AXIATA GROUP BERHAD (242188-H)

(Incorporated in Malaysia)

The Board of Directors of Axiata Group Berhad is pleased to announce the following audited results of the Group for the financial year ended 31 December 2009.

AUDITED CONSOLIDATED INCOME STATEMENT

	4TH QUARTER ENDED		FINANCIAL YEAR ENDED	
	31/12/2009	31/12/2008	31/12/2009	31/12/2008
	RM '000	RM '000	RM '000	RM '000
OPERATING REVENUE	**3,693,781**	2,418,148	**13,105,054**	11,347,711
OPERATING COSTS				
- depreciation, impairment and amortisation	**(797,422)**	(688,060)	**(2,860,346)**	(2,338,465)
- foreign exchange gains/(losses)	**237,581**	(218,853)	**450,000**	(207,644)
- other operating costs	**(2,134,873)**	(1,654,046)	**(7,948,329)**	(7,000,175)
OTHER OPERATING INCOME	**105,309**	43,831	**467,617**	178,941
OPERATING PROFIT/(LOSS) BEFORE FINANCE COST	**1,104,376**	(98,980)	**3,213,996**	1,980,368
Finance income	**24,856**	40,195	**109,967**	99,319
Finance cost	**(180,377)**	(283,510)	**(896,256)**	(876,299)
Foreign exchange gains/ (losses)	**(150,915)**	(253,487)	**137,225**	(238,140)
NET FINANCE COST	**(306,436)**	(496,802)	**(649,064)**	(1,015,120)
JOINTLY CONTROLLED ENTITY				
- share of results (net of tax)	**(17,524)**	(95,147)	**(59,494)**	(142,440)
ASSOCIATES				
- share of results (net of tax)	**47,246**	22,528	**160,783**	83,007
PROFIT/(LOSS) BEFORE TAXATION	**827,662**	(668,401)	**2,666,221**	905,815
TAXATION	**(225,312)**	54,905	**(910,313)**	(434,723)
PROFIT/(LOSS) FOR THE PERIOD/YEAR	**602,350**	(613,496)	**1,755,908**	471,092
ATTRIBUTABLE TO:				
- equity holders of the Company	**558,283**	(515,250)	**1,652,682**	497,983
- minority interests	**44,067**	(98,246)	**103,226**	(26,891)
PROFIT/(LOSS) FOR THE PERIOD/YEAR	**602,350**	(613,496)	**1,755,908**	471,092
EARNINGS PER SHARE (sen) (Note B11)				
- basic	**7**	(9)	**22**	9
- diluted	**7**	-	**21**	-

* - The Basic EPS has been restated to reflect the rights issue as detailed in Part A 5(d) in the notes to the announcement.

(The above Consolidated Income Statement should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2008)

AUDITED CONSOLIDATED BALANCE SHEET
AS AT 31 DECEMBER 2009

	AS AT 31/12/2009 RM '000	AS AT 31/12/2008 RM '000
SHARE CAPITAL	8,445,154	3,753,402
SHARE PREMIUM	1,972,964	1,494,954
OTHER RESERVES	7,765,967	5,968,367
TOTAL CAPITAL AND RESERVES ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY	18,184,085	11,216,723
MINORITY INTERESTS	696,363	480,790
TOTAL EQUITY	18,880,448	11,697,513
Borrowings	10,173,464	10,546,052
Provision for liabilities	208,915	120,706
Deferred tax liabilities	1,247,758	777,263
DEFERRED AND LONG TERM LIABILITIES	11,630,137	11,444,021
	30,510,585	**23,141,534**
INTANGIBLE ASSETS	8,563,450	8,326,345
PROPERTY, PLANT AND EQUIPMENT	15,815,333	14,959,670
INVESTMENT PROPERTY	2,027	2,036
PREPAID LEASE PAYMENTS	359,103	328,352
JOINTLY CONTROLLED ENTITY	1,006,277	1,013,202
ASSOCIATES	7,209,558	1,589,905
INVESTMENTS	180,567	5,914,428
LONG TERM RECEIVABLES	129,876	358
DEFERRED TAX ASSETS	180,429	141,188
Inventories	35,344	77,263
Trade and other receivables	1,559,158	1,539,878
Marketable securities	7	6
Tax recoverable	97,054	129,035
Cash and bank balances	2,006,172	3,330,731
CURRENT ASSETS	3,697,735	5,076,913
Trade and other payables	4,263,067	4,538,473
Borrowings	2,149,374	5,413,299
Amounts due to former holding company	-	4,063,613
Current tax liabilities	221,329	195,478
CURRENT LIABILITIES	6,633,770	14,210,863
NET CURRENT LIABILITIES	(2,936,035)	(9,133,950)
	30,510,585	**23,141,534**
NET ASSETS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY (sen)	215	299

(The above Consolidated Balance Sheet should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2008)

AUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2009

	Attributable to equity holders of the Company								
	Issued and fully paid ordinary shares of RM1 each								
	Share Capital RM '000	Share Premium RM '000	Currency Translation Differences RM '000	Capital Contribution Reserves RM '000	Merger Reserves RM '000	ESOS Reserves RM '000	Retained Profits RM '000	Minority Interests RM '000	Total Equity RM '000
At 1 January 2009	**3,753,402**	**1,494,954**	**(658,456)**	**16,598**	**346,774**	**-**	**6,263,451**	**480,790**	**11,697,513**
Currency translation differences arising during the financial year :									
- subsidiaries	-	-	248,397	-	-	-	-	22,288	270,685
- jointly controlled entity	-	-	52,219	-	-	-	-	-	52,219
- associates	-	-	(166,877)	-	-	-	-	-	(166,877)
Net gain not recognised in the Income Statement	-	-	133,739	-	-	-	-	22,288	156,027
Profit for the financial year	-	-	-	-	-	-	1,652,682	103,226	1,755,908
Total recognised income for the financial year	**-**	**-**	**133,739**	**-**	**-**	-	**1,652,682**	**125,514**	**1,911,935**
Rights issue during the financial year	4,691,752	563,010	-	-	-	-	-	-	5,254,762
Rights issue expenses set off against share premium reserves	-	(85,000)	-	-	-	-	-	-	(85,000)
Rights issue of a subsidiary	-	-	-	-	-	-	-	90,259	90,259
Dividends paid to minority shareholders	-	-	-	-	-	-	-	(200)	(200)
Employees' share option scheme (ESOS) - value of employee services	-	-	-	-	-	11,179	-	-	11,179
At 31 December 2009	**8,445,154**	**1,972,964**	**(524,717)**	**16,598**	**346,774**	**11,179**	**7,916,133**	**696,363**	**18,880,448**

(The above Consolidated Statement of Changes in Equity should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2008)

AUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2008

	Attributable to equity holders of the Company								
	Issued and fully paid ordinary shares of RM1 each								
	Share Capital RM '000	Share Premium RM '000	Currency Translation Differences RM '000	Capital Contribution Reserves RM '000	Merger Reserves RM '000	ESOS Reserves RM '000	Retained Profits RM '000	Minority Interests RM '000	Total Equity RM '000
At 1 January 2008	**3,577,393**	**317,629**	**(312,800)**	**9,113**	**346,774**	**-**	**5,765,468**	**675,748**	**10,379,325**
Currency translation differences arising during the financial year :									
- subsidiaries	-	-	(129,492)	-	-	-	-	(31,556)	(161,048)
- jointly controlled entity	-	-	(206,936)	-	-	-	-	-	(206,936)
- associates	-	-	(9,228)	-	-	-	-	-	(9,228)
Net loss not recognised in the Income Statement	-	-	(345,656)	-	-	-	-	(31,556)	(377,212)
Profit for the financial year	-	-	-	-	-	-	497,983	(26,891)	471,092
Total recognised (expense)/income for the financial year	**-**	**-**	**(345,656)**	**-**	**-**	**-**	**497,983**	**(58,447)**	**93,880**
Acquisition of subsidiaries	176,009	1,205,630	-	-	-	-	-	-	1,381,639
Partial dilution of equity interest in a subsidiaries	-	-	-	-	-	-	-	303	303
Demerger expenses set off against share premium reserves	-	(28,305)	-	-	-	-	-	-	(28,305)
Dividends paid to minority shareholders	-	-	-	-	-	-	-	(29,549)	(29,549)
Dilution of equity interest in a subsidiary	-	-	-	-	-	-	-	(210,036)	(210,036)
Right issue of a subsidiary	-	-	-	-	-		-	102,771	102,771
ESOS:									-
- value of employee services				16,663				-	16,663
- recharge by former holding company	-	-	-	(9,178)	-		-	-	(9,178)
At 31 December 2008	**3,753,402**	**1,494,954**	**(658,456)**	**16,598**	**346,774**	**-**	**6,263,451**	**480,790**	**11,697,513**

(The above Consolidated Statement of Changes in Equity should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2008)

