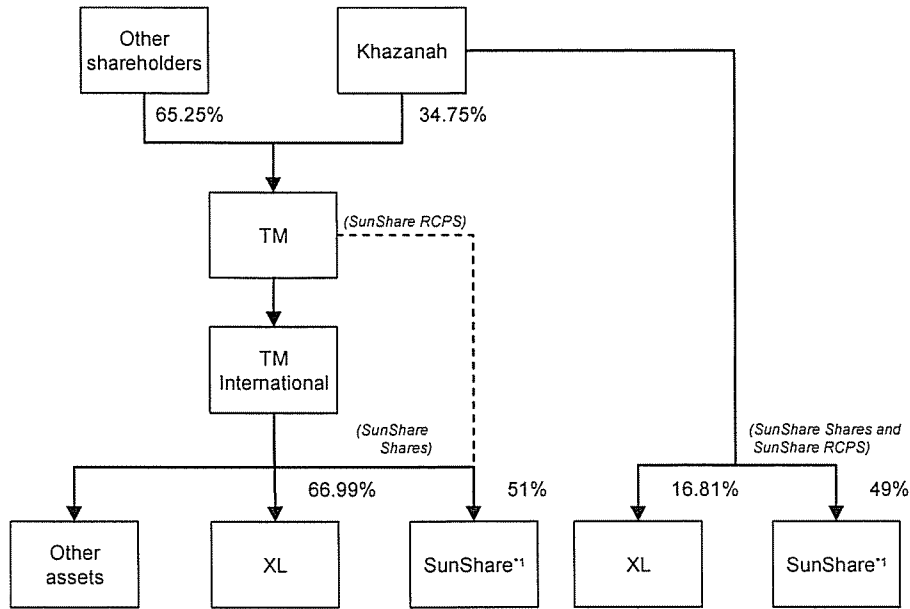


DIAGRAMMATICAL ILLUSTRATION OF THE PROPOSED ACQUISITION

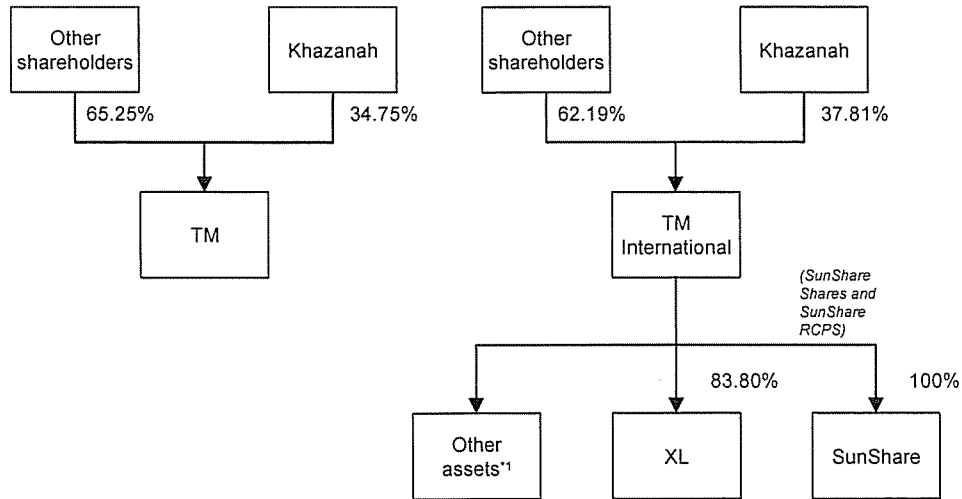
1. As at 15 January 2008 (adjusted for effects of the Proposed Option Scheme)



Note:

*1 The TM Group holds 80% of the voting rights in SunShare but only 51% of the economic benefit, while Khazanah holds 20% of the voting rights in SunShare but 49% of the economic benefit.

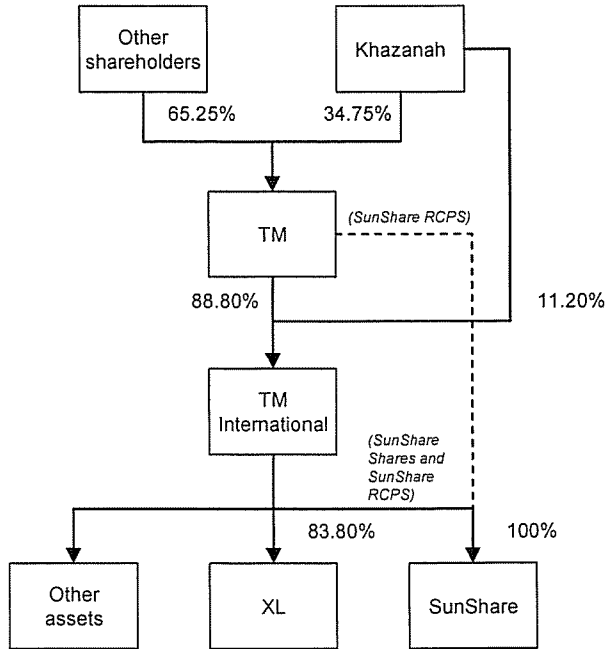
2. After the Proposed Demerger and Proposed Acquisition (Scenario 1)



