons connected to such Major Shareholders and/or Directors.

## **2.4 RRPT Details**

### **(a) Class, nature and estimated aggregate value of the Existing RRPT**

The details of the Existing RRPT under the Proposed Renewal of Shareholders' Mandate are set out in Appendix I of this Circular.



(b) **Amounts due and owing to our Group by Related Party pursuant to RRPT (Outstanding RRPT Receivables)**

The Outstanding RRPT Receivables from the companies within the Axiata Group and TNB Group (being our Related Parties) which have exceeded the credit term for the following periods as at 31 December 2019 are as follows:

No.	Nature of RRPT	Principal amount of Outstanding RRPT Receivables which exceed the credit term for a period of				Total
		1 year or less	More than 1 to 3 years	More than 3 to 5 years	More than 5 years	
		RM '000	RM '000	RM '000	RM '000	RM '000
1	Interconnect revenue from Axiata Group	825 <sup>(1)</sup>	706	-	-	1,531
2	Provision of leased-line services to Axiata Group	1,298 <sup>(2)</sup>	3,038 <sup>(3)</sup>	-	-	4,336
3	Provision of data and bandwidth related services to Axiata Group	5,602 <sup>(4)</sup>	2,381 <sup>(5)</sup>	-	-	7,983
4	Site rental for telecommunication infrastructure, equipment and related charges by TM Group to Axiata Group	11,334	7,612	-	-	18,946
5	Provision of fibre optic core, data and bandwidth services by Fiberail Sdn Bhd to Axiata Group	237 <sup>(6)</sup>	-	-	-	237
6	Provision of fibre optic, bandwidth, space & facility by Fibrecomm Network (M) Sdn Bhd to Axiata Group	390 <sup>(7)</sup>	-	-	-	390
7	Provision of connectivity services, ICT equipment and security surveillance devices to TNB Group	2,989 <sup>(8)</sup>	-	-	-	2,989
8	Rental of Office Premises to TNB Group	54 <sup>(9)</sup>	25	-	-	79
9	Site rental for telecommunication infrastructure, equipment and related charges by Axiata Group to TM Group	97 <sup>(10)</sup>	-	-	-	97
10	Provision of fibre optic and bandwidth for telecommunication services by TNB Group	140 <sup>(11)</sup>	-	-	-	140
	<b>TOTAL</b>	<b>22,966</b>	<b>13,762</b>	<b>-</b>	<b>-</b>	<b>36,728</b>

*Notes:*

<sup>(1)</sup> As at LPD, the outstanding amount due is RM467,000

<sup>(2)</sup> As at LPD, the outstanding amount due is RM1,100,000

<sup>(3)</sup> As at LPD, the outstanding amount due is RM2,797,000

<sup>(4)</sup> As at LPD, the outstanding amount due is RM4,077,000

<sup>(5)</sup> As at LPD, the outstanding amount due is RM2,072,000

<sup>(6)</sup> As at LPD, the outstanding amount due is RM92,000

<sup>(7)</sup> As at LPD, the outstanding amount due is RM25,000

<sup>(8)</sup> As at LPD, the outstanding amount due has been fully received.

<sup>(9)</sup> As at LPD, the outstanding amount due is RM51,000

<sup>(10)</sup> As at LPD, the outstanding amount due has been fully received.

<sup>(11)</sup> As at LPD, the outstanding amount due has been fully received.

No late payment charges are imposed on the receivables from the above Related Parties as the total Outstanding RRPT Receivables as at LPD are not substantial and our Board is of the view that the amount will be recoverable. In addition, the Related Parties have a long-standing business relationship with our Company.

Our Company has taken action in respect of recovering the above amounts due to our Company, including the sending of reminders to the relevant debtors, follow-up calls and meetings with the customers. Efforts have also been made to engage the Related Parties for expeditious payment of certain outstanding amounts.

## 2.5 Review procedures for the RRPT

To ensure that the RRPT are undertaken on an arm's length basis, on normal commercial terms and transaction prices, which are not more favourable to the Related Parties than those generally available to the public and are not to the detriment of our minority shareholders and to supplement the existing internal control procedures of our Group, our Board Audit Committee (BAC) is tasked with the review and approval of such transactions.

Our BAC currently comprises Hisham Zainal Mokhtar (Chairman of the BAC and Independent Non-Executive Director), Tunku Afwida Tunku Dato' A.Malek (Independent Non-Executive Director), Balasingham A. Namasiwayam (Independent Non-Executive Director) and Dato' Ibrahim Marsidi (Independent Non-Executive Director).