AUDITED CONSOLIDATED CASH FLOW STATEMENT
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2009

	FINANCIAL YEAR ENDED 31/12/2009	ENDED 31/12/2008
	RM '000	RM '000
Receipts from customers	12,512,613	11,065,368
Payments to suppliers and employees	(6,595,812)	(7,480,262)
Payment of finance cost	(799,061)	(789,457)
Payment of income taxes (net of refunds)	(481,425)	(407,854)
CASH FLOWS FROM OPERATING ACTIVITIES	**4,636,315**	**2,387,795**
Disposal of property, plant and equipment	10,971	58,293
Purchase of property, plant and equipment	(3,289,755)	(5,323,990)
Purchase of intangible assets	-	(40,100)
Purchase of long term investments	-	(5,914,428)
Additional investment in a subsidiary company	2,421	(3,465)
Additional investment in associated companies	(3,675)	-
Additional investment in a jointly controlled entity	-	(437,720)
Loans to employees	86	(161)
Interest received	109,967	99,319
CASH FLOWS USED IN INVESTING ACTIVITIES	**(3,169,985)**	**(11,562,252)**
Proceeds from Rights Issue	5,254,762	102,771
Proceeds from Rights Issue of a subsidiary	90,259	-
Proceeds from ESOS share issuance	-	303
Proceeds from borrowings	6,180,589	13,936,841
Repayments of borrowings	(10,235,199)	(3,459,546)
Dividends paid to minority interests	(200)	(29,549)
Dividends received from associates	90,106	-
Rights issue expenses	(85,000)	-
Net repayment to former holding company	(4,063,613)	-
CASH FLOWS (USED)/FROM FINANCING ACTIVITIES	**(2,768,296)**	**10,550,820**
NET (DECREASE)/ INCREASE IN CASH AND CASH EQUIVALENTS	(1,301,966)	1,376,363
EFFECT OF EXCHANGE RATE CHANGES	45,438	(29,149)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR	**3,236,757**	**1,889,543**
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL YEAR	**1,980,229**	**3,236,757**

(The above Consolidated Cash Flow Statement should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2008)

AXIATA GROUP BERHAD (242188-H)
(formerly known as TM International Berhad)
(Incorporated in Malaysia)

PART A : EXPLANATORY NOTES PURSUANT TO FINANCIAL REPORTING STANDARD 134

1. Basis of Preparation

(a) The audited financial statements for the financial year ended 31 December 2009 of the Group have been prepared in accordance with Financial Reporting Standards ("FRS") 134 Interim Financial Reporting, paragraph 9.22 and Appendix 9B of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities"), and should be read in conjunction with the Group's audited financial statements for the financial year ended 31 December 2008 ("2008 Audited Financial Statements"). The accounting policies, method of computation and basis of consolidation applied in the audited interim financial statements are consistent with those used in the preparation of the 2008 Audited Financial Statements.

(b) The principal closing rates [units of Malaysian Ringgit ("RM") per foreign currency] used in translating significant balances are as follows:

Foreign Currency	Exchange Rate At 31 December 2009	Exchange Rate At 31 December 2008
US Dollar ("USD")	3.42400	3.45250
Sri Lanka Rupee ("SLR")	0.02993	0.03055
Bangladesh Taka ("BDT")	0.04971	0.05001
Indonesian Rupiah ("IDR")	0.00036	0.00032
Pakistani Rupee ("PKR")	0.04057	0.04363
Singapore Dollar ("SGD")	2.43614	2.41012
Thai Baht ("THB")	0.10264	0.09927
Iran Riyal ("IRR")	0.00035	0.00035
Indian Rupee ("INR")	0.07378	0.07101

2. Seasonal or Cyclical Factors

The operations of the Group were not affected by any seasonal or cyclical factors.

3. Unusual Items Affecting Assets, Liabilities, Equity, Net Income or Cash Flows

The Group's performance for the current quarter and financial year to-date has taken into account of the following:

(a) During the current quarter and financial year to-date, the Group recognised net foreign exchange gains of RM86.7 million and RM587.2 million respectively mainly arising from the revaluation of USD borrowings and payables;

(b) During the financial year to-date, PT XL Axiata Tbk (formerly known as PT Excelcomindo Pratama Tbk) ("XL") Group recorded RM158.1 million post-tax gain, arising from the derecognition of its dark fibre optic lines as a result of finance lease arrangements; and

3. Unusual Items Affecting Assets, Liabilities, Equity, Net Income or Cash Flows (continued)

(c) During the current quarter and financial year to-date, Dialog Telekom PLC ("Dialog") Group recognised an accelerated depreciation charge of RM21.7 million and RM209.3 million respectively arising from network modernisation plan;

There were no other unusual items affecting assets, liabilities, equity, net income or cash flows due to their nature, size or incidence for the financial year ended 31 December 2009 other than as mentioned above and in Part A, 9 and Part B, 7 of this announcement.

4. Material Changes in Estimates

Other than as disclosed in Part A, 3(c) of this announcement, there were no material changes in estimates reported in the current financial quarter under review.

5. Issuances, Cancellations, Repurchases, Resale and Repayments of Debt and Equity Securities

(a) On 31 March 2009, Axiata Group Berhad ("Axiata or Company") paid an amount of RM2,000.0 million of the RM4,025.0 million debt owed to its former holding company, Telekom Malaysia Berhad ("TM"). Subsequently, on 24 April 2009, the Company paid the remaining RM2,025.0 million in line with the specified timeline stipulated in the Demerger Agreement. The balance of RM38.6 million due to TM was fully paid on 14 May 2009.

(b) On 28 August 2009 and 28 September 2009, the Company paid an amount of USD110.0 million and USD140.0 million respectively, being repayment of debt to the Bank of Tokyo Mitsubishi.

(c) In April 2009 and December 2009, XL bought back part of the USD250.0 million Notes amounting to USD3.64 million and USD64.6 million at price of 88.24% - 89.24% and 102.75% - 103.375% of the nominal value respectively. During the current quarter, XL paid other loan facilities as follows:

Date of Payment	Amount (USD 'million)	Description
26 October 2009	50.0	Standard Chartered Bank
28 October 2009	25.0	Hong Kong and Shanghai Bank
30 November 2009	25.0	Hong Kong and Shanghai Bank
23 December 2009	140.0	Syndicated Loan Facilities
24 December 2009	50.0	PT Bank Mizuho
30 December 2009	50.0	DBS Bank Ltd
30 December 2009	50.0	Standard Chartered Bank

5. Issuances, Cancellations, Repurchases, Resale and Repayments of Debt and Equity Securities (continued)

(d) On 6 May 2009, the Company issued a total of 4,691,752,475 ordinary shares of RM1 each at the issue price of RM1.12 per ordinary share under the renounceable rights issue ("Rights Issue") of the Company to raise gross proceeds of approximately RM5,254.8 million. In conjunction with the above, the issued and paid-up capital of the Company increased from RM3,753.4 million to RM8,445.2 million.

As at 17 February 2010, the status of the proposed utilisation of proceeds raised under the Rights Issue which was completed following the listing of and quotation of the Rights Shares on the Main Board of Bursa Securities *(now known as "Main Market")* on 11 May 2009, are as set out below:

Purpose	Proposed utilisation RM mil	Actual utilisation RM mil	Intended timeframe for utilisation	Deviation RM mil	Deviation %	Explanation/ Status
Repayment of identified borrowings and/or bridging loans taken to repay such borrowings	5,150.0	5,129.8	Q2'09	20.2	0.4	The identified borrowings have been fully repaid. The remaining portion of RM20.2 million was reclassified as working capital
Payment of expenses relating to the Rights Issue	85.0	85.0	Q2'09	-	-	Expenses relating to the Rights Issue have been fully settled
Working capital	19.8	-	As and when required	19.8	-	The proceeds allocated for working capital will be used as and when required
Total	**5,254.8**	**5,214.8**		**40.0**	**0.8**	

Aside from the above, there were no other issuances, cancellations, repurchases, resale and repayments of debt and equity securities, share buy-backs, share cancellations, shares held as treasury shares and resale of treasury shares during the financial year ended 31 December 2009.

6. Dividends Paid

No dividends have been paid during the financial year ended 31 December 2009.