Note:

*1 Including 100% equity interest in Celcom, which TM International would acquire under the Proposed Internal Restructuring.

3. After the Proposed Acquisition (Scenario 2)



EFFECTS OF THE PROPOSED ACQUISITION

1. Issued and paid-up share capital

(i) TM

The Proposed Acquisition will not have any effect on the issued and paid-up share capital of TM.

(ii) TM International

Based on the Assumptions, the effects of the Proposed Acquisition on the issued and paid-up share capital of TM International are as follows:

(a) Scenario 1:

| | No. of ordinary shares of RM1.00 each million | Issued and paid- up ordinary share capital RM million |
|--|--|--|
| Existing issued and paid-up share capital as at 15 January 2008 | 35.7 | 35.7 |
| To be issued under the Proposed Demerger | 3,541.7 | 3,541.7 |
| Issued and paid-up share capital after the Proposed Demerger | 3,577.4 | 3,577.4 |
| To be issued under the Proposed Issue | 357.7 | 357.7 |
| To be issued under the Proposed Acquisition | 176.0 | 176.0 |
| Enlarged issued and paid-up share capital | 4,111.1 | 4,111.1 |

(b) Scenario 2:

| | No. of ordinary shares of RM1.00 each million | Issued and paid- up ordinary share capital RM million |
|--|--|--|
| Existing issued and paid-up share capital as at 15 January 2008 | 35.7 | 35.7 |
| To be issued under the Proposed Issue | 3.6 | 3.6 |
| To be issued under the Proposed Acquisition | 4.5 | 4.5 |
| Enlarged issued and paid-up share capital | 43.8 | 43.8 |

2. Earnings

Based on the Assumptions and TM's and TM International's audited consolidated financial statements as at 31 December 2006, the proforma effects of the Proposed Acquisition on the consolidated earnings of TM Group and TM International Group, based on the assumption that the Previous Proposals and the Proposed Acquisition were completed on 1 January 2006, are set out below.

(i) TM

(a) Scenario 1:

If Proposed Acquisition takes place after the Proposed Demerger, the Proposed Acquisition will not have any effect on the earnings of the TM Group as the Proposed Acquisition is carried out by the TM International Group which would have been demerged from the TM Group following the Proposed Demerger.

(b) Scenario 2:

| | Audited as at 31 December 2006 RM million | Proforma after the Proposed Issue RM million | Proforma after the Proposed Acquisition RM million |
|--|--|---|--|
| Revenue | 16,399.2 | 16,399.2 | 16,399.2 |
| Earnings before interest, taxation, depreciation and amortization ("EBITDA") | 7,529.6 | 7,543.7 | 8,554.4 |
| PATAMI | 2,068.8 | 2,007.7 | 3,023.0 |
| No. of TM Shares in issue (<i>mil</i>) | 3,397.6 | 3,397.6 | 3,397.6 |
| Net earnings per share ("EPS") (<i>RM</i>) | 0.61 | 0.59 | 0.89 |

(ii) TM International

(a) Scenario 1:

| | Audited as at 31 December 2006 RM million | Proforma after the Proposed Internal Restructuring RM million | Proforma after the Proposed Acquisition RM million |
|---|--|--|---|
| Revenue | 4,050.2 | 8,573.5 | 8,573.5 |
| EBITDA | 2,073.4 | 4,002.2 | 3,996.0 |
| PATAMI | 629.3 | 1,150.1 | 1,231.2 |
| No. of TM International Shares in issue (<i>mil</i>) | 35.7 | 3,577.4 | 3,753.4 ^{*1} |
| EPS (<i>RM</i>) | 17.63 | 0.32 | 0.33 |

(b) Scenario 2:

| | Audited as at 31 December 2006 RM million | Proforma after the Proposed Acquisition RM million |
|--|--|---|
| Revenue | 4,050.2 | 4,050.2 |
| EBITDA | 2,073.4 | 2,073.4 |
| PATAMI | 629.3 | 714.0 |
| No. of TM International Shares in issue (<i>mil</i>) | 35.7 | 40.2 ^{*1} |
| EPS (<i>RM</i>) | 17.63 | 17.76 |

Note:

*1 Excluding the new TM International Shares to be issued under the Proposed Issue.

