

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.

In line with the provisions of Practice Note 18, Bursa Malaysia Securities Berhad ("Bursa Securities") has not perused the information in this circular in respect of the Proposed Amendments to the Articles of Association of the Company as it is prescribed as an exempt circular.

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TELEKOM MALAYSIA BERHAD

(Company No. 128740-P)

(Incorporated in Malaysia under the Companies Act, 1965)

CIRCULAR TO SHAREHOLDERS

IN RELATION TO:

- (I) PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE; AND**
- (II) PROPOSED AMENDMENTS TO OUR ARTICLES OF ASSOCIATION**

The resolutions in respect of the above proposals will be tabled at the Twenty-Fifth Annual General Meeting ("**25th AGM**") of Telekom Malaysia Berhad ("**the Company**") to be held at 10.00 a.m. on Thursday, 6 May 2010 at the Multi Purpose Hall, Menara TM, Jalan Pantai Baharu, 50672 Kuala Lumpur, Malaysia. The Notice of the 25th AGM of the Company and the Proxy Form are set out in the Corporate and Financial Summary of the Company's 2009 Annual Report dispatched together with this Circular.

Last date and time for lodging the Proxy Form	:	Tuesday, 4 May 2010 at 10.00 a.m.
Date and time of the 25 th AGM	:	Thursday, 6 May 2010 at 10.00 a.m.

DEFINITIONS

The following definitions are applicable throughout this Circular unless the context requires otherwise:

Act	: Companies Act, 1965, as amended from time to time and any re-enactment thereof
AGM	: Annual General Meeting
Board	: Board of Directors
Bursa Securities	: Bursa Malaysia Securities Berhad
CMSA	: Capital Markets and Services Act 2007
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 6 months of the date on which the terms of the transaction were agreed upon, our director as referred to in paragraph (a) above or chief executive officer of our Company or our subsidiary
EPS	: Earnings per share
Executive Director	: Director of our Company or any of our subsidiaries who is on the payroll of our Company or any of our subsidiaries and who is involved in the day-to-day management of our Company or any of our subsidiaries
Khazanah	: Khazanah Nasional Berhad, a Major Shareholder of our Company
LPD	: 15 March 2010, being the latest practicable date prior to the printing of this Circular
Main LR	: Main Market Listing Requirements of Bursa Securities
Major Shareholder	: (a) A person who has an interest or interests in 1 or more voting shares in our a corporation and the nominal amount of that share, or the aggregate of the nominal amounts of those shares, is: (i) 10% or more of the aggregate of the nominal amounts of all the voting shares in that corporation; or (ii) 5% or more of the aggregate of the nominal amounts of all the voting shares in that company where such person is the largest shareholder of that corporation. For the purpose of this definition, "interest in shares" has the meaning given in Section 6A of the Act; and (b) For the purposes of the Proposed Renewal of Shareholders' Mandate, includes any person who is or was within the preceding 6 months of the date on which the terms of the transaction were agreed upon, a major shareholder of our Company or our subsidiary as referred to in paragraph (a) above
MoF Inc.	: Minister of Finance, Incorporated

DEFINITIONS (cont'd)

Proposals	: Proposed Renewal of Shareholders' Mandate and Proposed Amendments to our Articles of Association, collectively
Proposed Renewal of Shareholders' Mandate	: Proposed Renewal of Shareholders' Mandate for the RRPT to be entered into as set out in Appendix I of this Circular
Proposed Amendments	: Proposed Amendments to Our Articles of Association as set out in Appendix II of this Circular
Related Party	: A Director, Major Shareholder or person connected with such Director or Major Shareholder
RRPT	: Recurrent related party transactions of a revenue or trading nature
TM or Company	: Telekom Malaysia Berhad
TM Group	: Our Company and our subsidiaries
TM Shares	: Ordinary shares of RM1.00 each in our Company
RM	: Ringgit Malaysia and Sen respectively
USD	: United States Dollar

All references to "our Company" or "TM" in this Circular are to Telekom Malaysia Berhad, references to "our Group" or "TM Group" are to our Company and our consolidated subsidiaries and references to "we", "us", "our" and "ourselves" are to our Company, and save where the context otherwise requires, our consolidated subsidiaries.

All references to "you" in this Circular are to the shareholders of our Company.

Words importing the singular shall, where applicable, include the plural and vice versa and words importing the masculine gender shall, where applicable, include the feminine and neuter genders and vice versa. Reference to persons shall include corporations.

All references to the time of day in this Circular are references to Malaysian time.

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TELEKOM MALAYSIA BERHAD

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

Registered office:

Level 51
North Wing
Menara TM
Jalan Pantai Baharu
50672 Kuala Lumpur
Malaysia

12 April 2010

Directors:

Datuk Dr Halim Shafie (*Chairman*)
Dato' Zamzamzairani Mohd Isa (*Managing Director / Group Chief Executive Officer*)
Datuk Bazlan Osman (*Executive Director/Group Chief Financial Officer*)
Dato' Zalekha Hassan
Tunku Dato' Mahmood Fawzy Tunku Muhiyiddin
YB Datuk Nur Jazlan Tan Sri Mohamed
Dato' Danapalan T.P. Vinggrasalam
Dato' Ir Abdul Rahim Abu Bakar
Encik Ibrahim Marsidi
Mr Quah Poh Keat
Mr Riccardo Ruggiero
Dr Farid Mohamed Sani (*Alternate Director to Tunku Dato' Mahmood Fawzy Tunku Muhiyiddin*)
Puan Eshah Meor Suleiman (*Alternate Director to Dato' Zalekha Hassan*)

To: Our shareholders

Dear Sir/Madam

(I) PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE; AND

(II) PROPOSED AMENDMENTS

1. INTRODUCTION

- 1.1 At our Company's 24th AGM held on 7 May 2009, the Company had obtained a shareholders' mandate for the Company and/or its subsidiaries to enter into RRPT of a revenue or trading nature which are necessary for the 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 Mandate").