We have established the following procedures and guidelines for the review and approval of the RRPT:

- (a) a list of the Related Parties is provided to our Group Procurement Division to monitor and the chief financial officers or heads of financial division (as the case may be) in our Group will ensure that all RRPT to be entered into by our Group are required to be undertaken on an arm's length basis, on terms not more favourable to the Related Parties than those generally available to the public and are not to the detriment of our minority shareholders;
- (b) regular RRPT awareness programs and briefing sessions to operating units and subsidiaries are carried out by our Group Procurement Division and PLC Compliance Unit on the requirement to monitor and report on all RRPT for compilation and reporting to our Best Practices Committee and Board Audit Committee;
- (c) we shall maintain proper records of the RRPT to be entered into with the Related Parties under the Shareholders' Mandate. We will disclose in our Integrated Annual Report the breakdown of the aggregate value of RRPT entered into during the financial year based on, amongst others, the following:
  - (i) the type of RRPT made; and
  - (ii) the names of the Related Parties involved in each type of the RRPT made and their relationship with us;
- (d) we shall only enter into any RRPT after taking into account the pricing and contract rate, terms and conditions, level of service and expertise required, quality of products and services provided to/by the Related Parties as compared to prevailing market prices and rates, industry norms and standards as well as general practices by service providers of similar capacity and capability generally available in the open market;
- (e) the annual internal audit plan will incorporate a review of all RRPT as part of the audit scope for the purpose of the RRPT mandate review to be tabled for Shareholder's approval;
- (f) the RRPT will be reviewed by the internal auditors on the utilisation against the approved mandate twice a year. The review is reported to the Best Practice Committee for deliberation. The Best Practice Committee will then report to the BAC. Our Board Audit Committee shall have the right of access to information on the Related Parties and is entitled to the services of any independent advisers, if required, in the discharge of its duties;
- (g) our BAC shall review on an annual basis the internal audit reports pertaining to the RRPT to ascertain that the guidelines and procedures established to monitor the RRPT have been complied with;
- (h) our Board and BAC shall have the overall responsibility of determining whether the review procedures and guidelines on the RRPT are appropriate and sufficient. If any of our Board or BAC members has an interest in an RRPT, he will abstain from any decision making in respect of that RRPT;
- (i) if our Board and BAC are of the view that the review procedures are no longer sufficient to ensure that the RRPT is made on an arm's length basis, on terms not more favourable to the Related Parties than those generally available to the public and are not to the detriment of our minority shareholders, they shall have the discretion to discharge, vary and/or modify or implement new and/or additional procedures and guidelines, without your prior approval, provided that such amended, varied, modified, new or additional procedures are no less stringent than the existing procedures and guidelines;
- (j) at least two (2) other contemporaneous transactions with unrelated third parties for similar products/services and/or quantities will be used as comparison, wherever possible, to determine whether the price and terms offered to/by the related parties are fair and reasonable and comparable to those offered to/by other unrelated third parties for the same or substantially similar type of products/services and/or quantities. Where quotation or comparative pricing from unrelated third parties cannot be obtained, the transaction price will be determined by our Group based on those offered by/to other unrelated parties for the same or substantially similar type of transaction. In the event this method of comparison is also not available, we will then undertake other typically-adopted forms of benchmarking analyses (such as evaluating the reasonableness of the profit margin which we may derive in connection with such RRPT) to determine a transaction price which is deemed to be on arm's length basis and to ensure that the RRPT is not detrimental to our Group;

- (k) our Group has in place internal authority limit matrices governing all business transactions including RRPT. Such internal authority limit matrices would include approval thresholds, which vary depending on the type of transaction as well as the legal entity/division/business unit undertaking such transactions. Essentially, all transactions shall be reviewed and approved by our Board, Executive Directors, senior management and/or appropriate approving levels in accordance with our Group's internal authority limit matrices; and
- (l) in addition, any RRPT having a percentage ratio (as defined under Paragraph 10.02(g) of the Main LR) of 0.25% or more will be reported to PLC Compliance Unit, who in turn can take the appropriate/necessary action, which may include procuring the BAC's approval.

## **2.6 Statement by BAC**

Our BAC has seen and reviewed the procedures mentioned in Section 2.5 above and is of the opinion that the abovementioned procedures are sufficient to ensure that any RRPT is undertaken on an arm's length basis, on terms not more favourable to the Related Parties than those generally available to the public and are not to the detriment of our minority shareholders.

The BAC is of the view that our Group has in place adequate procedures and processes to monitor, track and identify RRPT in a timely and orderly manner, and such procedures and processes are reviewed on a yearly basis or whenever the need arises.

## **3. RATIONALE FOR THE PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE**

The Proposed Renewal of Shareholders' Mandate will enable our Group to enter into the RRPT described in Appendix I of this Circular.

The RRPT are transactions in the ordinary course of our business, made on an arm's length basis, on terms not more favourable to the Related Parties than those generally available to the public and are not to the detriment of our minority shareholders.

The RRPT to be entered into by our Group are intended to meet our business needs at the best possible terms. Our Group should be able to have access to all available markets, products and services provided by all vendors including the Related Parties. This will enhance our Group's ability to explore mutually beneficial business opportunities.

The RRPT are likely to continue in the future on a frequent and recurrent basis from time to time. In addition, these transactions may be time-sensitive and confidential. The Proposed Renewal of Shareholders' Mandate will eliminate the need to announce and convene separate general meetings to seek your prior approval on a case by case basis before entering into such transactions. The Proposed Renewal of Shareholders' Mandate will therefore enable us to save administrative time and expenses which could be better utilised towards pursuing our corporate objectives.

## **4. EFFECTS OF THE PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE**

### **4.1 Issued share capital**

The Proposed Renewal of Shareholders' Mandate will not have any effect on our issued capital.

### **4.2 Earnings**

The Proposed Renewal of Shareholders' Mandate is not expected to have any material effect on the earnings of our Group for the financial year ending 31 December 2020.