5.3 Net assets and gearing

(i) TM

(a) Scenario 1:

If Proposed Acquisition takes place after the Proposed Demerger, the Proposed Acquisition will not have any effect on the net assets and gearing of the TM Group as the Proposed Acquisition is carried out by TM International which has been demerged from the TM Group following the Proposed Demerger.

(b) Scenario 2:

Based on the Assumptions and TM's audited consolidated financial statements as at 31 December 2006, the proforma effects of the Proposed Acquisition on TM's consolidated net assets and gearing, based on the assumption that these transactions were completed on 31 December 2006 are set out below.

| | Audited as at 31 December 2006 RM million | After incorporating completed transactions ¹ RM million | After the Proposed Option Scheme RM million | After the Proposed Issue RM million | After the Proposed Acquisition RM million |
|----------------------------------|---|--|--|---|--|
| Share capital | 3,397.6 | 3,439.8 | 3,577.4 | 3,577.4 | 3,577.4 |
| Share premium | 3,941.9 | 4,262.1 | 5,541.7 | 5,541.7 | 5,541.7 |
| Reserves | 12,571.6 | 11,070.1 | 11,070.1 | 11,029.2 | 12,010.4 |
| Shareholders' funds / Net assets | 19,911.1 | 18,772.0 | 20,189.2 | 20,148.3 | 21,129.5 |
| No. of TM Shares in issue (mil) | 3,397.6 | 3,439.8 | 3,577.4 | 3,577.4 | 3,577.4 |
| Net assets per share (RM) | 5.86 | 5.46 | 5.64 | 5.63 | 5.91 |
| Total borrowings | 12,085.9 | 12,085.9 | 12,085.9 | 12,085.9 | 13,327.7 |
| Gearing (times) | 0.61 | 0.64 | 0.60 | 0.60 | 0.63 |

Notes:

*1 Assuming the following transactions were completed on 31 December 2006:

(a) Celcom capital repayment

On 23 August 2007, Celcom was granted approval by the High Court of Malaya to proceed with a capital repayment scheme pursuant to Sections 60, 62 and 64 of the Act. The scheme involved:

- (i) reduction in par value of Celcom shares, resulting in the decrease in the issued and paid up capital of RM1,767.9 million comprising 1,767.9 million Celcom shares by RM530.4 million to RM1,237.5 million comprising of 1,767.9 million ordinary shares of 70.0 sen each;
- (ii) cancellation and utilisation of the share premium account of RM199.7 million; and
- (iii) consolidation of 1,767.9 ordinary shares of 70.0 sen each into 1,237.5 million ordinary Celcom shares issued as fully paid, resulting in an issued and paid up capital of RM1,237.5 million.

The capital repayment was completed on 21 September 2007.

(b) TM's advances to TM International Group

TM had advanced RM384.1 million to TM International (L) Limited ("TMIL"), a wholly-owned subsidiary of TM International to fund its acquisition of 523,532,100 ordinary shares of IDR100 each in XL representing approximately 7.38% of the issued and paid-up share capital of XL for a cash consideration of USD113.0 million. The funds for the acquisition were transferred on 1 June 2007. In addition, TM had advanced RM68.0 million to TM International to fund its subscription of a rights issue by Dialog Telekom PLC (formerly known as Dialog Telekom Limited). The funds for this purpose were transferred on 14 June 2007. For the purposes of illustration, these advances have been included as cash and bank balances.

(c) Exercise of the TM Group's employee share option scheme ("ESOS")

Subsequent to 31 December 2006 and through to 31 July 2007, the issued and paid-up capital of TM increased from 3,397.6 million shares of RM1.00 each to 3,439.8 million shares of RM1.00 each as a result of employees exercising their options under the ESOS at respective exercise prices of RM7.09, RM8.02, RM8.69, RM9.22 and RM9.32 per share and Performance Linked Employee Options Scheme at exercise price of RM10.24 per share.

(d) Amortisation of 3G Spectrum Assignment

TM intends to transfer the 3G Spectrum Assignment to Celcom on an 'as is where is basis', for a consideration of RM40.1 million representing its carrying amount as at 30 November 2007. An adjustment of RM3.5 million has been made to the carrying value of the 3G Spectrum Assignment of RM43.6 million as at 31 December 2006 to reflect the amortisation of this intangible up to 30 November 2007.