- 1.2 The Existing Mandate shall, in accordance with the Bursa Securities Main LR, lapse at the conclusion of the forthcoming AGM of the Company, unless the authority for its renewal is obtained from the shareholders of the Company at the forthcoming AGM.
- 1.3 On 22 February 2010, our Board announced that we propose to seek our shareholders' approval for the following:
- (a) Proposed Renewal of Shareholders' Mandate; and
 - (b) Proposed Amendments.
- 1.4 The purpose of this Circular is to provide you with the information on the Proposals together with your directors' recommendation and to seek your approval for the resolutions pertaining to the Proposals to be tabled as Special Businesses at the forthcoming AGM, notices of which have been set out in the Notice of 25th AGM in the Annual Report of the Company for the financial year ended 31 December 2009.

WE ADVISE YOU TO READ AND CONSIDER THE CONTENTS OF THIS CIRCULAR CAREFULLY BEFORE VOTING ON THE RESOLUTIONS PERTAINING TO THE PROPOSALS. THE PROPOSALS ARE NOT INTER-CONDITIONAL UPON ONE ANOTHER.

2. DETAILS OF THE PROPOSALS

2.1 Proposed Renewal of Shareholders' Mandate

2.1.1 Provisions under the Main LR

Pursuant to Paragraph 10.09(2) of the Main LR, a listed issuer may seek a 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 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 the Bursa Securities;
- (iv) in a meeting to obtain shareholders' mandate, the interested Director, interested Major Shareholder or interested Person Connected with a Director or Major Shareholder; and where it involves the interest of an interested Person Connected with a Director or Major Shareholder, such Director or Major

Shareholder, must not vote on the resolution to approve the transactions. An interested Director or interested Major Shareholder must ensure that Persons Connected with him abstain from voting on the resolution approving the transactions; and

- (v) A listed issuer immediately announces to the Bursa Securities when the actual value of a RRPT entered into by a 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 the Bursa Securities in its announcement.

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.

In accordance with Paragraph 3.1.4 of Practice Note 12 of the Main LR, the Proposed Renewal of Shareholders' Mandate, if approved by the listed issuer shareholders at the forthcoming AGM, will take effect from the date of passing of the ordinary resolution at the 25th AGM and shall continue to be in force until:-

- (i) the conclusion of the next AGM of a listed issuer following the AGM at which such ordinary resolution for the Proposed Mandate will be passed, at which time it will lapse, unless by a resolution passed at a general meeting, the authority is renewed;
- (ii) the expiration of the period within the next AGM after the date it is required to be held pursuant to Section 143 (1) of the Act (but must not extend to such extension as may be allowed pursuant to Section 143(2) of the Act); or
- (iii) revoked or varied by resolution passed by the shareholders at a general meeting;

whichever is the earlier.

Paragraph 3.1.5 of Practice Note 12 of the Main LR further states that in making the disclosure of the aggregate value of the RRPT conducted pursuant to the shareholders mandate obtained in a listed issuer's annual report, a listed issuer must provide a breakdown of the aggregate value of the RRPT made during the financial year, amongst others, based on the following information:-

- (a) the type of the RRPT made; and
- (b) the names of the related parties involved in each type of the RRPT made and their relationship with the listed issuer.

Accordingly, the Company proposes to procure a general mandate from its shareholders for TM Group to enter into transactions with Related Parties which are of a revenue or trading nature and necessary for its day-to-day operations, on terms not more favorable to the Related Parties than those generally made available to the public and are not detrimental to the minority shareholders.

The proposed shareholders' mandate, if approved, will take effect from the date of the passing of the ordinary resolution relating thereto at the 25th 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 143(1) of the Act unless revoked or varied by resolution passed by the Company in a general meeting, whichever is earlier.

2.1.2 Our principal activities

The principal activities of our Company are the establishment, maintenance and provision of telecommunication and related services under the license issued by the Ministry of Energy, Water and Communications (now known as the Ministry of Information, Communication and Culture). The principal activities of our subsidiaries include the provision of fixed-line services, internet and multimedia services, research and development activities, leasing of optical fibre telecommunication system services, managed network services, management of telecommunication tower 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 and fleet management services.

2.1.3 Class of Related Parties

The Proposed Renewal of Shareholders' Mandate will apply to the following classes of Related Parties:

- (i) Major Shareholders; and
- (ii) Directors.

2.1.4 Class, Nature and Estimated Aggregate Value of the RRPT

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

2.1.5 Review procedures for the RRPT

To ensure that the RRPT are undertaken on an arm's length basis, on normal commercial terms, 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, the audit committee of our Board ("Audit Committee") will be tasked with the review and approval of such transactions.