7. Segmental Information

Segmental information for the financial year ended 31 December 2009 and 31 December 2008 were as follows:

By Geographical Segment

2009

All amounts are in RM '000	**Malaysia**	**Indonesia**	**Bangladesh**	**Sri Lanka**	**Others**	**Total**
Operating Revenue						
Total operating revenue	6,292,181	4,452,925	1,020,408	1,111,801	268,737	**13,146,052**
Inter-segment *	(8,436)	-	-	-	(32,562)	**(40,998)**
External operating revenue	6,283,745	4,452,925	1,020,408	1,111,801	236,175	**13,105,054**
Results						
Segment results	1,943,933	1,042,983	132,214	(308,477)	(64,274)	**2,746,379**
Other operating income						**467,617**
Operating profit before finance cost						**3,213,996**
Finance income						**109,967**
Finance cost						**(896,256)**
Foreign exchange gains						**137,225**
Jointly controlled entity						
- share of results (net of tax)					(59,494)	**(59,494)**
Associates						
- share of results (net of tax)					160,783	**160,783**
Profit before taxation						**2,666,221**
Taxation						**(910,313)**
Profit for the financial year						**1,755,908**

7. Segmental Information (continued)

2008

All amounts are in RM '000	**Malaysia**	**Indonesia**	**Bangladesh**	**Sri Lanka**	**Others**	**Total**
Operating Revenue						
Total operating revenue	5,557,913	3,696,947	758,542	1,164,618	222,661	11,400,681
Inter-segment *	(49,804)	-	-	-	(3,166)	(52,970)
External operating revenue	5,508,109	3,696,947	758,542	1,164,618	219,495	11,347,711
Results						
Segment results	1,611,544	171,016	23,317	(37,367)	32,917	1,801,427
Other operating income						178,941
Operating profit before finance cost						1,980,368
Finance income						99,319
Finance cost						(876,299)
Foreign exchange gains						(238,140)
Jointly controlled entity						
- share of results (net of tax)					(142,440)	(142,440)
Associates						
- share of results (net of tax)					83,007	83,007
Profit before taxation						905,815
Taxation						(434,723)
Profit for the financial year						471,092

* Inter-segment operating revenue has been eliminated at the respective segment operating revenue. The inter-segment operating revenue was entered into in the normal course of business and at prices available to third parties or at negotiated terms.

8. Valuation of Property, Plant and Equipment

There was no revaluation of property, plant and equipment brought forward from the previous audited financial statements. The Group does not adopt a revaluation policy on its property, plant and equipment.

9. Material Events Subsequent to the End of the Quarter

(a) On 7 January 2010, XL had increased the new credit facility from PT Bank Sumitomo Mitsui Indonesia amounting to IDR500.0 billion, which will mature in 36 (thirty six) months from drawdown date. XL agreed to pay monthly interest at floating interest rate of SBI plus a 2% margin. On 13 January 2010, XL fully withdrew the credit facility amounting to IDR500.0 billion.

(b) On 14 January 2010, XL early terminated the cross currency swap contract with JPMorgan Chase Bank, N.A with final exchange date 29 January 2010 amounting to USD25.0 million.

(c) On 18 January 2010, XL through its subsidiary, Excelcomindo Finance Company B.V bought back its remaining USD Bond amounting to USD59.4 million at price of 103.563% of the nominal value as declared on 16 December 2009.

(d) On 29 January and 8 February 2010, XL paid loan facility from JPMorgan Chase Bank, N.A. amounting to USD20.0 million and USD10.0 million each.

(e) On 24 March 2009 and 12 February 2010, Dialog announced the first and second phases of the Voluntary Resignation Scheme ("VRS") respectively. The compensation payable to the employees who opted to exercise their rights under VRS has been accounted for in the financial statements.

Management has estimated that the cost of the second phase of VRS as RM18.7 million (SLR 610.0 million).

As at 17 February 2010, save for the above and status update on corporate proposals mentioned in Part B, 7 of this announcement, there were no other material events subsequent to the balance sheet date that requires disclosure or adjustments to the audited interim financial statements to-date.

10. Effects of Changes in the Composition of the Group

There were no other changes in the composition of the Group for the financial year ended 31 December 2009 except for the following:

(a) Tune Talk Sdn Bhd ("Tune Talk")

Celcom Axiata Berhad (formerly known as Celcom (Malaysia) Berhad) ("Celcom"), a wholly-owned subsidiary of the Company, had, on 23 December 2008, entered into a Subscription Agreement and Shareholders' Agreement with Tune Ventures Sdn Bhd, Tune Strategic Investments Limited ("TSIL"), 6 individuals and Tune Talk, in relation to Celcom's investment in Tune Talk.

Pursuant to the Subscription Agreement, Celcom subscribed for 2,625,000 ordinary shares of RM1 each, representing 38.17% of the enlarged issued and paid-up share capital of Tune Talk, for a cash consideration of RM2.625 million. The investment in Tune Talk was completed on 16 February 2009.

On 30 July 2009, Celcom has subscribed to a further 1,050,000 new ordinary shares of RM1 each in Tune Talk for a total cash consideration of RM1.05 million ("Additional Share Subscription in Tune Talk"). Pursuant to the Additional Share Subscription in Tune Talk, Celcom's shareholding in Tune Talk increased from 2,625,000 ordinary shares of RM1 each to 3,675,000 ordinary shares of RM1 each representing 42.78% of the enlarged issued and paid-up share capital of Tune Talk. Tune Talk had in October and December 2009, issued additional shares of 1,908,833 to 1 of the existing individual shareholders, TSIL and 2 of the Directors of Tune Talk resulting with Celcom eventual shareholding in Tune Talk being 35% of the issued and paid-up share capital of RM10,500,000.

The investment in Tune Talk has no significant impact on the Group for the financial year to-date.

(b) C-Mobile Sdn Bhd ("C-Mobile")

On 19 February 2009, CT Paging Sdn Bhd ("CT Paging"), a wholly-owned subsidiary of Celcom, entered into a Shares Sale Agreement with I-Mobile International Co Ltd ("I-Mobile") for the acquisition of I-Mobile's entire 51% equity interest in C-Mobile for a total purchase consideration of RM2.55 million ("Acquisition of I-Mobile's interest in C-Mobile"). The Acquisition of I-Mobile's interest in C-Mobile is in line with its strategic objective to align and rationalise its various trade touch-points. The Acquisition of I-Mobile's interest in C-Mobile was completed on 2 March 2009. As a result, C-Mobile, a 49% associate company, became a wholly-owned subsidiary of CT Paging.

On 24 March 2009, CT Paging subscribed to a further 10,000,000 new ordinary shares of RM1 each in C-Mobile for a total cash consideration of RM10.0 million ("Additional Share Subscription in C-Mobile"). Pursuant to the Additional Share Subscription in C-Mobile, the issued and paid-up share capital of C-Mobile increased from 5,000,000 ordinary shares of RM1 each to 15,000,000 ordinary shares of RM1 each.

The acquisition has no significant impact to the Group for the financial year to-date.

10. Effects of Changes in the Composition of the Group (continued)

(c) Idea Cellular Limited ("Idea")

The shareholders of Idea had, at an Extraordinary General Meeting ("EGM") held on 25 June 2009, approved the amendments of Idea's Articles of Association to incorporate 'special rights' accorded to the Company so long as the Company holds at least 10% of the issued share capital of Idea ("Amending Articles"). The provisions of the Amending Articles are as outlined in the Subscribers Agreement dated 25 June 2008 between the Company and its wholly-owned subsidiary, TMI Mauritius Ltd ("TMI Mauritius") and Idea in relation to the subscription by TMI Mauritius of approximately 14.99% of the enlarged issued and paid-up share capital of Idea ("Base Shareholding Level"), which amongst others includes:

(i) Axiata's rights upon further issue of ordinary shares ("Idea Shares") by Idea

Any offer of Idea Shares or any other convertible securities into Idea Shares or right to call for the issue of Idea Shares which will cause for dilution in shareholding of Axiata's interest is to be offered to Axiata or its nominees as to maintain the Base Shareholding Level on a full diluted basis or at a rate agreed at any time.

(ii) Axiata's Directors

Axiata will have the right to:

- nominate to, and/or remove or replace from, the Board, one Director ("Nominee Director"); and
- nominate and / or remove or replace the Nominee Director as a member of the Audit Committee of the Company.

(iii) Proceedings of the Audit Committee

Idea will cause full details of all transfer or obligations or any other material transactions or arrangements between Idea and any of its affiliates regardless of whether or not a price is charged to be disclosed to the Audit Committee at least once every quarter ("Related Party Transactions"). If the Audit Committee raises any concern in relation to such Related Party Transactions, Idea will act in accordance with the recommendation of the Audit Committee.

In view of the above, the Board has resolved that the Company is deemed to be able to exercise significant influence over the operational and financial policies of Idea notwithstanding the current stake of 14.99% and thus, Idea have been equity accounted with effect from 25 June 2009.

10. Effects of Changes in the Composition of the Group (continued)

(d) Axiata SPV1 (Labuan) Limited

On 1 December 2009, the Company incorporated a new wholly-owned subsidiary, Axiata SPV1 (Labuan) Limited ("Axiata SPV1") in the Federal Territory of Labuan, Malaysia under the Offshore Companies Act, 1990. The authorised share capital of Axiata SPV1 is USD13,000 divided into 13,000 ordinary shares of USD1 each of which USD1 has been paid-up.

The incorporation of Axiata SPV1 has no significant impact to the Group for the financial year to-date.