(e) Special dividend

Payment of a special gross dividend of 65 sen per share less tax of 26% (representing a net dividend of approximately 48.1 sen per share or RM1,654.5 million) in respect of the financial year ended 31 December 2007, to TM's shareholders.

(f) Reclassification of goodwill

On 7 June 2006, TMIL, entered into an agreement with AIF (Indonesia) Limited ("AIF") to purchase 195,605,400 XL Shares, representing approximately 2.8% of the issued and paid-up share capital of XL from AIF for a cash consideration of USD39.7 million. The acquisition of the additional stake in XL was completed on 12 June 2006. Consequently, TM Group's effective equity interest in XL increased from 56.9% to 59.7%. On 17 February 2006, TMI entered into a Share Sale and Purchase Agreement with Samart Corporation Public Company Limited ("Samart"), a company incorporated in Thailand, for the acquisition of 1,038,700 ordinary shares of USD4.00 each representing the remaining 49.0% equity interest in Telekom Malaysia International (Cambodia) Ltd from Samart for a consideration of USD29.0 million (RM107.9 million).

Goodwill totaling RM172.5 million arising from these transactions previously recorded in equity has now been reclassified as an intangible asset to reflect TM's modified parent entity accounting model.

(ii) **TM International**

Based on the Assumptions and TM International's audited consolidated financial statements as at 31 December 2006, the proforma effects of the Proposed Acquisition on TM International's consolidated net assets and gearing based on the assumption that the Previous Proposals and the Proposed Acquisition were completed on 31 December 2006 are set out below:

(a) **Scenario 1:**

| | Audited as at 31 December 2006 RM million | After the Proposed Internal Restructuring ¹ RM million | After the Proposed Issue RM million | After the Proposed Acquisition RM million |
|--|---|---|---|---|
| Share capital | 35.7 | 3,577.4 | 3,935.1 | 4,111.1 |
| Share premium | 58.3 | 317.9 | 718.8 ² | 2,122.8 |
| Reserves | 3,128.8 | 4,254.7 | 4,254.7 | 4,275.1 |
| Shareholders funds / Net assets | 3,222.8 | 8,150.0 | 8,908.6 | 10,509.0 |
| No. of TM International Shares in issue (<i>mil</i>) | 35.7 | 3,577.4 | 3,935.1 | 4,111.1 |
| Net assets per share (<i>RM</i>) | 90.27 | 2.28 | 2.26 | 2.56 |
| Total borrowings (<i>RM mil</i>) | 3,426.1 | 8,175.1 ³ | 8,175.1 ³ | 9,416.9 ⁴ |
| Gearing (<i>times</i>) | 1.06 | 1.00 | 0.92 | 0.90 |

Notes:

*1 *Assuming completion of the following transactions prior to the Proposed Internal Restructuring:*

(a) Celcom capital repayment

On 23 August 2007, Celcom was granted approval by the High Court of Malaya to proceed with a capital repayment scheme pursuant to Sections 60, 62 and 64 of the Act. The scheme involved:

- (i) reduction in par value of Celcom shares, resulting in the decrease in the issued and paid up capital of RM1,767.9 million comprising 1,767.9 million Celcom shares by RM530.4 million to RM1,237.5 million comprising of 1,767.9 million ordinary shares of 70.0 sen each;*
- (ii) cancellation and utilisation of the share premium account of RM199.7 million; and*
- (iii) consolidation of 1,767.9 ordinary shares of 70.0 sen each into 1,237.5 million ordinary Celcom shares issued as fully paid, resulting in an issued and paid up capital of RM1,237.5 million.*

The capital repayment was completed on 21 September 2007.

(b) TM's advances to TM International Group

TM had advanced RM384.1 million to TMIL, a wholly-owned subsidiary of TM International to fund its acquisition of 523,532,100 ordinary shares of Rp.100 each in XL representing approximately 7.38% of the issued and paid-up share capital of XL for a cash consideration of USD113.0 million. The funds for the acquisition were transferred on 1 June 2007. In addition, TM had advanced RM68.0 million to TM International to fund its subscription of a rights issue by Dialog. The funds for this purpose were transferred on 14 June 2007. For the purposes of illustration, these advances have been included as cash and bank balances.

(c) Exercise of the TM Group's ESOS

Subsequent to 31 December 2006 and through to 31 July 2007, the issued and paid-up capital of TM increased from 3,397.6 million shares of RM1.00 each to 3,439.8 million shares of RM1.00 each as a result of employees exercising their options under the ESOS at respective exercise prices of RM7.09, RM8.02, RM8.69, RM9.22 and RM9.32 per share and Performance Linked Employee Options Scheme at exercise price of RM10.24 per share.