### **4.3 NA and gearing**

Based on our audited consolidated Statement of Financial Position as at 31 December 2019, the Proposed Renewal of Shareholders' Mandate is not expected to have any material effect on our consolidated NA and gearing.

### **4.4 Substantial shareholders' shareholdings**

The Proposed Renewal of Shareholders' Mandate will not have any effect on our substantial shareholders' shareholdings in our Company.

## 5. APPROVALS REQUIRED FOR THE PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE

The Proposed Renewal of Shareholders' Mandate is subject to your approval at our forthcoming AGM.

## 6. DIRECTORS' AND MAJOR SHAREHOLDERS' INTERESTS

Save as disclosed below, none of our Directors, Major Shareholders and/or Persons Connected to them have any interest, direct or indirect, in the Proposed Renewal of Shareholders' Mandate:

- (a) MOF Inc. and Khazanah, our Major Shareholders, who are deemed interested in the Proposed Renewal of Shareholders' Mandate will abstain from voting in respect of their direct and/or indirect shareholdings in our Company on the resolutions pertaining to the Proposed Renewal of Shareholders' Mandate at our forthcoming AGM. MOF Inc. and Khazanah, through their representative(s) on our Board, have also undertaken to ensure that Persons Connected to them will abstain from voting, in respect of their direct and/or indirect shareholdings (if any) in our Company, deliberating or approving, the resolution pertaining to the Proposed Renewal of Shareholders' Mandate at our forthcoming AGM.
- (b) Dato' Asri Hamidin @ Hamidon and his alternate director, Iszad Jeffri Ismail are MOF Inc.'s representative on our Board. Dato' Mohamed Nasri Sallehuddin is Khazanah's representative on our Board.

Accordingly, Dato' Asri Hamidin @ Hamidon, Iszad Jeffri Ismail and Dato' Mohamed Nasri Sallehuddin (collectively referred to as the "Interested Directors"), where applicable, have abstained and will continue to abstain from deliberation and voting on the Proposed Renewal of Shareholders' Mandate at our relevant Board meetings.

- (c) The Interested Directors will abstain from voting in respect of their direct and/or indirect shareholdings (if any) in our Company on the resolution for the Proposed Renewal of Shareholders' Mandate at our forthcoming AGM and have also undertaken to ensure that Persons Connected with them will abstain from voting, in respect of their direct and/or indirect shareholdings (if any) in our Company, deliberating or approving, the resolution pertaining to the Proposed Renewal of Shareholders' Mandate at our forthcoming AGM.

Based on our Company's Register of Substantial Shareholders and Register of Directors' Shareholdings, the direct and indirect shareholdings of our abovementioned Interested Directors and Major Shareholders in our Company as at the LPD are as follows:

Interested Parties	Direct		Indirect	
	No. of TM Shares	%	No. of TM Shares	%
<b>Major Shareholders</b>				
MOF Inc.	-	-	984,825,713 <sup>(1)</sup>	26.15
Khazanah	984,825,713	26.15	-	-
<b>Directors</b>				
Dato' Asri Hamidin @ Hamidon	-	-	-	-
Iszad Jeffri Ismail (Alternate to Dato' Asri Hamidin @ Hamidon)	-	-	-	-
Dato' Mohamed Nasri Sallehuddin	-	-	-	-

Note:

<sup>(1)</sup> Deemed interested through Khazanah under Section 8(4) of the Act.

## 7. DIRECTORS' RECOMMENDATION

Our Board (other than the Interested Directors who have abstained from expressing their opinions and recommendations), having considered all aspects of the Proposed Renewal of Shareholders' Mandate is of the view that the Proposed Renewal of Shareholders' Mandate is in the best interest of our Company. Accordingly, our Board (other than the Interested Directors) recommends that you vote in favour of the resolution pertaining to the Proposed Renewal of Shareholders' Mandate at our forthcoming AGM.

## 8. AGM

Due to Conditional Movement Control Order (“CMCO”) and based on the Guidance Note on the Conduct of General Meetings for Listed Issuers by the Securities Commission Malaysia, listed issuers shall only conduct fully virtual general meetings during CMCO period. A fully virtual general meeting is to be conducted online, without a physical meeting venue, and shareholders will participate by audio and/or video capabilities. The only venue involved is the Broadcast Venue where only the essential individuals are physically present to organise the fully virtual general meeting.

The Broadcast Venue is strictly for the purpose of complying with Section 372(2) of the Companies Act 2016 (“CA 2016”) which stipulates that the Chairman shall be at the main venue of the AGM, hence NO SHAREHOLDERS will be physically present at the Broadcast Venue on the day of the AGM. Our fully virtual AGM will be held on Wednesday, 10 June 2020 at 10.00 a.m. with the Broadcast Venue at Kristal Hall, TM Convention Centre, Menara TM, Jalan Pantai Baharu, 50672 Kuala Lumpur, Malaysia or at any adjournment thereof for the purpose of considering and if thought fit, passing, inter alia, the ordinary resolution on the Proposed Renewal of Shareholders’ Mandate.

The Notice of the 35<sup>th</sup> AGM, Proxy Form and Administrative Details are available for download from our website at [www.tm.com.my](http://www.tm.com.my). The 35<sup>th</sup> AGM will be conducted virtually via online Remote Participation and Electronic Voting (“RPEV”) facilities which are available by registering yourself at <https://boardroomlimited.my> and participate in the online AGM at <https://web.lumiagm.com/>. Please follow the procedures provided in the Administrative Details for the 35<sup>th</sup> AGM in order to register, participate and vote remotely via the RPEV facilities.