Our Board Audit Committee currently comprises Mr Quah Poh Keat (Chairman of the Audit Committee and Independent Non-Executive Director), Dato' Danapalan T.P. Vinggrasalam (Senior Independent Non-Executive Director), Encik Ibrahim Marsidi (Independent Non-Executive Director) and Tunku Dato' Mahmood Fawzy Tunku Muhiyiddin (Non-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 roadshows and briefing sessions to operating units and subsidiaries are carried out by our Group Procurement division and Compliance Unit on the requirement to monitor and report on all RRPT for compilation and reporting to our Best Practices Committee and 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 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 the service providers of similar capacity and capability generally available in the open market;
- (e) the annual internal audit plan shall incorporate a review of all RRPT entered or to be entered into under the shareholders' mandate to ensure that relevant approvals for the RRPT have been obtained and/or duly ratified and the review procedures in respect of such transactions are adhered to;
- (f) all RRPT will be reviewed by the internal auditors and presented at our Audit Committee meeting. Our 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 Audit Committee 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 Audit Committee 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 Audit Committee members has an interest in a RRPT, he will abstain from any decision making in respect of that RRPT;
- (i) if our Board and Audit Committee 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 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 TM Group based on those offered by/to other unrelated parties for the same or substantially similar type of transaction to ensure that the RRPT is not detrimental to TM Group; and
- (k) Apart from the review procedures, TM Group has in place internal authority limit matrices governing all business transactions. As the RRPT are conducted in the ordinary course of business, these are also covered under the same authority limit matrices and as such, there are no specific thresholds for the approval of RRPT. All transactions shall be reviewed and approved by the Board, Executive Directors and/or senior management in accordance with the authority limit matrices of TM Group.

However, any individual non-mandated transaction with a Related Party that equals or exceeds 3% of TM Group's latest audited net assets must be reviewed and shall be approved by the Audit Committee.

2.1.6 Statement by Audit Committee

Our Audit Committee has seen and reviewed the procedures mentioned in Section 2.1.5 above and is of the opinion that the abovementioned procedures are sufficient to ensure that the RRPT is 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 Audit Committee is of the view that the 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.

2.2 Proposed Amendments

We propose to amend our Articles in the manner set out in Appendix II of this Circular.

3. RATIONALE FOR THE PROPOSALS

3.1 Proposed Renewal of Shareholders' Mandate

The Proposed Renewal of Shareholders' Mandate will enable us 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 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 and products and services provided by all vendors including the Related Parties. This will enhance our Group's ability to explore beneficial opportunities as well as to promote cross-selling within our Group.

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.

3.2 Proposed Amendments

The Proposed Amendments made to our Articles of Association involve the following:-

- a) Global change to the term "Main Board LR" to "Main LR" following the issuance of the Main LR on 3 August 2009;
- b) Deletion of articles which are no longer relevant; and
- c) Enhancement to articles related to proxy forms,

to ensure our shareholders have access to Articles of Association which are updated and comprehensive.

Further details and rationale of the Proposed Amendments are set out in Appendix II of this Circular.

4. EFFECTS OF THE PROPOSALS

4.1 Issued and paid-up share capital

The Proposals will not have any effect on our issued and paid-up share capital.

4.2 Net assets and gearing

Based on our audited consolidated balance sheet as at 31 December 2009, the Proposals are not expected to have any material effect on our consolidated net assets per share or our gearing level.

4.3 Earnings

The Proposals are not expected to have any material effect on the earning of TM Group for the financial year ending 31 December 2010.

4.4 Shareholdings of our substantial shareholders

The Proposals will not have any effect on the shareholdings of our substantial shareholders.

5. APPROVAL REQUIRED

The Proposals are subject to your approval at our forthcoming AGM.

6. MAJOR SHAREHOLDERS' AND DIRECTORS' INTERESTS

Save as disclosed below, none of our Major Shareholders, Directors and/or persons connected with them have any interest, direct or indirect, in the Proposals.

The Major Shareholders, Directors and/or persons connected with them who are interested in the Proposed Shareholders' Mandate are disclosed in Appendix I of this Circular. Their direct and indirect shareholdings in our Company, based on the Register of Substantial Shareholders and Register of Directors' Shareholdings as at the LPD are as follows:

Interested parties	----- Direct -----		----- Indirect -----	
	No. of TM Shares	%	No. of TM Shares	%
Major Shareholder				
MoF Inc.	144,000	*	1,494,737,173 ⁽¹⁾	41.78
Khazanah	1,494,737,173	41.78	-	-
Director				
Dato' Zalekha Hassan	-	-	-	-
Puan Eshah Meor Suleiman	-	-	-	-
Tunku Dato' Mahmood Fawzy	-	-	-	-
Tunku Muhiyiddin	-	-	-	-
Dr Farid Mohamed Sani	-	-	-	-

Notes:

* Less than 0.01%

⁽¹⁾ Deemed interest through Khazanah under Section 6A of the Act.

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 or indirect shareholdings in our Company on the resolution 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 indirect shareholdings (if any) in our Company on the resolution pertaining to the Proposed Renewal of Shareholders' Mandate at our forthcoming 25th AGM.