(e) During the financial year, XL, a subsidiary of Indocel Holding Sdn Bhd ("Indocel") issued a total of 1,418 million new Ordinary shares of IDR100 each ("Ordinary Share") under a rights issue exercise of USD300.0 million (in equivalent amount in IDR) on the basis of one (1) Rights Share for every five (5) existing Ordinary Share at an issuance price of IDR2,000 per ordinary share ("XL Rights Issue").

The Group through Indocel, which in turn is a wholly-owned subsidiary of Axiata held via its TM International (L) Limited, had subscribed its full entitlement of 1,188,187,400 new Ordinary Shares under XL Rights Issue for a total cash consideration of RM855.5 million (equivalent to IDR 2,376.4 billion). Pursuant to a Standby Buyer Agreement entered into by Indocel with XL on 13 October 2009, Indocel had further subscribed to all the unsubscribed Rights Shares of 229,584,890 Ordinary Shares, (representing 2.7% of the enlarged issued and paid up capital of XL after XL Rights Issue) for a total cash consideration of RM165.3 million (approximately IDR459.2 billion). XL Rights Issue was completed on 11 December 2009 following which the Group's effective equity interest in XL has increased from 83.79% to 86.49%.

11. Changes in Contingent Liabilities since the Last Annual Balance Sheet Date

(a) On 23 March 2009, the Company issued a corporate guarantee to Oversea-Chinese Banking Corporation Limited, Labuan Branch ("OCBC") in consideration of OCBC granting and making available to Dialog a 6-years term loan facility of up to a maximum aggregate principal amount of USD100.0 million with the option to request from OCBC for an additional loan facility not exceeding the maximum aggregate principal amount of USD50.0 million.

(b) On 19 November 2009, the Company issued a corporate guarantee to OCBC in consideration of OCBC granting and making available to Dialog a 6 year term loan facility of up to a maximum aggregate principal amount of USD100.0 million.

(c) Under the agreement between Telekom Malaysia International (Cambodia) Company Limited ("TMIC") and Ministry of Post and Telecommunication ("MPTC") dated 19 October 1992, TMIC is committed to pay concession fees to MPTC based on its airtime revenue after deduction of international calls and interconnection settlement charges at the rate of 10%.

In addition, in the event of any distribution of any profits, 20% shall be paid to MPTC (Article 11 of the Company's Articles of association) and the remaining 80% is subjected to withholding tax at 14%.

<u>Licence fees</u>

Under the agreement between TMIC and MPTC dated 23 August 2006, TMIC is committed to pay license fees to MPTC based on gross revenue derived from the operation of the VOIP service as follows:

Period	**Rate**
For the first 5 years (from 2007 to 2011)	2%
For the following 5 years (from 2012 to 2016)	4%
For the 11th year onwards (from 2017 onwards)	6%

Save for the above, there were no material changes in contingent liabilities (other than material litigation disclosed in Part B, 10 of this announcement) since the 2008 Audited Financial Statements.

12. Capital Commitments

	Group	
	2009	2008
Property, plant and equipment	**RM '000**	RM '000
Commitments in respect of expenditure approved and contracted for	**843,073**	1,001,228
Commitments in respect of expenditure approved but not contracted for	**800,184**	995,823

13. Additional Disclosure Requirements

Pursuant to the letter of approval from the Securities Commission ("SC") dated 30 January 2008 in relation to, amongst others, the TM Group's Demerger, the Company is required to obtain the relevant approvals for the Celcom's transmission towers and rooftop sites ("Outdoor Structures") within 2 years from the date of the SC's approval letter. In addition, the Company is also required to disclose in its quarterly announcement, the status of application of such Outdoor Structures to Bursa Securities until all approvals are obtained.

The status of the application of Outdoor Structures (which are subject to the SC's condition above) as at 17 February 2010 is as follows:

(a) 39 Outdoor Structures are pending approval from local authorities; and

(b) Initial applications for 72 Outdoor Structures have been declined. Celcom is in the midst of appealing to the relevant local authorities with respect to such applications.

On 22 February 2010, CIMB Investment Bank Berhad ("CIMB"), on behalf of the Company, announced that the SC had, through its letter dated 12 February 2010 received by the Company on 22 February 2010, granted an extension of time of 2 years (i.e. up to 29 January 2012) for the Company to obtain the necessary approvals for the said Outdoor Structures.

PART B : EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD

1. Review of Performance

(a) Quarter-on-Quarter

Overall, the Group's performance improved quarter-on-quarter driven by higher subscriber base in all its operating companies ("Opcos"). Group's revenue for the current quarter of RM3,693.8 million grew by 52.8% from RM2,418.1 million recorded in the fourth quarter 2008 ("Q4'08") attributed to the higher contribution from XL Group and Axiata (Bangladesh) Limited ("AxB"). Intense competition and heavy price cuts in Cambodia market continue to impact revenue growth in TMIC.

The depreciation of RM in current quarter against domestic currencies of operating companies, mainly IDR had favourably affected the Group's translated revenue. At constant currency using Q4'08 exchange rate, current quarter revenue would have registered a lower growth of 47.7%.

Quarter-on-quarter, Group's other operating cost increased by 29.1% to RM2,134.9 million, mainly driven by Celcom Group, XL Group and AxB in line with higher revenue. The Group recorded lower net finance costs of RM155.5 million in current quarter compared to RM243.3 million in Q4'08 as a result of repayment of debt and reduction of overall debt position in current quarter.

Current quarter contributions from associate and joint venture companies amounting to RM29.7 million, mainly from the profit contribution from Idea which was accounted for as associate effective from third quarter 2009.

The Group's profit after tax ("PAT") of RM602.4 million in current quarter was 198.2% higher as compared to a loss of RM613.5 million recorded in same period last year. The higher PAT in current quarter was driven mainly by improved contribution from Celcom Group, XL Group, AxB and Dialog Group. Better performance from associate and joint venture companies and favourable pre-tax foreign exchange gain also contributed to the higher PAT in current quarter.

PART B : EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD

1. Review of Performance (continued)

(b) Year-on-Year

For the financial year ended 31 December 2009, the Group's revenue improved by 15.5%, from RM11,347.7 million recorded for the financial year ended 31 December 2008 to RM13,105.1 million. The improved revenue performance was primarily attributed to higher contribution from Celcom Group, XL Group and AxB resulted from increasing trend in subscriber base and higher broadband contribution for Celcom Group. XL Group and Celcom Group remain as the major contributors towards the Group's revenue.

The Group recorded a 161.3% increase in other operating income for the financial year under review from RM178.9 million to RM467.6 million. The increase was mainly driven by XL Group's one-off gain of RM158.1 million arising from derecognition of its dark fibre optic lines as a result of a finance lease arrangement during first half of 2009 and higher tower rental income of RM204.5 million compared to RM90.3 million for financial year ended 31 December 2008.

The Group's other operating cost increased by 13.5% to RM7,948.3 million for the financial year under review mainly driven by Celcom Group, XL Group and AxB. The Group recorded higher net finance costs of RM786.3 million in the financial year under review as compared to RM777.0 million in the corresponding year as a result of an increase in its debt position arising mainly from external borrowings of XL Group in the first three quarters of 2009.

Profit contribution from associate and joint venture companies improved to RM101.3 million for the financial year under review mainly from share of profit from MobileOne Ltd and Idea, which was accounted for as an associate effective from the third quarter 2009.

The Group's PAT was RM1,755.9 million, 272.7% higher against PAT of RM471.1 million reported in the corresponding year driven by improved contributions from Celcom Group, XL Group and AxB and favourable pre-tax foreign exchange gain mainly from XL Group as a result of weakening of USD against IDR.

PART B : EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD

1. Review of Performance (continued)

(c) Comparison with Preceding Quarter's Results

For the current quarter under review, the Group recorded revenue of RM3,693.8 million, a 9.3% growth from RM3,380.9 million revenue achieved in third quarter 2009 ("Q3'09"). Amidst the continuous intense competition, all Opcos showed positive revenue growth in local currencies driven by increase in subscriber base.

The fluctuation of RM against local currencies had favourably affected the overall Group's translated revenue. At constant currency, the Group's revenue growth in current quarter would have slipped by 0.2 percentage points to 9.1%.

The Group's other operating cost increased by 3.1% driven by Celcom Group, XL Group and TMIC. Celcom Group's other operating cost was mainly resulted from increase in content provider charges, higher network related cost and increased in Universal Service Provision charges. The Group's pre-tax foreign exchange gain has reduced from RM184.7 million in Q3'09 to RM86.7 million in current quarter as a result of relatively stable USD exchange rate against local currency of key Opcos.

The Group recorded PAT of RM602.4 million in current quarter, an increase from RM531.8 million posted in Q3'09 arising mainly from lower net finance cost and taxation, positive contribution from AxB due to improvement in EBITDA negated by lower pre-tax foreign exchange gain and higher depreciation charge in Celcom Group in current quarter.