You are encouraged to participate and vote at the 35<sup>th</sup> AGM using remote participation and electronic voting facilities. If you are unable to participate online, you are strongly encouraged to appoint the Chairman of the meeting to be your proxy and indicate the voting in the proxy form. You are required to complete, sign and return the Proxy Form, in accordance with the instructions printed thereon as soon as possible and in any event so as to reach our Share Registrar’s office, Boardroom Share Registrars Sdn Bhd, located at 11<sup>th</sup> Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor, Malaysia not less than 24 hours before the time appointed for the taking of the poll or no later than on Tuesday, 9 June 2020 at 12:00 noon.

## 9. FURTHER INFORMATION

Please refer to the attached appendices of this Circular for further information.

Yours faithfully

For and on behalf of the Board of  
**TELEKOM MALAYSIA BERHAD**

**Dato’ Noor Kamarul Anuar Nuruddin**  
**Group Chief Executive Officer/Managing Director**  
**Non-Independent Executive Director**

**PART B**

**LETTER TO OUR SHAREHOLDERS IN RELATION TO THE  
PROPOSED AMENDMENT TO THE CONSTITUTION OF THE COMPANY**



**TELEKOM MALAYSIA BERHAD**  
198401016183 (128740-P)  
(Incorporated in Malaysia)

**Registered office:**  
Level 51 North Wing  
Menara TM  
Jalan Pantai Baharu  
50672 Kuala Lumpur  
Malaysia

19 May 2020

**Directors:**

Tan Sri Dato' Seri Mohd Bakke Salleh	<i>(Chairman, Non-Independent Non-Executive Director)</i>
Dato' Noor Kamarul Anuar Nuruddin	<i>(Group Chief Executive Officer/Managing Director Non-Independent Executive Director)</i>
Dato' Asri Hamidin @ Hamidon	<i>(Non-Independent Non-Executive Director)</i>
Dato' Mohamed Nasri Sallehuddin	<i>(Non-Independent Non-Executive Director)</i>
Dato' Mohd Naim Daruwish	<i>(Non-Independent Non-Executive Director)</i>
Datuk Zalekha Hassan	<i>(Senior Independent Non-Executive Director)</i>
Tunku Afwida Tunku Dato' A.Malek	<i>(Independent Non-Executive Director)</i>
Balasingham A. Namasiwayam	<i>(Independent Non-Executive Director)</i>
Hisham Zainal Mokhtar	<i>(Independent Non-Executive Director)</i>
Suhendran Sockanathan	<i>(Independent Non-Executive Director)</i>
Dato' Ibrahim Marsidi	<i>(Independent Non-Executive Director)</i>
Iszad Jeffri Ismail	<i>(Alternate Director to Dato' Asri Hamidin @ Hamidon Non-Independent Non-Executive Alternate Director)</i>

**To: Our Shareholders**

Dear Sir/Madam,

**PROPOSED AMENDMENT TO THE CONSTITUTION OF THE COMPANY (PROPOSED AMENDMENT)**

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**1. INTRODUCTION**

On 21 February 2020, our Board announced that the Company proposed to seek its shareholders' approval for the amendment to the Constitution of the Company (Proposed Amendment).

The purpose of this Circular is to provide you with the relevant information on the Proposed Amendment and to seek your approval for the Special Resolution to be tabled at the forthcoming 35<sup>th</sup> AGM of the Company.

**WE ADVISE YOU TO READ AND CONSIDER CAREFULLY THE CONTENTS OF THIS CIRCULAR TOGETHER WITH THE APPENDICES CONTAINED HEREIN BEFORE VOTING ON THE SPECIAL RESOLUTION IN RELATION TO THE PROPOSED AMENDMENT TO BE TABLED AT THE FORTHCOMING AGM.**

**2. DETAILS OF THE PROPOSED AMENDMENT**

- 2.1 Pursuant to Section 36 of the Act, the Board proposes to amend the Constitution by removing in its entirety Clause 13 in relation to the Class D Non-Convertible Redeemable Preference Shares (Class D NCRPS).
- 2.2 Pursuant to an Islamic Stapled Income Securities (TM ISIS) financing programme, TM had on 20 July 2007 issued 925 Class D NCRPS of RM1.00 each at a premium of RM999 amounting to RM925,000. On 26 February 2019, TM has fully redeemed the said 925 Class D NCRPS.
- 2.3 With the full redemption of the Class D NCRPS, the corresponding Clause 13 of the Constitution is no longer applicable and to be deleted in the manner as stipulated in Appendix II.

### 3. RATIONALE FOR THE PROPOSED AMENDMENT

The Proposed Amendment involving the deletion of Clause 13 in relation to Class D NCRPS is required in view that it has been fully redeemed.

### 4. APPROVAL REQUIRED FOR THE PROPOSED AMENDMENT

The Proposed Amendment is subject to the approval of the shareholders of the Company at the forthcoming AGM.

### 5. DIRECTORS' AND MAJOR SHAREHOLDERS INTERESTS

None of the Directors and substantial shareholders or persons connected with them has any interest, direct or indirect, in the Proposed Amendment.