Dato' Zalekha Hassan and her alternate Director, Puan Eshah Meor Suleiman, are representatives of MoF Inc. on our Board. Tunku Dato' Mahmood Fawzy Tunku Muhiyiddin, the Executive Director, Investments at Khazanah and his alternate Director, Dr Farid Mohamed Sani, are Khazanah's representatives on our Board. Accordingly, Dato' Zalekha Hassan, Puan Eshah Meor Suleiman, Tunku Dato' Mahmood Fawzy Tunku Muhiyiddin and Dr Farid Mohamed Sani (collectively referred to as the "Interested Directors") have abstained and will continue to abstain from deliberation and voting on the Proposed Renewal of Shareholders' Mandate at our relevant Board meetings.

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 25th 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 on the resolution for the Proposed Renewal of Shareholders' Mandate at our forthcoming 25th AGM.

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 opinion that the Proposed Renewal of Shareholders' Mandate is in our best interest. Accordingly, our Board (other than the Interested Directors) recommends that you vote in favour of the resolution pertaining to the Proposed Shareholders' Mandate at our forthcoming 25th AGM.

Our Board, having considered all aspects of the Proposed Amendments, is of the opinion that the Proposed Amendments is in our best interest. Accordingly, our Board recommends that you vote in favour of the resolution pertaining to the Proposed Amendments at our forthcoming 25th AGM.

8. AGM

The 25th AGM of the Company, the Notice and Proxy Form of which are enclosed in the Corporate and Financial Summary of the Company's 2009 Annual Report, dispatched together with this Circular, will be held at 10.00 a.m. on Thursday, 6 May 2010 at the Multi Purpose Hall, Menara TM, Jalan Pantai Baharu, 50672 Kuala Lumpur, Malaysia and at any adjournment thereof.

If you are unable to attend and vote in person at the AGM, please complete, sign and return the Proxy Form to our Share Registrars' office at Tricor Investor Services Sdn Bhd (*formerly known as Tenaga Koperat Sdn Bhd*), Level 17, The Gardens North Tower, Mid Valley City, Lingkaran Syed Putra, 59200 Kuala Lumpur, Malaysia as soon as possible and in any event not less than 48 hours before the time of the AGM or any adjournment. You may attend and vote in person at the AGM, if you wish to do so, even after you have completed and submitted the Proxy Form, so long as you revoke the appointment of your proxy.

9. FURTHER INFORMATION

Please refer to Appendix III of this Circular for further information.

Yours faithfully,

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

A handwritten signature in black ink, appearing to read 'Halim', with a horizontal line drawn underneath it.

Datuk Dr Halim Shafie
Chairman

APPENDIX I

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	2009 Shareholders' Mandate		Estimated Value ⁽²⁾ of the Proposed Mandate (RM'000)
					Estimated Value (RM'000)	Actual Value ⁽¹⁾ (RM'000)	
Our Company and/or our subsidiaries (TM Group)	Axiata Group Berhad (Axiata) and/or its subsidiaries (Axiata Group)	MoF Inc., Khazanah, Dato' Zalekha Hassan, Puan Eshah Meor Suleiman, Tunku Dato' Mahmood Fawzy Tunku Muhiyiddin and Dr. Farid Mohamed Sani	<p>In addition to their shareholdings in our Company, MoF Inc. and Khazanah are Major Shareholders of Axiata.</p> <p>Dato' Zalekha Hassan is a representative of MoF Inc. on our Board. Puan Eshah Meor Suleiman is the alternate Director to Dato' Zalekha Hassan.</p> <p>Tunku Dato' Mahmood Fawzy Tunku Muhiyiddin is the Executive Director, Investments of Khazanah and a representative of Khazanah on our Board.</p> <p>Dr. Farid Mohamed Sani is the alternate Director to Tunku Dato' Mahmood Fawzy Tunku Muhiyiddin.</p> <p>Dr. Farid Mohamed Sani is also a Director of Axiata and Celcom Axiata Berhad (Celcom), a subsidiary of Axiata.</p>	<u>Revenue</u>			
				- Interconnect revenue from Axiata Group.	125,000	60,145	66,100
				- Provision of Voice Over Internet Protocol related services to Axiata Group.	Below 500	48,843	62,400
				- Provision of leased-line services to Axiata Group.	42,500	32,601	39,100
				- Provision of data and bandwidth related services to Axiata Group.	29,300	6,793	40,300
				- Site rental for telecommunication infrastructure, equipments and related charges by TM Group to Celcom.	22,800	19,176	20,600
				- Provision of Internet access and broadband services to Celcom.	5,100	7,322	8,100
				- Commission on registration and collection by Telekom Sales and Services Sdn Bhd from Celcom.	1,000	1,038	1,000
- Provision of contact centre and business process outsourcing services by VADS Berhad to Axiata Group.	100,000	94,483	105,400				