PART B : EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD

1. Review of Performance (continued)

(d) Economic Profit Statement

	INDIVIDUAL QUARTER		**FINANCIAL YEAR ENDED**	
	31/12/2009 RM '000	31/12/2008 RM '000	**31/12/2009 RM '000**	31/12/2008 RM '000
EBIT*	**1,134,098**	(171,599)	**3,315,285**	1,920,935
Less: Adjusted Tax (25%) / 2008: (26%)	(283,525)	44,616	(828,821)	(499,443)
NOPLAT**	**850,573**	(126,983)	**2,486,464**	1,421,492
AIC***	3,262,592	2,746,632	13,050,366	10,986,527
WACC****	10.64%	7.42%	11.35%	7.60%
Economic Charge (AIC*WACC)	**347,140**	203,800	**1,481,217**	834,976
Economic Profit	**503,433**	(330,783)	**1,005,247**	586,516

*	EBIT	= Earnings before Interest & Taxes
**	NOPLAT	= Net Operating Profit/Loss after Tax
***	AIC	= Average Invested Capital
****	WACC	= Weighted Average Cost of Capital

Economic Profit ("EP") is a yardstick to measure shareholder value as it provides a more accurate picture of underlying economic performance of the Group vis-à-vis its financial accounting reports, i.e. it explains how much return a business generates over its cost of capital. This can be measured from the difference of NOPLAT and Economic Charge.

The Group reported a higher WACC during the quarter and financial year to date due to higher proportion and cost of equity in conjunction with the enlarged equity base after the rights issue of the Company during the financial year.

The factors contributing to the higher EP in the current quarter and financial year to-date is mainly due to higher NOPLAT, AIC and offset by higher WACC.

PART B : EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD

2. 2009 Group Headline Key Performance Indicators ("KPI") Achievement and Prospects for the next financial year ending 31 December 2010

On 27 April 2009, the Group announced its Headline KPI guidance for the financial year ending 31 December 2009 ("2009 Headline KPI"). Based on the Group's performance, the Group has exceeded all of its 2009 Headline KPI as provided below:

Headline KPIs	2009 KPI	2009 Achievement
Revenue Growth (%)	6% ~ 11%	15.5%
EBITDA Growth (%)	4% ~ 6%	18.4%
ROE (%)	4%	11.2%

Strengthening its position, the Group turned Free Cash Flow positive for the first time, up 265% to RM2.1 billion from a negative position a year ago. In addition the Group's balance sheet was deleveraged, with net debt-to-EBITDA ratio at 2 times.

2009 has seen an improvement in overall Group performance in almost all areas and in all major countries. This was due to our diligent execution of strategies across all operating companies. This has been further aided by the steady rebound seen in regional economies the Group operates in. However key risks continued to be faced by our operating companies include increasing competition and regulatory challenges. In light of this, a prudent approach focusing on cost management and operational improvements will continue to be the key focus as the Group see execution benefits of such a strategy amidst an uncertain environment.

The Group expects to face continued challenges for next financial year ending 31 December 2010 and will continue to take a long term view and adopt careful prudent measures in addressing the challenges to optimize its financial performance.

3. Variance of Actual Profit from Forecast Profit / Profit Guarantee

The Group has not provided any profit forecast or profit guarantee in a public document in respect of the financial year ended 31 December 2009.

PART B : EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD

4. Taxation

The taxation charge for the Group comprises:

	INDIVIDUAL QUARTER		FINANCIAL YEAR ENDED	
	31/12/2009	31/12/2008	**31/12/2009**	31/12/2008
	RM '000	RM '000	**RM '000**	RM '000
Malaysia				
Income Tax:				
Current year	**(140,182)**	(137,183)	**(513,695)**	(501,247)
Prior year	**14,013**	6,011	**13,989**	6,011
	(126,169)	(131,172)	**(499,706)**	(495,236)
Overseas				
Income Tax:				
Current year	**(2,358)**	68,837	**(6,185)**	(12,914)
Prior year	**27**	49	**30**	611
	(2,331)	68,886	**(6,155)**	(12,303)
Deferred tax (net):				
Current year	**(96,812)**	117,191	**(404,452)**	72,816
Total Taxation	**(225,312)**	**54,905**	**(910,313)**	(434,723)

The current quarter and financial year to-date effective tax rate of the Group was higher than the statutory tax rate mainly due to higher profits incurred by the subsidiaries, expenses not allowable for tax deduction and origination of deferred tax liabilities due to higher capital expenditure during the financial year.

5. Profit on Sale of Unquoted Investments and/or Properties

There were no material sales of unquoted investments or disposal of properties which significantly affected the results of the Group during the financial year.

6. Purchase and Disposal of Quoted Securities

There were no purchase and disposal of quoted securities during the financial year.

PART B : EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD

7. Status of Corporate Proposals

(a) Proposed Issuance of up to 10% of the Issued and Paid-Up Share Capital of the Company

On 10 December 2007, the Board of TM proposed, amongst others, to obtain a shareholders' mandate ("Shareholders' Mandate") for the issuance of up to 10% of the issued and paid-up share capital of the Company ("Proposed Issue"). In connection with the above, the SC had, vide its letter dated 30 January 2008, given its approval for, amongst others, the Proposed Issue. The shareholders of TM had at the EGM held on 6 March 2008 approved, amongst others, the Shareholders' Mandate on the Proposed Issue and the issuance by the Company to Employees Provident Fund Board of up to 30% of the number of shares available under the Shareholders' Mandate.

As the approval of the SC on the Proposed Issue had expired on 29 July 2008, an application was made to the SC on 14 July 2008 for an extension of time up to 29 January 2009 for the Company to undertake the Proposed Issue. SC had, vide its letter dated 28 July 2008, approved the extension of time on the Proposed Issue.

Further to the above, an application was submitted to SC on 15 January 2009 to extend further the period for the Company to implement the Proposed Issue. SC had vide its letter dated 22 January 2009 approved the extension of time of up 29 July 2009 for the Company to implement the Proposed Issue. The approval by the SC for the Proposed Issue had already lapsed and is no longer in force. In view of the amendments to the Capital Markets and Services Act 2007 effective 3 August 2009, the approval of the SC is no longer required for equity offering exercises such as the Proposed Issue.

(b) Proposed Merger between Spice and Idea

On 25 June 2008, the Company, inter-alia, announced the proposed merger of Spice Communications Limited ("Spice") into Idea in accordance with a scheme of arrangement under Sections 391 to 394 of the Companies Act, 1965 of India ("Proposed Merger").

Following the completion on 13 August 2008 of the subscription by TMI Mauritius Ltd, a wholly-owned subsidiary of the Company, of 464,734,670 new ordinary shares of Rs.10 each in Idea, the Group holds 14.99% of the enlarged issued and paid-up share capital of Idea. Upon the completion of the Proposed Merger, the Group will have an equity interest of approximately 19.0% in the merged Idea, on a fully diluted basis. In addition, the Group will have a call option to further increase the Group's stake in Idea to approximately 20.11%.

The Proposed Merger is conditional upon, amongst others, the obtaining of the necessary approvals from:

7. Status of Corporate Proposals (continued)

(b) Proposed Merger between Spice and Idea (continued)

(i) the High Courts of Delhi and the High Courts of Gujarat;
(ii) the shareholders and creditors of each of Idea and Spice as required under the Indian Companies Act 1956; and
(iii) the Bombay Stock Exchange Limited ("BSE") and the National Stock Exchange of India Limited ("NSE").

In relation to the approvals from the BSE and the NSE, Spice and Idea had on 7 May 2009 and 8 May 2009, received no objection letters from the BSE and the NSE respectively in relation to the filings of the Proposed Merger with the respective High Courts.

Following that, the shareholders and creditors of Idea and Spice had on 4 September 2009 and 11 September 2009 respectively approved the Proposed Merger. The necessary filings have been made to the respective High Courts and approvals obtained.

On 26 November 2009 and 5 February 2010, the High Court of Gujarat and High Court of New Delhi respectively approved the Proposed Merger. The Proposed Merger will become unconditional once the relevant court orders sanctioning the Proposed Merger have been filed with the Registrar of Companies in India.

As of 17 February 2010, the Proposed Merger has yet to be completed.

(c) Performance-Based Employee Share Option Scheme ("ESOS") for Eligible Employees and Executive Directors of the Group

On 10 February 2009, the Company, inter-alia, announced the Proposed Performance-Based ESOS for eligible employees and Executive Directors of the Group ("Proposed Option Scheme"). The Proposed Option Scheme was approved by the Shareholders of the Company at an EGM held on 24 March 2009.

The Company had on 16 April 2009 implemented the Proposed Option Scheme by offering to eligible staff. As of 17 February 2010, all eligible staff accepted the Proposed Option Scheme.