### 6. DIRECTORS' RECOMMENDATION

The Board, after having considered all aspects of the Proposed Amendment, is of the opinion that the Proposed Amendment is in the best interest of the Company. Accordingly, the Board recommends that the shareholders of the Company vote in favour of the special resolution pertaining to the Proposed Amendment at our forthcoming AGM.

### 7. AGM

Due to Conditional Movement Control Order ("CMCO") and based on the Guidance Note on the Conduct of General Meetings for Listed Issuers by the Securities Commission Malaysia, listed issuers shall only conduct fully virtual general meetings during CMCO period. A fully virtual general meeting is to be conducted online, without a physical meeting venue, and shareholders will participate by audio and/or video capabilities. The only venue involved is the Broadcast Venue where only the essential individuals are physically present to organise the fully virtual general meeting.

The Broadcast Venue is strictly for the purpose of complying with Section 372(2) of the Companies Act 2016 ("CA 2016") which stipulates that the Chairman shall be at the main venue of the AGM, hence NO SHAREHOLDERS will be physically present at the Broadcast Venue on the day of the AGM. Our fully virtual AGM will be held on Wednesday, 10 June 2020 at 10.00 a.m. with the Broadcast Venue at Kristal Hall, TM Convention Centre, Menara TM, Jalan Pantai Baharu, 50672 Kuala Lumpur, Malaysia or at any adjournment thereof for the purpose of considering and if thought fit, passing, inter alia, the special resolution on the Proposed Amendment to the Constitution of the Company.

The Notice of the 35<sup>th</sup> AGM, Proxy Form and Administrative Details are available for download from our website at [www.tm.com.my](http://www.tm.com.my). The 35<sup>th</sup> AGM will be conducted virtually via online Remote Participation and Electronic Voting ("RPEV") facilities which are available by registering yourself at <https://boardroomlimited.my> and participate in the online AGM at <https://web.lumiagm.com/>. Please follow the procedures provided in the Administrative Details for the 35<sup>th</sup> AGM in order to register, participate and vote remotely via the RPEV facilities.

You are encouraged to participate and vote at the 35<sup>th</sup> AGM using remote participation and electronic voting facilities. If you are unable to participate online, you are strongly encouraged to appoint the Chairman of the meeting to be your proxy and indicate the voting in the proxy form. You are required to complete, sign and return the Proxy Form, in accordance with the instructions printed thereon as soon as possible and in any event so as to reach our Share Registrar's office, Boardroom Share Registrars Sdn Bhd, located at 11<sup>th</sup> Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor, Malaysia not less than 24 hours before the time appointed for the taking of the poll or no later than on Tuesday, 9 June 2020 at 12:00 noon.

Yours faithfully,  
For and on behalf of the Board of  
**TELEKOM MALAYSIA BERHAD**

**Dato' Noor Kamarul Anuar Nuruddin**  
**Group Chief Executive Officer/ Managing Director**  
**Non-Independent Executive Director**



## DETAILS OF THE RRPT TO BE ENTERED INTO BY OUR GROUP UNDER THE PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE

Transacting companies in our Group	Transacting Related Parties	Interested Major Shareholder/ Director	Nature of relationship	Nature of RRPT	2019 Shareholders' Mandate		Estimated Value of the Proposed Mandate <sup>(2)</sup> (RM '000)
					Estimated Value (RM '000)	Actual Value <sup>(1)</sup> (RM '000)	
Our Company and/or our subsidiaries	Axiata Group	MOF Inc., Khazanah, Dato' Asri Hamidin (Q Hamidon, Iszad Jeffri Ismail, Dato' Mohamed Nasri Sallehuddin	In addition to their shareholdings in our Company, Khazanah and MOF Inc. have direct and indirect shareholdings of 36.93% in Axiata. Dato' Asri Hamidin (Q Hamidon and his Alternate, Iszad Jeffri Ismail are representatives of MOF Inc. on our Board. Dato' Mohamed Nasri Sallehuddin is Khazanah's representative on our Board.	<b>Revenue</b>			
				- Interconnect revenue from Axiata Group.	32,837	19,753	21,382
				- Provision of leased-line services to Axiata Group.	420	2,537 <sup>(3)</sup>	5,700
				- Provision of data and bandwidth related services to Axiata Group.	91,157	76,055	92,119
				- Site rental for telecommunication infrastructure, equipment and related charges by our Group to Axiata Group.	28,388	44,463 <sup>(4)</sup>	35,620
				- Provision of internet access and broadband services to Axiata Group.	193	255 <sup>(5)</sup>	266
				- Provision of contact centre and business process outsourcing services by VADS Berhad (VADS) to Axiata Group.	35,182	23,992	24,552
				- Provision of fibre optic core, data and bandwidth services by Fiberail Sdn. Bhd. to Axiata Group.	360	330	845
				- Provision of fibre optic, bandwidth, space & facility by Fibrecomm Network (M) Sdn. Bhd. (Fibrecomm) to Axiata Group.	2,556	1,085	3,063
				- Core rental and mobile services charges to Axiata Group.	0	0	163
				<b>Cost</b>			
				- Interconnect charges by Axiata Group.	27,026	20,694	14,983
				- Leased-line charges by Axiata Group.	3,061	1,695	2,640
				- Fibre optic and leased-line charges by Axiata Group to Fibrecomm.	1,128	1,969 <sup>(6)</sup>	4,132
				- Core rental and mobile services from Axiata Group to TM Group.	2,187	1,953	1,967
- Network sharing charges using Domestic Roaming and Multi Operator Core Network technologies by Celcom to Webe Digital Sdn. Bhd.	216,228	103,990	200,601				
- Site rental for telecommunication infrastructure, equipment and related charges by Axiata Group to TM Group.	66,516	39,143	49,434				
<b>TOTAL</b>	<b>507,239</b>	<b>337,914</b>	<b>457,467</b>				