Transacting companies in our Group	Transacting Related Parties	Interested Major Shareholder / Director	Nature of relationship	Nature of RRPT	2009 Shareholders' Mandate		Estimated Value ⁽²⁾ of the Proposed Mandate (RM'000)
					Estimated Value (RM'000)	Actual Value ⁽¹⁾ (RM'000)	
				- Provision of fibre optic core and bandwidth services by Fiberail Sdn Bhd to Celcom.	13,200	9,211	11,000
				- Provision of dark fibre, bandwidth, space & facility by Fibrecomm Network (M) Sdn Bhd to Celcom.	22,000	17,075	19,300
				- Rental of office premises to Axiata Group. ⁽³⁾	14,400	12,204	14,300
				- Leasing of vehicles to Axiata Group.	5,200	5,880	7,100
				- Provision of system hardware and software maintenance services from VADS Berhad to Celcom.	700	463	700
				<u>Cost</u>			
				- Interconnect charges by Axiata Group.	120,500	87,828	95,300
				- Leased-line charges by Axiata Group.	2,800	11,716	12,900
				- Dark fibre and leased line charges by Celcom to Fibrecomm Network (M) Sdn Bhd.	2,200	1,614	1,300

Transacting companies in our Group	Transacting Related Parties	Interested Major Shareholder / Director	Nature of relationship	Nature of RRPT	2009 Shareholders' Mandate		Estimated Value ⁽²⁾ of the Proposed Mandate (RM'000)
					Estimated Value (RM'000)	Actual Value ⁽¹⁾ (RM'000)	
				<ul style="list-style-type: none"> - Voice Over Internet Protocol related services charges by Axiata Group. - Purchase of card by Telekom Sales and Services Sdn Bhd from Celcom. - Core rental and mobile services from Celcom to Fiberail Sdn Bhd. 	56,000	51,455	60,200
					1,000	609	_ ⁽⁴⁾
					2,000	1,235	1,300
				TOTAL	565,700	469,691	566,400
Our Company and/or our subsidiaries	KUB Malaysia Berhad ("KUB") and its subsidiaries ("KUB Group")	Ministry of Finance, Malaysia ("MOF")	In addition to its shareholdings in our Company via Khazanah, MOF holds a 22.55% interest in KUB.	Purchase and/or utilisation of telecommunication equipments, systems and related services by TM Group from KUB Group.	102,000	45,386	102,000

Notes:

- (1) The actual value transacted from 7 May 2009 on which the existing mandate was obtained up to 28 February 2010, being the latest practicable date before printing of this Circular. None of the aggregated actual values in relation to the same related party had exceeded the aggregated estimated values.
- (2) The estimated value of transactions shown above represents the best estimates by our management. Accordingly, the actual transacted value may vary from the estimates shown above.
- (3) The location of the office premises rented to Axiata Group is at Menara Celcom, No. 82 Jalan Raja Muda Abdul Aziz, 50300 Kuala Lumpur and the monthly rental is RM1,190,000.
- (4) The estimated value for this transaction is relatively small. As such, this transaction will not be included in the proposed shareholders' mandate.

PROPOSED AMENDMENTS TO OUR ARTICLES OF ASSOCIATION

Article No	Original Provision of our Articles	Proposed Provision of our Articles	Rationale
2	"Bursa Securities LR" means Listing Requirements of Bursa Securities including any amendments to the Listing Requirements that may be made from time to time.	"Main LR" means Main Market Listing Requirements of Bursa Malaysia Securities Berhad including any amendments to the Listing Requirements that may be made from time to time.	To be consistent with the reviewed Main Market Listing Requirements of Bursa Malaysia Securities Berhad effective on 3 August 2009
Throughout the Articles of Association, including Articles 139(1) and 148(1) to (6)	All references to "Bursa Securities LR" be altered and amended to refer to "Main LR"	All references to "Bursa Securities LR" be altered and amended to refer to "Main LR"	To ensure the term "Main LR" be applied consistently throughout the Articles of Association
7E	<p>The Class E Redeemable Preference Shares ("Class E RPS") of up to 4,000,000,000 of RM0.01 each shall be issued on the following terms and confer on their holders the following rights:</p> <p>(a) As regards issuance</p> <p>The Class E RPS shall be issued at the nominal value of RM0.01 per Class E RPS and there shall be one issuance of up to 4,000,000,000 Class E RPS only.</p> <p>(b) As regards income</p> <p>The Class E RPS shall not confer on the holders thereof any right to payment of dividend.</p> <p>(c) As regards capital</p> <p>The Class E RPS shall not confer on the holders thereof any right to participate on a return in excess of capital of liquidation, winding-up or otherwise of the Company, other than on</p>	Article 7E to be deleted in its entirety	To be deleted since Class E RPS has been fully redeemed on 2 June 2009

Article No	Original Provision of our Articles	Proposed Provision of our Articles	Rationale
	<p>redemption, up to the redemption price of RM0.98 for each Class E RPS.</p> <p>(d) As regards voting</p> <p>The Class E RPS shall carry no right to vote at any general meeting of the Company.</p> <p>(e) As regards tenure and maturity</p> <p>The Class E RPS does not have any fixed tenure and maturity date.</p> <p>(f) As regards redemption</p> <p>The Class E RPS shall, subject to Section 61 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 the Class E RPS in whole or in part thereof, at the redemption price of RM0.98 for each Class E RPS;</p> <p>(ii) No notice of the intention of the Company to redeem is required to be given to the holders of the Class E RPS to be redeemed;</p> <p>(iii) If any of the holders of the Class E RPS shall fail or refuse to accept the redemption price 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> <p>(iv) No Class E RPS shall be redeemed otherwise than in accordance with the provisions of Section 61 of the Act and of this Article; and</p>		