PART B : EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD

7. Status of Corporate Proposals (continued)

(d) Members' Voluntary Winding-Up of TR Components Sdn Bhd ("TR Components")

On 16 April 2009, the Company announced on inter-alia, the commencement of members' voluntary winding-up of its wholly-owned subsidiary held via Celcom namely, TR Components pursuant to Section 254(1)(b) of the Companies Act, 1965 ("Winding-Up of TR Components").

The Final Meeting in relation to the Winding-Up of TR Components was held on 21 July 2009. Pursuant to Section 272(5) of the Companies Act 1965, TR Components had been dissolved with effect from 20 October 2009.

(e) Members' Voluntary Winding Up of TR International Limited ("TRIL")

On 31 July 2009, the Company announced the commencement of members' voluntary winding-up of its wholly-owned subsidiary held via Celcom namely, TR International Limited pursuant to Section 228 of the Hong Kong Companies Ordinance ("Winding-Up of TRIL") and appointment of the liquidators on even date.

Further to the announcement above, the Company had on 3 November 2009 announced on the convening of the Final Meeting in relation to the Winding-Up of TRIL on even date.

Pursuant to Section 239 of the Hong Kong Companies Ordinance, TRIL had been dissolved with effect from 4 February 2010.

Save as disclosed above, as of 17 February 2010, there is no other major corporate proposal announced and not completed.

8. Group's Borrowings and Debt Securities

(a) Breakdown of the Group's borrowings and debt securities as at 31 December were as follows:

	2009		2008	
	Short Term Borrowings RM '000	**Long Term Borrowings RM '000**	Short Term Borrowings RM '000	Long Term Borrowings RM '000
Secured	179,878	805,341	175,033	715,959
Unsecured	1,969,496	9,368,123	5,238,266	9,830,093
Subtotal	**2,149,374**	**10,173,464**	**5,413,299**	**10,546,052**
Interest Bearing Amount due to TM - Unsecured	-	-	4,025,000	-
Total	**2,149,374**	**10,173,464**	**9,438,299**	**10,546,052**

(b) Foreign currency borrowings and debt securities in RM equivalent as at 31 December were as follows:

Foreign Currency	**2009 RM '000**	**2008 RM '000**
US Dollar	3,869,291	5,973,932
Indonesian Rupiah	3,219,762	2,990,322
Bangladesh Taka	62,502	284,971
Pakistani Rupee	97,368	447,448
Sri Lanka Rupee	267,078	578,429
Singapore Dollar	575,372	104,712
Total	**8,091,373**	**10,379,814**

9. Off Balance Sheet Financial Instruments

The details and the financial effects of the hedging derivatives that the Group has entered into are described in Note 35 to the 2008 Audited Financial Statements. The additional off balance sheet financial instruments and material updates since the last financial year are as follows:

(a) Interest Rate Swap Contracts (“IRSC")

1. On 9 February 2009, XL entered into an IRSC with Standard Chartered Bank to hedge the payment of the semi annual interest of a long term loan in USD where the principal is installed every six months. Based on the contracts commencing on 11 February 2009, XL will pay fixed interest as follows:

Notional Amount	Fixed Interest Rate	Interest Exchange Period
USD 183,385,293	2.575%	15 January 2010
USD 168,103,185	2.575%	15 July 2010
USD 152,821,077	2.575%	15 January 2011
USD 137,538,969	2.575%	15 July 2011
USD 122,256,862	2.575%	15 January 2012
USD 106,974,754	2.575%	15 July 2012
USD 91,692,647	2.575%	15 January 2013
USD 76,410,539	2.575%	15 July 2013
USD 61,128,431	2.575%	15 January 2014
USD 45,846,323	2.575%	15 July 2014
USD 30,564,215	2.575%	15 January 2015
USD 15,282,108	2.575%	15 July 2015

2. On 6 April 2009, XL entered into an IRSC with Standard Chartered Bank to hedge the payment of the semi-annual interest of a long term loan in USD where the principal is installed every six months. Based on the contracts commencing on 6 April 2009, XL will pay fixed interest as follows:

Notional Amount	Fixed Interest Rate	Interest Exchange Period
USD 105,925,035	2.323%	1 April 2010
USD 97,097,949	2.323%	1 October 2010
USD 88,270,863	2.323%	1 April 2011
USD 79,443,777	2.323%	1 October 2011
USD 70,616,690	2.323%	1 April 2012
USD 61,789,604	2.323%	1 October 2012
USD 52,962,518	2.323%	1 April 2013
USD 44,135,431	2.323%	1 October 2013
USD 35,308,345	2.323%	1 April 2014
USD 26,481,258	2.323%	1 October 2014
USD 17,654,173	2.323%	1 April 2015
USD 8,827,086	2.323%	1 October 2015

9. Off Balance Sheet Financial Instruments (continued)

(b) Forward Foreign Currency Contracts ("FFCC")

Details of the FFCC as at 31 December 2009 are as follows:

1.

Type of contracts	Notional amount (USD 'million)	Strike rate per USD	Premium	Maturity
Deliverable	25.0	IDR9,670	5.26%	14 July 2015
Deliverable	25.0	IDR9,725	5.23%	14 July 2015
Total	**50.0**			

The Premium will be paid semi-annually. There will be USD2.5 million Notional exchanges every 6 (six) months starting from 14 January 2011.

2.

Type of contracts	Note	Notional amount (USD 'million)	Strike rate per USD)
Deliverable	**(i)**	75.0	IDR9,000
Deliverable	**(ii)**	15.3	IDR12,129
Total		**90.3**	

(i) Forward Foreign Currency Contracts – Due in 2013

Below are details of the FFCC:

	Bank	Notional amount (USD 'million)	Strike rate per USD	Type of contracts
a)	Standard Chartered Bank	25.0	IDR9,000	Deliverable
b)	Standard Chartered Bank	25.0	IDR9,000	Deliverable
c)	Standard Chartered Bank	25.0	IDR9,000	Deliverable
	Total	**75.0**		

The Premium on the FFCC will be paid semi-annually. The hedging instruments above are deliverable contracts in which XL would swap, at the final exchange date (termination date) in 2013, a total of IDR675.0 billion for USD75.0 million.

On the non deliverable contract; XL would swap, at the final exchange date (termination date) in 2013:

- If settlement rate at expire time is less than IDR9,000, XL would pay the banks USD37.5 million x (IDR9,000 – settlement rate)
- If settlement rate at expire time is more than IDR9,000, the banks would pay XL USD37.5 million x (settlement rate - IDR9,000)
- If settlement rate at expire time is equal to IDR9,000, no exchange payments between the banks and XL.

PART B : EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD

9. Off Balance Sheet Financial Instruments (continued)

(ii) Forward Foreign Currency Contracts – Due in 2010

	Bank	Notional amount (USD 'million)	Strike rate per USD	Type of contracts
a)	Standard Chartered Bank	15.3	IDR12,129	Deliverable

3.

	Bank	Notional amount (USD 'million)	Strike rate per USD	Type of contracts
i)	DBS Indonesia	2.0	IDR 12,417	Deliverable
ii)	The Royal Bank of Scotland	2.8	IDR 12,265	Deliverable
iii)	DBS Indonesia	2.0	IDR 12,260	Deliverable
iv)	DBS Indonesia	2.0	IDR 12,150	Deliverable
	Total	**8.8**		

There are no premiums for the FFCC, that due in 2010.

All hedging instruments are executed with creditworthy financial institutions with a view to limit the credit risk exposure of the Group.

4. On 1 October 2009, XL entered into a FFCC with Standard Chartered Bank to hedge the payment of a long term loan in USD.

Type of contracts	Notional amount (USD 'million)	Strike rate per USD	Premium	Maturity
Deliverable	25.0	IDR9,630	5.21%	14 July 2015

Based on the contract commencing on 5 October 2009, XL would swap gradually an amount of USD2.5 million every six (6) months starting 14 January 2011 which will be paid semi-annually.

5. Subsequently, XL re-enter into a new FFCC with JP Morgan Securities (S.E.A) Ltd. The detail is as follows:

Type of Contracts	Notional amount (USD 'million)	Strike rate per USD	Premium	Maturity
NDF	50.0	IDR9,000	3.45%	29 Sept 2015

The Premium will be paid semi-annually. There will be USD4.5 million Notional exchange every six (6) months starting 29 Sep 2010.

All hedging instruments are executed with creditworthy financial institutions with a view to limit the credit risk exposure of the Group.

PART B : EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD

9. Off Balance Sheet Financial Instruments (continued)

(c) Cross Currency Swap Contracts ("CCSC")

(i) On 10 September 2009, XL entered into two CCSC contract with JPMorgan Securities (S.E.A) Ltd commencing on 14 September 2009. Based on the contract commencing 14 September 2009, XL would swap at the final exchange date (termination date) on 30 August 2010 and 3 September 2010 respectively and will make monthly payment on every 30th and 6th of the month in IDR up to the termination date.