## DETAILS OF THE RRPT TO BE ENTERED INTO BY OUR GROUP UNDER THE PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE

Transacting companies in our Group	Transacting Related Parties	Interested Major Shareholder/ Director	Nature of relationship	Nature of RRPT	2019 Shareholders' Mandate		Estimated Value of the Proposed Mandate <sup>(2)</sup> (RM '000)
					Estimated Value (RM '000)	Actual Value <sup>(1)</sup> (RM '000)	
Our Company and/or our subsidiaries	TNB Group	MOF Inc., Khazanah, Dato' Asri Hamidin @ Hamidon, Iszad Jeffri Ismail, Dato' Mohamed Nasri Sallehuddin	In addition to their shareholdings in our Company, Khazanah and MOF Inc. have direct and indirect shareholdings of 25.77% in TNB. Dato' Asri Hamidin @ Hamidon and his Alternate, Iszad Jeffri Ismail are representatives of MOF Inc. on our Board. Dato' Mohamed Nasri Sallehuddin is Khazanah's representative on our Board.	<p><b>Revenue</b></p> <ul style="list-style-type: none"> <li>- Provision of connectivity services, ICT equipment and security surveillance devices to TNB Group.</li> <li>- Provision of fibre optic and bandwidth for telecommunication services by TNB Group.</li> <li>- Commission on collection of TNB bills by Telekom Sales and Services Sdn. Bhd. from TNB Group.</li> <li>- Rental of Office Premises to TNB Group.<sup>(7)</sup></li> </ul> <p><b>Cost</b></p> <ul style="list-style-type: none"> <li>- Leasing of fibre optic from TNB Group.</li> <li>- Leasing of infrastructure for telecommunication services from TNB Group.</li> </ul>	26,809	19,564	25,783
					21,133	18,625	17,196
					401	18	0
					2,417	2,283	2,535
					24,336	16,485	19,627
					10,319	8,703	9,503
				<b>TOTAL</b>	<b>85,415</b>	<b>65,678</b>	<b>74,644</b>

## Notes:

<sup>(1)</sup> The Actual Values transacted from 1 June 2019 on which the existing Mandate was obtained up to 30 April 2020.

<sup>(2)</sup> The Estimated Value of transactions shown above represents the best estimates by our management. Accordingly, the Actual Value transacted may vary from the estimates shown above.

<sup>(3)</sup> The Actual Value of Provision of leased-line services to Axiata Group exceeded the Estimated Value by RM2,116,960 (approximately 504%) due to revised Group's direction in line with the new Mandatory Standard on Access Pricing (MSAP).

<sup>(4)</sup> The Actual Value of Site rental for telecommunication infrastructure, equipment and related charges by our Group to Axiata Group exceeded the Estimated Value by RM16,074,544 (approximately 57%) due to additional contribution from rental of telecommunication infrastructure from Celcom.

<sup>(5)</sup> The Actual Value of Provision of Internet access and broadband services to Axiata Group exceeded the Estimated Value by RM61,772 (approximately 32%) due to additional broadband sales.

<sup>(6)</sup> The Actual Value of Fibre optic and leased-line charges by Axiata Group to Fibrecomm exceeded the Estimated Value by RM840,714 (approximately 74%) due to new leased line charges by Celcom.

<sup>(7)</sup> The location of the office premises rented to TNB Group is at Level 16 and Level 30, Menara TM, Jalan Pantai Baharu, 50672 Kuala Lumpur and the monthly rental is RM109,415 and RM92,000 respectively.

## DETAILS OF THE PROPOSED AMENDMENT

Word	Existing Clause		Amended Clause	
	Meaning	Word	Meaning	Meaning
Clause 13	<p>The Class D Non-convertible Redeemable Preference Shares (Class D NCRPS) of up to 1,000 of RM1.00 each shall confer on their holders the following rights:</p> <p>(a) As regards income</p> <p>In respect of a Semi-Annual Period, the right to a non-cumulative net dividend payable in cash on or before the Semi-Annual Payment Date corresponding to such Semi-Annual Period, out of the profits of the Company available for distribution (Distributable Profits) in respect of each financial year or other accounting period of the Company. The non-cumulative net dividend shall be ascertained and calculated in the following manner:</p> <p>(i) by reference to the Agreed Profit Ratio, the Reference Benchmark Sum and the Periodic Distribution Rate. Under Syariah principles, the Distributable Profits will be divided between the Company for its distribution to its other classes of shareholders) and the holders of the Class D NCRPS in accordance with the Agreed Profit Ratio and if the profit share of the Class D NCRPS holders is greater than the Reference Benchmark Sum, the surplus profit will be irrevocably and unconditionally waived by the Class D NCRPS holders in favour of the Company. If the Company pays an amount equal to the Reference Benchmark Sum under the Sukuk, the Class D NCRPS holders shall waive their rights entirely to participate in the Distributable Profits; and</p> <p>(ii) on the basis that the actual dividend payable shall be stipulated in a written notice to be issued by the Company prior to the issuance of the Class D NCRPS.</p> <p>For the purpose of this Constitution, the written notice specified above and the stipulated dividend therein shall be deemed to form part of this Clause.</p> <p>Any declaration or payment of dividend shall only be made:</p> <p>(i) in cash;</p> <p>(ii) with tax credit required for the payment of dividends as set out in Section 108 of the Income Tax Act, 1967; and</p> <p>(iii) in accordance with Section 131 and 132 of the Act.</p> <p>The holders of the Class D NCRPS shall not be entitled to participate in the surplus profits or assets of the Company beyond such rights as are expressly set out herein.</p>	Deleted	Deleted	Deleted