Article No	Original Provision of our Articles	Proposed Provision of our Articles	Rationale
	<p>(v) No Class E RPS redeemed by the Company shall be capable of reissue.</p> <p>(g) As regards ranking The Class E RPS shall rank pari passu among themselves in all respects.</p> <p>(h) As regards conversion No Class E RPS may be converted into fully paid ordinary shares of the Company.</p> <p>(i) As regards transferability The Class E RPS shall not be transferable and shall not be listed on the Stock Exchange or any other stock exchange</p> <p>(j) As regards notices, reports and audited accounts and meetings The Class E RPS shall not confer on the holders thereof any rights in relation to receiving notices, reports and audited accounts and attending meetings.</p>		
87B	N/A	<p>New Article 87B: Where a member appoints two (2) proxies to attend and vote at the same meeting, such appointment shall be invalid unless he specifies the proportion of his shareholding to be represented by each proxy.</p>	<p>To clarify the terms for the appointment of two (2) proxies by a member, as per the requirement in Section 149(1)(d) of the Act, consistent with TM's practices in previous years as enumerated in the Notes of the Notice of AGM and Proxy Form issued by the Company.</p>

APPENDIX III

FURTHER INFORMATION

1. RESPONSIBILITY STATEMENT

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

2. MATERIAL CONTRACTS

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

- (a) Settlement and Transfer Agreement dated 11 August 2008 entered into between us, Axiata Group Berhad (“Axiata”) and the Government of the Republic of Guinea (the “GoG”) and other ancillary agreements for the disposal of TM’s entire shareholding of 4,500,000 category B ordinary shares of US\$10.00 each representing 60% of the share capital of Sotelgui to the GoG (the “Sale Shares”). Further to the implementation of the transaction, Sotelgui will make payment to TM/Axiata in the amount of US\$2.5 million and Sotelgui will cease to be a subsidiary of TM upon completion of the disposal.
- (b) Agreement on the High Speed Broadband (“HSBB”) Project dated 16 September 2008 entered into between us and the Government of Malaysia (“Government”) for the implementation of the HSBB Project in collaboration with the Government to deploy the access, domestic core and international networks to deliver an end-to-end HSBB infrastructure. The total cost of the HSBB investment for a period of ten (10) years is RM11.31 billion whereby the Government will be investing RM2.4 billion and the remaining RM8.91 billion from TM.
- (c) Malaysian Emergency Response System 999 (“MERS 999 Project”) Agreement dated 9 April 2009 entered into between us and the Government of Malaysia (“Government”) for the implementation of the MERS 999 Project to develop an integrated MERS 999 System that will create a unified database emergency services with the capability to automate the filtering of the crank and prank calls of which will improve efficiency and response time of emergency services in Malaysia. The MERS 999 Project will be implemented for a period of three (3) years and two (2) months with the implementation cost of RM334.050 Million.
- (d) Master Sale and Purchase Agreement entered into on 27 May 2009 and a Purchase Contract dated 30 October 2009 between us and AmMortgage One Berhad (“AmMortgage One”), a wholly-owned subsidiary of AmBank (M) Berhad (“AmBank”), for the acquisition of residential loans of TM employees by AmMortgage One. Under the terms of the agreements, the residential loans of TM employees will be sold to AmMortgage One with the first and second series of the sale having outstanding principal value of RM348.9 million and RM66.5 million respectively. This arrangement will see the outsourcing of TM’s mortgage servicing operations to AmBank.

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

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

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

On 15 October 2003, BGSB filed their statement of defence and further made a counterclaim of RM114.3 million against the Company and TMIM.

On 6 March 2009, the Court allowed the Company's and TMIM's application to consolidate this legal suit with another ongoing legal suit involving the Company and TMIM vs. BG Media Sdn. Bhd. & BG Online Sdn. Bhd. at the Kuala Lumpur High Court, Suit No. D7-22-1144-2004 ("the Consolidated Suit") and join BGSB's directors as defendants to the Consolidated Suit.

The Consolidated Suit was fixed for full trial on 18 - 22 January 2010. However, pursuant to an amicable out of court settlement reached between all parties to the legal suit, the High Court has entered a Consent Order to record the mutually agreed terms of settlement on 18 January 2010.

The Directors, based on legal advice, are of the view that the legal suit has been resolved amicably.

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

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

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

The said Interim Injunction would be effective and valid until the full trial of the case. On 27 January 2006, TMIM and the Company proceeded to file a Notice of Motion to commit the directors of BG Online and BG Media to prison for breaching the terms of the Interim Injunction. On 23 November 2007, the Court dismissed TM's Notice of Motion.

On 6 March 2009, the Court allowed the Company's and TMIM's application to consolidate this legal suit with another ongoing legal suit involving the Company and TMIM vs. Buying Guide (M) Sdn Bhd at the Kuala Lumpur High Court under Suit No: D6-22-1332-2003 ("the Consolidated Suit") and join the directors of BG Online and BG Media as defendants to the Consolidated Suit.