*2 *After deducting estimated expenses of RM57.0 million, based on the illustrative Issue Price of RM2.28 per Issue Share. For the purpose of illustration, the entire cost of the Previous Proposals has been allocated to TM International.*

*3 *Includes the amounts owing by TM International to TM pursuant to the Proposed Demerger.*

*4 *Includes the amounts owing by TM International to TM pursuant to the Proposed Demerger and the consolidation of SunShare's borrowings.*

(b) Scenario 2:

| | Audited as at 31 December 2006 RM million | After the Proposed Issue RM million | After the Proposed Acquisition RM million |
|--|---|---|---|
| Share capital | 35.7 | 39.3 | 43.8 |
| Share premium | 58.3 | 334.7 ^{*1} | 1,910.2 |
| Reserves | 3,128.8 | 3,128.8 | 3,145.7 |
| Shareholders funds / Net assets | 3,222.8 | 3,502.8 | 5,099.7 |
| No. of TM International Shares in issue (mil) | 35.7 | 39.3 | 43.8 |
| Net assets per share (RM) | 90.27 | 89.13 | 116.43 |
| Total borrowings (RM mil) | 3,426.1 | 3,426.1 | 3,426.1 |
| Gearing (times) | 1.06 | 0.98 | 0.67 |

Notes:

^{*1} After deducting estimated expenses of RM45.0 million, based on the illustrative Issue Price of RM90.27 per new TM International Share. For the purpose of illustration, the entire cost of the Previous Proposals has been allocated to TM International.

5.4 Substantial shareholders' shareholdings

(i) TM

The Proposed Acquisition will not have any effect on the shareholdings of the substantial shareholders of TM.

(ii) TM International

Based on the Assumptions, the effects of the Proposed Acquisition on the shareholdings of the substantial shareholders of TM International are as follows:

(a) Scenario 1:

| Shareholders | As at 15 January 2008 ¹ | | After the Proposed Demerger ² | | After the Proposed Issue ³ | | After the Proposed Acquisition | | | | | |
|--------------|------------------------------------|----------|--|----------|---------------------------------------|----------|--------------------------------|----------|--------------------|-------|-------------------|------|
| | Direct | Indirect | Direct | Indirect | Direct | Indirect | Direct | Indirect | | | | |
| | No. of shares held million | % | No. of shares held million | % | No. of shares held million | % | No. of shares held million | % | | | | |
| TM | 35.7 | 100 | - | - | - | - | - | - | | | | |
| Khazanah | - | - | 35.7 ⁴ | 100 | 1,243.1 | 34.75 | 1,243.1 | 31.59 | 1,419.1 | 34.52 | | |
| EPF | - | - | - | - | 305.8 | 8.55 | 40.0 ⁵ | 1.12 | 305.8 | 7.44 | 40.0 ⁵ | 0.97 |
| SASB | - | - | - | - | 325.1 ⁶ | 9.09 | - | - | 325.1 ⁶ | 8.26 | - | - |
| BNM | - | - | - | - | 251.7 | 7.04 | - | - | 251.7 | 6.40 | - | - |

Notes:

¹ Based on TM International's Register of Members as at 15 January 2008.

² Based on TM's Register of Substantial Shareholders as at 15 January 2008, adjusted for the effects of the Proposed Option Scheme.

³ Assuming TM and the proposed substantial shareholders do not participate in the Proposed Issue.

⁴ Deemed interest through TM under Section 6A of the Act.

⁵ Deemed interest by virtue of TM Shares managed by other portfolio managers on behalf of EPF under Section 6A of the Act.

⁶ Held via Amanah Raya Nominees (Tempatan) Sdn Bhd.

(b) Scenario 2:

| Shareholders | -----As at 15 January 2008 ^{*1} ----- | | -----After the Proposed Issue ^{*2} ----- | | -----After the Proposed Acquisition----- | |
|--------------|--|--|--|--|--|--|
| | Direct----- No. of shares held million | Indirect----- No. of shares held million | Direct----- No. of shares held million | Indirect----- No. of shares held million | Direct----- No. of shares held million | Indirect----- No. of shares held million |
| TM | 35.7 | - | 35.7 | - | 35.7 | - |
| Khazanah | - | 35.7 ^{*3} | - | 35.7 ^{*3} | 4.5 | 35.7 ^{*3} |
| | 100 | - | 90.91 | - | 81.56 | - |
| | - | 100 | - | 90.91 | 10.28 | 81.56 |

Notes:

*1 Based on TM International's Register of Members as at 15 January 2008.

*2 Assuming TM and Khazanah do not participate in the Proposed Issue.

*3 Deemed interest through TM under Section 6A of the Act.