## DETAILS OF THE PROPOSED AMENDMENT

Word	Existing Clause		Amended Clause	
	Meaning	Word	Meaning	
Clause 13	<p>"Sukuk Ijarah Class B" means the Islamic securities of nominal value of up to RM999,000,000.00 to be issued under the Islamic principle of Ijarah evidencing undivided beneficial ownership of the identified assets of the Company to be sold to a special purpose vehicle to be incorporated under the Act (SPV) (such assets as shall be stipulated in a written notice to be issued by the Company prior to the issuance of the Sukuk Ijarah Class B) to be held on trust by the SPV and the Sukuk Ijarah Class B holders, issued in denominations of RM1,000,000.00 per Sukuk Ijarah Class B. For the purpose of this Constitution, this written notice and the identified assets therein shall be deemed to form part of this Clause;</p> <p>"Agreed Profit Ratio" means the ratio of 10:90 as between the Company and the holders of the Class D NCRPS;</p> <p>"Business Day" means a day (other than Saturday, Sunday and public holiday) on which financial institutions licensed under the Banking and Financial Institutions Act, 1989 are open for business in Kuala Lumpur;</p> <p>"Ijarah Agreement" means the agreement to be entered into between the SPV and the Company for purposes of leasing the identified assets;</p> <p>"Periodic Distribution Rate" means the level of periodic distribution of income generated from the trust assets payable to the Sukuk Ijarah Class B holders in proportion to their undivided beneficial ownership based on a pre-agreed rate between the Company and the SPV under the Ijarah Agreement, which rate shall be stipulated in a written notice to be issued by the SPV prior to the issuance of the Sukuk Ijarah Class B. For the purpose of this Constitution, this written notice and the stipulated rate therein shall be deemed to form part of this Clause;</p> <p>"Reference Benchmark Sum" means a sum to be ascertained by reference to the Periodic Distribution Rate, which sum shall be stipulated in a written notice to be issued by the Company prior to the issuance of the Class D NCRPS. For the purpose of this Constitution, the written notice as specified above and the stipulated rate therein shall be deemed to form part of this Clause;</p> <p>"Semi-Annual Payment Date" means the last day of a Semi-Annual Period and, in this regard (a) a Semi-Annual Payment Date which would otherwise fall on a day which is not a Business Day shall fall on the next succeeding Business Day (Next Business Day) or, if that Next Business Day falls in the following calendar month of the year, on the preceding Business Day, and (b) if a public holiday falls on the day that was originally expected to be the Next Business Day, or a public holiday is declared at the eleventh hour in respect of the day that was originally expected to be the Next Business Day, then the Semi-Annual Payment Date shall be the Business Day immediately succeeding such Next Business Day;</p> <p>"Semi-Annual Period" means a period of six (6) months, and in this regard (a) the first Semi-Annual Period shall commence on (and include) the date of issuance of the respective classes of the RPS and expire on the date falling six (6) months after such date of issue, (b) each subsequent Semi-Annual Period shall commence (and include) the last day of the previous Semi-Annual Period, and (c) in the specific situation where:</p> <ul style="list-style-type: none"> <li>(i) the Sukuk Ijarah Class B have been redeemed in full (Full Sukuk B Redemption); and</li> <li>(ii) the Class D NCRPS have been redeemed in full on the Business Day immediately prior to the date of Full Sukuk B Redemption, if the relevant Semi-Annual Period could otherwise terminate after the date of redemption of the Class D NCRPS, such Semi-Annual Period shall be shortened so as to expire on such date of redemption of the Class D NCRPS.</li> </ul>	Deleted	Deleted	