The Consolidated Suit was fixed for full trial on 18 - 22 January 2010. However, pursuant to an amicable out of court settlement reached between all parties to the legal suit, the High Court has entered a Consent Order to record the mutually agreed terms of settlement on 18 January 2010.

The Directors, based on legal advice, are of the view that the legal suit has been resolved amicably.

(c) **Pengurusan Danaharta Nasional Berhad & 2 Others v. Tan Sri Dato' Tajuddin Ramli (TSDTR) (By Original Claim), TSDTR v. Danaharta & 23 Others (By Counterclaim)
(Kuala Lumpur High Court Civil Suit No. D2-22-673-2006)**

On 29 June 2006, the Company and Telekom Enterprise Sdn Bhd ("TESB") were served with a Defence and Counterclaim by TSDTR in connection with proceedings initiated against him by Pengurusan Danaharta Nasional Berhad ("Danaharta") and two others. 22 other defendants were also joined in this proceedings via the counterclaim.

TSDTR seeks from the defendants, including the Company and TESB, jointly and severally, amongst others the following relief:

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

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

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

In July 2006, the appointed solicitors filed an application on behalf of the Company and TESB to strike out the counterclaim. However, the said application was dismissed by the Senior Assistant Registrar of the High Court on 28 August 2007 with costs.

TSDTR has also applied to re-amend his counterclaim to include 14 additional defendants, 8 of whom are present or former directors/officers of the Company and TESB. On 20 October 2008, the Senior Assistant Registrar of the High Court has allowed TSDTR's application to re-amend his counterclaim.

On 12 November 2009, the Judge of the High Court has allowed the Company's and TESB's appeal against the decision of the Senior Assistant Registrar in dismissing their respective application to strike-out TSDTR's Amended Counterclaim. Further, the Judge of the High Court has also on the same date allowed the Company's and TESB's appeal against the decision of the Senior Assistant Registrar in allowing the re-amendment of TSDTR's Amended Counterclaim.

On 4 December 2009, TSDTR filed an appeal to the Court of Appeal against both the High Court's decisions dated 12 November 2009.

The Court of Appeal has yet to fix a hearing date for TSDTR's appeal as above stated.

The Directors, based on legal advice received, are of the view that the Company and TESB have a good defence to TSDTR's Counterclaim.

(d) **Mohd Shuaib Ishak v. TM, TESB and 12 others
(Kuala Lumpur High Court (Commercial Division) Civil Suit No. D6-22-1568-2007)**

On 26 November 2007, the Company and TESB were served with a Writ of Summons and Statement of Claim in respect of a suit filed by Mohd Shuaib Ishak ("MSI"). MSI is seeking from the Company, TESB and 12 others (including the former and existing directors of TM Group) jointly and/or severally, inter alia, the following:

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

On 30 November 2007, the Company and TESB obtained leave to enter conditional appearance and subsequently on 17 December 2007, the Company and TESB filed the relevant application to strike out the suit. The striking out application is now fixed for hearing on 31 March 2010.

Based on legal advice, TM's Board is of the view that the Company and TESB have a good chance of success in defending the legal suit.

(e) **Celcom Axiata Berhad vs TM, TESB & 19 Others
(Kuala Lumpur High Court Civil Suit No. D3-22-1242-2008)**

On 29 July 2008, the Company and its wholly owned subsidiary TESB have, through their solicitors, been served with a copy of the Writ and Statement of Claim dated 10 July 2008 ("the Suit") by Celcom Axiata Berhad ("Celcom").

The Suit is a statutory derivative action brought in the name of Celcom, pursuant to Section 181A(1) of the Companies Act 1965. By a Court Order dated 9 July 2008, leave was granted to Mohd Shuaib Ishak ("MSI"), a former shareholder of Celcom, to bring the Suit on behalf of Celcom. The Suit arises from the Amended and Restated Supplemental Agreement dated 4 April 2002 entered into between among others Celcom and DeTe Asia Holding GmbH, the acquisition of Celcom shares by TESB, the consequent Mandatory General Offer exercise implemented by the Company and the demerger exercise of the mobile and fixed-line businesses of the TM Group.

In the Suit, Celcom seeks from the defendants; the Company, TESB and nineteen others, including the former and existing directors of the Company and TESB, jointly and severally, the following principal relief:

- (i) The sum of USD233.0 million, being the amount paid by Celcom to DeTeAsia under the Award;
- (ii) A Declaration that the Sale and Purchase Agreement dated 28 October 2002 ("SPA") between Celcom and the Company (or TESB) for the Acquisition by Celcom of the shares in TM Cellular Sdn Bhd, and all other matters undertaken there under including but not limited to the issuance of shares by Celcom is illegal and void and of no effect;
- (iii) A Declaration that all purchases of shares in Celcom made by TESB and/or TM and/or parties acting in concert with them with effect from and including the date of the Notice of Mandatory Offer dated 3 April 2003 issued by CIMB is illegal and void and of no effect;
- (iv) All necessary and fit orders and directions as may be required to give effect to the aforesaid Declarations as the Honourable Court thinks fit including but not limited to directions for the rescission of all transfers of shares of Celcom made after the Notice of Mandatory Offer for shares in Celcom dated 3 April 2003 and the repayment of all dividends and distributions made by Celcom after the completion of the said SPA;
- (v) That the Company by itself, its servants and agents be restrained from giving effect to or executing any of the proposals set out in the Announcements by the Board of Directors of the Company to Bursa Malaysia Bhd dated 28 September 2007 relating to the proposed demerger of the mobile and fixed-line businesses of the TM Group or in the event that any such proposals have been completed that TM by itself, its servants and agents take all such steps as shall be required to rescind such completed proposals;
- (vi) General damages to be assessed;
- (vii) Damages for conspiracy to be assessed;
- (viii) Damages for fraud to be assessed;
- (ix) Damages for fraudulent misrepresentation and/or negligence to be assessed;
- (x) Damages for the breach of statutory duty to be assessed;