Notional Amount (USD 'million)	Swap Amount (IDR 'billion)	Fixed Interest Rate Paid	Strike Rate per USD	Interest Rate Received
20.0	198.6	10.59%	IDR9,930	1 month's LIBOR plus a 1.00% margin
10.0	99.3	10.59%	IDR9,930	1 month's LIBOR plus a 1.00% margin

(ii) On 9 September 2009, XL entered into two CCSC contract with Standard Chartered Bank. Based on the contract commencing on 15 September 2009, XL would swap, at the final exchange date (termination date) on 17 December 2010 and will make monthly payment in IDR every 16th of the month up to termination date for the two contracts.

Notional Amount (USD 'million)	Swap Amount (IDR 'billion)	Fixed Interest Rate Paid	Strike Rate per USD	Interest Rate Received
20.0	198.8	10.98%	IDR9,940	1 month's LIBOR plus a 1.75% margin
10.0	99.35	10.98%	IDR9,935	1 month's LIBOR plus a 1.75% margin

(iii) On 10 September 2009, XL entered into a CCSC contract with Standard Chartered Bank. Based on the contract commencing on 15 September 2009, XL would swap, at the final exchange date (termination date) on 17 December 2010 and will make monthly payment in IDR every 16th of the month up to termination date.

Notional Amount (USD 'million)	Swap Amount (IDR 'billion)	Fixed Interest Rate Paid	Strike Rate per USD	Interest Rate Received
10.0	99.25	10.98%	IDR9,925	1 month's LIBOR plus a 1.75% margin

9. Off Balance Sheet Financial Instruments (continued)

(c) Cross Currency Swap (continued)

(iv) Underlying Liability

RM2,400.0 million Term Loan Facility

On 4 August 2008, the Company obtained term loan facility of RM2,400.0 million with a financial institution. The loan will be based on a floating rate of interest at quarterly interval of 3 months COF plus 0.23% margin per annum. As at 31 December 2008, RM1,728.7 million have been swapped for USD currency. As at 31 March 2009, the facility has been extended for three years to mature on 6 May 2012. From 6 May 2009, the loan is based on a floating rate of interest at 1, 2, 3, 6 and 12 months' Cost of Fund plus 0.75%. On 4 November 2009, the Company has prepaid RM300.0 million and converted RM700.0 million to a Master Commodity Murabahah Term Facility which is based on a floating profit rate of 1,2,3,6 and 12 months' Cost of Fund plus 0.75%. As at 31 December 2009, the amount outstanding is RM1,400.0 million Term Loan Facility and RM700.0 million Master Commodity Murabahah Term Facility.

Hedging Instrument

On 21 January 2010, the Company re-entered into a CCSC with a financial institution. Based on the contract, the Company would swap, at the final exchange date (termination date) on 22 February 2010, a total of RM1,642.4 million for USD500.0 million. The Company will make monthly payment in USD at the amount of USD500.0 million times floating rate of interest and will receive payment in RM amounting to RM1,642.4 million times floating rate of interest.

On 25 January 2010, the Company re-entered into CCSC with a financial institution. Based on the contract, the Company would swap, at the final exchange date (termination date) on 25 February 2010, a total of RM86.3 million for USD26.0 million. The Company will make monthly payment in USD at the amount of USD26.0 million times floating rate of interest and will receive payment in RM amounting to RM86.3 million times floating rate of interest.

All hedging instruments are executed with creditworthy financial institutions with a view to limit the credit risk exposure of the Group.

PART B : EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD

10. Material Litigation

Save as disclosed below, there are no changes to the status of the material litigation of Axiata Group. The notes set out below shall be read together with the notes under Property, Plant and Equipment and Contingent Liabilities in the 2008 Audited Financial Statements.

(a) Technology Resources Industries Berhad ("TRI") vs Tan Sri Dato' Tajudin Ramli ("TSDTR"), Bistamam Ramli ("BR") and Dato' Lim Kheng Yew ("DLKY")

TRI filed a claim against TSDTR, BR and DLKY ("Defendants"), being former directors of TRI for the recovery of a total sum RM55.8 million which was paid to the Defendants as compensation for loss of office and incentive payment and also the return of 2 luxury vehicles which were transferred to the first two Defendants.

On 18 September 2006, TRI was served with a copy of the 1st and 2nd Defendants' Defence and Counterclaim. This matter is fixed for hearing on 5 to 7 April and 12 to 14 April 2010. This matter is also fixed for case management on 11 March 2010.

The Directors have been advised that TRI has good prospect of success in respect of the claim.

(b) Rego Multi-Trades Sdn Bhd ("Rego") vs Aras Capital Sdn Bhd ("Aras Capital") and TSDTR

In 2005, Rego, a wholly-owned subsidiary of Celcom commenced proceedings against Aras Capital and TSDTR for amounts due to Rego pursuant to an investment agreement with Aras Capital and an indemnity letter given by TSDTR.

The sum claimed in the proceedings is RM261.8 million as at 30 November 2004 together with interests and costs. TSDTR filed its defense and instituted a counterclaim against Rego, TRI and its directors to void and rescind the indemnity letter and also claim damages. Subsequently, Rego, TRI and its directors filed their respective applications to strike-out TSDTR's counterclaim which were later dismissed by the Senior Assistant Registrar ("SAR"). Rego, TRI and its directors then filed their respective appeals to the Judge in Chambers.

Rego and TRI withdrew their respective appeals. The directors' appeal which was initially fixed for hearing on 6 July 2009 has been adjourned to 24 February 2010. The trial dates which were fixed for hearing on 5, 6, 8 and 9 October 2009 have been vacated pending the disposal of the directors' appeal.

The Directors, based on legal advice received, are of the view that it has good prospects of succeeding on the claim and successfully defending the counterclaim if the same were to proceed to trial.

PART B : EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD

10. Material Litigation (continued)

(c) Celcom vs DeTeAsia Holding GmbH ("DeTeAsia")

In 2003, DeTeAsia initiated arbitration proceedings against Celcom for monetary damages caused by Celcom's alleged breach of the Amended and Restated Supplemental Agreement between Celcom, DeTeAsia, TRI and TR International Limited dated 4 April 2002 ("ARSA"). On 2 August 2005, the arbitral tribunal found in DeTeAsia's favour and ordered Celcom to pay the full amount of its principal claim of USD177.2 million together with interest at 8% from 16 October 2002 until full settlement and costs ("Award"). On 27 January 2006, Celcom satisfied the Award in full (which amounted to USD232.0 million (RM871.7 million) based on the then prevailing exchange rate) without prejudice to proceedings that Celcom was contemplating to commence in Malaysia.

On 17 November 2005, Celcom commenced proceedings in Malaysia seeking, amongst others, a declaration that the Award was contrary to the public policy of Malaysia and hence unenforceable in Malaysia. DeTeAsia responded by filing an application to set aside this proceeding. DeTeAsia's application was fixed for hearing on 3 and 13 November 2009. The Court then gave directions for the parties to file written submissions and vacated the hearing dates on 18 and 19 November 2009. The matter is now fixed for decision or clarification on 24 February 2010. Celcom's action will be heard by the Court after DeTeAsia's response has been disposed off.

Celcom's application to strike out the affidavit of Graham Dunning QC was allowed on 23 November 2007. DeTeAsia filed an appeal to the Judge in Chambers. The Court on 7 May 2009 in part allowed DeTeAsia's appeal to the Judge in Chambers against the SAR's decision in allowing Celcom's application to strike out the affidavit of Graham Dunning QC after DeTeAsia redacted those portions of affidavit which Celcom took objection to. This is consistent with the Court's earlier decision in allowing Celcom's objection to some portions of the affidavit which referred to Malaysian law.

10. Material Litigation (continued)

(d) MCAT GEN Sdn Bhd ("MCAT") vs Celcom

In November 2005, MCAT commenced 2 proceedings against Celcom, in particular, for (i) libel based on certain alleged press releases made by Celcom which appeared in the New Straits Times, Utusan Malaysia, Harian Metro and Berita Harian ("Local Newspapers") ("1st Suit"); and (ii) breach of contract on an alleged Resellers Agreement between Celcom and MCAT ("2nd Suit"). Subsequently in December 2005, MCAT's directors filed a claim against Celcom for libel based on certain alleged press releases which appeared in the Local Newspapers ("3rd Suit").

(i) 1st Suit

In the 1st Suit, MCAT is seeking, amongst other remedies, damages for libel in the sum of RM1 billion, an injunction restraining Celcom from further publishing any similar allegedly defamatory words, a public apology, interests and costs. Celcom filed a defence on the grounds that there was no concluded contract between the parties and, that its statements were published by third parties and, in any event, not defamatory of MCAT. It also instituted a counterclaim against MCAT for passing off its products and services as those of Celcom's, implying a trade association with Celcom when no such association exists and for misrepresenting itself as a reseller of its products and services, and filed an application to strike out MCAT's claim.