## DETAILS OF THE PROPOSED AMENDMENT

Word	Existing Clause		Amended Clause	
	Meaning	Word	Meaning	Meaning
Clause 13	<p>The Directors shall be authorised to declare and pay to the holders of the Class D NCRPS the said non-cumulative net dividend.</p> <p>(b) As regards capital</p> <p>Each Class D NCRPS shall not confer on the holder thereof any right to participate on a return in excess of capital of liquidation, winding-up or otherwise of the Company, other than on redemption, up to the redemption price of RM1,000 for each Class D NCRPS.</p> <p>(c) As regards voting</p> <p>The Class D NCRPS shall carry no right to vote at any general meeting of the Company except with regards to the proposal to reduce the capital of the Company, sanctioning the disposal of the whole of the Company's property, business and undertaking or where the proposition to be submitted to the meeting directly affects the rights and privileges of the Class D NCRPS holders or when the dividend on the Class D NCRPS is in arrears for more than six (6) months or on a proposal to wind-up the Company or during the winding-up of the Company.</p> <p>(d) As regards redemption</p> <p>The Class D NCRPS shall, subject to Section 72 of the Act, be redeemed upon and subject to the following terms and conditions:</p> <p>(i) The Company shall have the right, at any time to redeem in whole or in part thereof at the issue price of RM1,000 for each Class D NCRPS;</p> <p>(ii) Not less than one (1) months' notice of the intention of the Company to redeem shall be given to the holders of the Class D NCRPS to be redeemed. The notice shall be in writing and shall fix the time and place for such redemption. At the time and place so fixed, the registered holders of the Class D NCRPS to be redeemed shall be bound to deliver up to the Company the relevant share certificates for cancellation, and the Company shall pay to them the redemption money in respect of such Class D NCRPS;</p> <p>(iii) If any of the holders of the Class D NCRPS shall fail or refuse to surrender the certificate or certificates for such Class D NCRPS or shall fail or refuse to accept the redemption money payable in respect of them, such money shall be retained and held by the Company in trust for such holder but without interest or further obligation whatsoever;</p>	Deleted	Deleted	Deleted

DETAILS OF THE PROPOSED AMENDMENT

Existing Clause		Amended Clause	
Word	Meaning	Word	Meaning
Clause 13	<p>(iv) No Class D NCRPS shall be redeemed otherwise than in accordance with the provisions of Section 72 of the Act and of this Clause; and</p> <p>(v) No Class D NCRPS redeemed by the Company shall be capable of reissue.</p> <p>(e) As regards ranking</p> <p>The Class D NCRPS shall rank pari passu among themselves and with the Class C NCRPS but below the Special Share and ahead of the ordinary shares of the Company in a distribution of capital in the event of the winding-up or liquidation of the Company.</p> <p>(f) As regards conversion</p> <p>No Class D NCRPS may be converted into fully paid ordinary shares of the Company.</p> <p>(g) As regards transferability</p> <p>Each of the Class D NCRPS shall, subject to the Company's consent, which consent shall not be unreasonably withheld, be transferable only once and they shall not be listed on the Stock Exchange or any other stock exchange.</p> <p>(h) As regards notices, reports and audited financial statement and meetings</p> <p>The holders of Class D NCRPS shall be entitled to the same rights as a holder of an ordinary share in relation to receiving notices, reports and audited financial statements and attending meetings</p>	Deleted	Deleted

## FURTHER INFORMATION

### 1. DIRECTORS' 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 other facts which, if omitted, would make any statement in this Circular misleading.

### 2. MATERIAL CONTRACTS

There are no material contracts (not being contract entered into in the ordinary course of business) which have been entered into by our Group within the past two (2) years preceding the date of this Circular.

### 3. MATERIAL LITIGATION

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 of our Group and our Board is not aware of any proceedings, pending or threatened against our Group, or of any facts likely to give rise to any proceedings which may materially affect our financial position or business of our Group:

#### **IN THE MATTER OF ARBITRATION BETWEEN VODOKE PTE LTD [VPL] AND TELEKOM MALAYSIA BERHAD [TM] IN SINGAPORE INTERNATIONAL ARBITRATION CENTRE ("SIAC") [SIAC ARBITRATION - NO 153 OF 2020]**

On 4 March 2020, TM has received an official notification from the Registrar of SIAC that VPL has filed its Notice of Arbitration dated 21 February 2020 against TM. Based on the said notice, VPL has referred its dispute with TM in relation to a Collaboration Agreement entered into between VPL and TM ("CA") to arbitration under the SIAC.

VPL is seeking the following reliefs from TM:-

- (a) an order that TM pays VPL the sum of USD 540,000 owing in respect of VPL's invoice no. TM16090001 dated 1 September 2016 or alternatively, damages for failing to pay the full amount due under the initial order of 30,000 units of VPL's "IPTV Package" in 2015;
- (b) an order that TM pays VPL reasonable damages, to be assessed, for its breach of clause 5.2 of the CA read with clause 1.1, which defines the term "Minimum Purchase Order", and in clause 2.1, which defines the period of the CA. In this regard, an initial quantification of damages as a result of TM's breach, is estimated to be in the region of USD 34 million;
- (c) an order that TM pays VPL reasonable damages including but not limited to damages for the loss of advertising revenue, such damages to be assessed, for its breach of clause 3.1 of the CA; and
- (d) an order that TM pays VPL reasonable damages including but not limited to damages for the loss of advertising revenue, such damages to be assessed, for its breach of clauses 11.2 and 11.3 of the CA.

On 6 March 2020, TM filed its Response to the Notice of Arbitration to SIAC in response to the VPL's Notice of Arbitration dated 21 February 2020.

The Directors, based on legal advice, are of the view that TM has a good chance of success in dismissing the claim.

### 4. 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 our AGM:

- (a) our Constitution; and
- (b) our audited consolidated financial statements for the past two (2) financial years ended 31 December 2018 and 31 December 2019.
- (c) the relevant cause papers relating to the material litigation referred to in Section 3 above.