- (xi) Aggravated damages and exemplary damages to be assessed;
- (xii) Punitive damages;
- (xiii) All necessary and fit orders and directions as may be required to give effect to the aforesaid Declarations and Orders and/or as the Honourable Court thinks fit;
- (xiv) Interest;
- (xv) Costs;
- (xvi) Such further and/or other relief as the Honourable Court thinks fit and just to grant in the circumstances.

On 19 September 2008, the High Court has granted a stay of all proceedings in the Suit pending the disposal of Celcom's appeal to the Court of Appeal against the High Court's decision in granting leave to MSI to commence the statutory derivative action in the name of Celcom.

On 23 March 2009, Celcom's appeal to the Court of Appeal was allowed. MSI subsequently filed an application for leave to appeal to the Federal Court against the Court of Appeal's decision. On 19 January 2010, MSI's application for leave was postponed to a date to be notified by the Federal Court.

Based on legal advice, TM's Board is of the view that the Company and TESB has a good chance of success in defending the case against Celcom in the event that MSI succeeds in his appeal against the Court of Appeal's decision at the Federal Court and he proceeds with the Suit in the name of Celcom.

(f) **Acres & Hectares Sdn Bhd v Telekom Malaysia Berhad
(Kuala Lumpur High Court Civil Suit No. 52-22-452-2005)**

Acres & Hectares Sdn Bhd ("AHSB") had instituted legal proceeding against the Company by way of a writ of summons dated 22 April 2005 and statement of claim dated 7 April 2005 in the High Court of Malaya at Kuala Lumpur.

In the said statement of claim, AHSB claimed that the Company was indebted to AHSB in the sum of RM2.9 million being alleged fees incurred for consultancy works rendered to TM Facilities Sdn Bhd ("TMF"), a wholly owned subsidiary of the Company in relation to the management and development of the Company's land ("the Project"). Further, AHSB claimed for damages in the sum of RM26.9 million for alleged losses suffered by AHSB due to the Company's failure to proceed with the Project.

On 15 June 2005, the Company filed its statement of defence disputing the appointment of AHSB as the Company's consultant in relation to the Project and put AHSB to strict proof thereof. In addition, the Company contended that the works undertaken by AHSB were merely preliminary reports forming part of the requirements to be fulfilled by AHSB prior to the selection of the consultant for the Project by TMF Board of Directors.

On 16 September 2009, the High Court has dismissed AHSB's claim against the Company. AHSB's application to set aside the Court Order has now been fixed for case management on 25 February 2010. On 25 February 2010, the Court postponed the case management to be heard on 29 March 2010.

The Directors, based on legal advice, are of the view that the Company has a reasonably good chance of success in defending its case against AHSB.

(g) **Network Guidance (M) Sdn. Bhd. v Telekom Malaysia Berhad & Anor
(Kuala Lumpur High Court Civil Suit No. D22-1268-2009)**

On 11 August 2009, the Company and its wholly owned subsidiary, TM Net Sdn Bhd ("TM Net") were served with a writ of summons and statement of claim by Network Guidance (M) Sdn Bhd ("NGSB") in connection with a purported joint venture in regard to a project described in the statement of claim as "Fine TV Services".

NGSB is seeking from the Company and TM Net jointly and severally the following relief:

- (i) (a) special damages in the sum of RM7,000,000.00;
(b) interest in the sum of RM1,000,000.00;
- (ii) further or in the alternative loss of profit of RM500,000,000.00;
- (iii) an injunction restraining the Company by itself, officers, servants or agents to continue to use information otherwise than for the purpose for which it was communicated;
- (iv) further in the alternative, an account of all profit made by TM Net from the use of information;
- (v) exemplary damages;
- (vi) aggravated damages;
- (vii) general damages;
- (viii) interest and costs.

On 17 September 2009, the Company and TM Net filed the Amended Statement of Defence in Court. On 13 October 2009, Network Guidance Sdn Bhd filed and served an Amended Statement of Claim to TM Net. Pursuant thereto, the Company and TM Net filed a Re-amended Statement of Defence in Court on 23 October 2009.

On 10 December 2009, the Company and TM Net filed an application to strike-out the NGSB's claim. The striking out application is now fixed for hearing on 23 March 2010.

The Directors, based on legal advice, are of the view that TM has a good defence to NGSB's 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 the 25th AGM:

- (a) Our Memorandum and Articles of Association;
- (b) Our audited consolidated financial statements for the past 2 financial years ended 31 December 2008 and 2009;
- (c) Material contracts referred to in Section 2 above; and
- (d) Cause papers for material litigation referred to in Section 3 above.