Celcom filed an application to strike out the claims which were dismissed by the High Court. Celcom filed an appeal to the Court of Appeal and on 22 February 2010, the Court of Appeal dismissed the appeal.

The 1st Suit has been consolidated with the 3rd Suit by the Court.

On 31 July 2009, the Court directed that the full trial of the matter which was previously fixed on 27 & 28 August 2009, 28, 29 & 30 September 2009 and 1 & 2 October 2009 be vacated pending the determination of the 2nd Suit. The Court fixed this matter for case management on 17 August 2010.

10. Material Litigation (continued)

(d) MCAT GEN Sdn Bhd ("MCAT") vs Celcom (continued)

(ii) 2nd Suit

In respect of the 2nd Suit, MCAT is seeking, amongst other remedies, specific performance of the Reseller Agreement, damages in the sum of RM765.1 million and damages in lieu or in addition to specific performance. Celcom's position is that it did not enter into the Reseller Agreement and there is no agreement between the parties. In 2006, MCAT unsuccessfully applied for an injunction to restrain Celcom from entering into a similar agreement with any other party that would be detrimental to MCAT's alleged rights under the Reseller Agreement and from disclosing any confidential information to third parties.

The Court granted Celcom's application for security for costs and MCAT has paid an aggregate of RM250,000 into the Court. Celcom's application to strike out parts of MCAT's claim was however dismissed by the Court. The trial commenced in June 2007 and continued in May 2008, February 2009, March 2009, July 2009, August 2009 and November 2009.

The last hearing session was fixed for 4 days i.e. 2 to 5 November 2009. On 2 November 2009, Celcom continued and completed its cross examination on MCAT's witnesses. On 3 November 2009, after re-examination of its witnesses, MCAT informed the Court that they were closing their case and will not be calling any other witness. The Court fixed continued hearing on 13, 14 and 15 April 2010, 22, 23 and 24 June 2010 and 11, 12 and 13 August 2010 respectively for Celcom to call its witnesses.

(iii) 3rd Suit

In respect of the 3rd Suit, MCAT's directors are seeking, amongst other remedies, an aggregate amount of RM1.01 billion in damages, aggravated and exemplary damages, a retraction of the allegedly defamatory statements and an injunction restraining Celcom from further publishing any similar allegedly defamatory words. Celcom filed its defence and striking out application on the same grounds as its defence in the 1st Suit. It also filed a counterclaim against Mohd Razi bin Adam for a breach of his employment contract with Celcom and his fiduciary duties as an employee of Celcom prior to his joining MCAT as its chief executive officer. Celcom also applied for an injunction to restrain him from disclosing confidential information acquired by him as an employee of Celcom.

PART B : EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD

10. Material Litigation (continued)

(d) MCAT GEN Sdn Bhd ("MCAT") vs Celcom (continued)

Celcom filed an application to strike out the claim which was dismissed by the High Court. Celcom filed an appeal to the Court of Appeal and on 22 February 2010, the Court of Appeal dismissed the appeal.

The proceedings will be heard only after the 1st Suit has been disposed off. The matter is fixed for case management on 17 August 2010.

The Directors, based on legal advice received, are of the view that the crystallisation of liability from the 3 cases above is remote.

(e) Pengurusan Danaharta Nasional Berhad ("Danaharta") and 2 Others vs TSDTR (By Original Claim), TSDTR vs Celcom, TRI and 22 Others

In June 2006, Celcom and TRI were served with a Defence and Counterclaim by TSDTR in connection with proceedings initiated against him by Danaharta and two others. Celcom, TRI and the other 22 defendants were joined in these proceedings via the counterclaim. Subsequently, in July 2006 TSDTR filed and served an Amended Defence and Amended Counterclaim on Celcom/TRI's solicitors.

TSDTR is seeking from Celcom, TRI and 9 others jointly and/or severally, amongst others, the following relief:

(i) the sum of RM6.246 million (TRI shares at RM24 per share);
(ii) general damages to be assessed;
(iii) aggravated and exemplary damages to be assessed;
(iv) damages for conspiracy to be assessed;
(v) an account of all sums paid under the Facility Agreement and to Danaharta and its subsidiaries by TSDTR and received by Danaharta arising from the sale of the TRI shares and the Naluri Corporation Berhad shares;
(vi) an assessment of all sums due to be repaid by Danaharta to TSDTR as a result of overpayment by TSDTR to Danaharta;
(vii) an Order that Danaharta forthwith pays all sums adjudged to be paid to TSDTR under prayer (vi);
(viii) an Account of all dividends and/or payments received by TM arising out of or in relation to the TRI (now Celcom) Shares;
(ix) an Order that TM forthwith pays all sum adjudged to be paid to TSDTR under prayer (viii); and
(x) damages for breach of contract against Danaharta to be assessed

10. Material Litigation (continued)

(e) Pengurusan Danaharta Nasional Berhad ("Danaharta") and 2 Others vs TSDTR (By Original Claim), TSDTR vs Celcom, TRI and 22 Others (continued)

In addition, TSDTR is also seeking, *inter alia*, from all the 24 Defendants the following relief:

(i) the sum of RM7.214 million;
(ii) damages for conspiracy to be assessed;
(iii) a declaration that the Vesting Certificates are illegal and ultra vires that the Danaharta Act and/or unconstitutional against the provisions of the Federal Constitution and/or against Public Policy and void;
(iv) a declaration that the Settlement Agreement is illegal and ultra vires the Danaharta Act and/or the Federal Constitution and is void and unenforceable pursuant to Section 24 of the Contracts Act 1950 inter alia as being against Public Policy;
(v) a declaration that all acts and deeds carried out and all agreements executed by Danaharta is illegal and unenforceable;
(vi) an order that all contracts, agreements, transfers, conveyances, dealings, acts or deeds whatsoever carried out and executed by Danaharta hereby declared as null and void and set aside;
(vii) all necessary and fit orders and directions as may be required to give full effect to the aforesaid declarations and orders;
(viii) damages to be assessed;
(ix) aggravated and exemplary damages to be assessed;
(x) interest at the rate of 8% per annum on all sums adjudged to be paid by the respective Defendants to the counterclaim to TSDTR from the date such loss and damage was incurred to the date of full payment; and
(xi) costs.

The Court dismissed Celcom/TRI's application to strike out the Amended Counterclaim. Celcom/TRI appealed to the Judge in Chambers and the appeal was vacated pending the disposal of all applications to adduce further evidence filed by TSDTR. The application to adduce further evidence was dismissed with costs on 13 October 2009. On 12 November 2009, the Court allowed Celcom/TRI's appeal to the Judge in Chambers against the Court's decision in dismissing Celcom/TRI's application to strike out the Amended Counterclaim (Enclosure 281). TSDTR filed an appeal to the Court of Appeal on 4 December 2009. No hearing date has been fixed yet.

10. Material Litigation (continued)

(e) Pengurusan Danaharta Nasional Berhad ("Danaharta") and 2 Others vs TSDTR (By Original Claim), TSDTR vs Celcom, TRI and 22 Others (continued)

TSDTR has successfully applied to re-amend the Amended Counterclaim to include 14 additional defendants, 11 of whom are present or former directors/officers of the TM and Celcom/TRI. Celcom/TRI had on the same day filed an appeal to the Judge in Chambers and on 12 November 2009, the Court allowed Celcom/TRI's appeal to the Judge in Chambers against the Court's decision in allowing TSDTR's application to re-amend the Amended Defence and Amended Counterclaim to include 14 additional defendants (Enclosure 340). TSDTR filed an appeal to the Court of Appeal on 4 December 2009. No hearing date has been fixed yet.

The Court awarded RM45,000 and RM15,000 as costs to Enclosure 281 and Enclosure 340 respectively.

The present and former officers of Celcom/TRI (36^{th} to 38^{th} defendants in the re-amended counterclaim) filed an application to strike out the counterclaim against them. In light of the Court's decision on Enclosure 340, there is no longer a need for the Court to deal with the present and former officers of Celcom/TRI's application to strike out the counterclaim against them.

The Directors, based on legal advice received, are of the view that the crystallisation of liability from the above is remote.

(f) Mohd Shuaib Ishak ("MSI") vs Celcom and 13 Others

In November 2007, MSI filed a legal suit against Celcom seeking from Celcom and 13 others (including the former and existing directors of TM and Celcom) jointly and/or severally, inter alia, the following:

(i) a Declaration that the Sale and Purchase Agreement ("SPA") dated 28 October 2002 between Celcom and TM (or Telekom Enterprise Sdn Bhd ("TESB")) for the acquisition by Celcom of the shares in TM Cellular Sdn Bhd (*now known as Celcom Mobile Sdn Bhd*) ("Celcom Mobile"), 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 TM and/or parties acting in concert with them with effect from and including the date of the Notice of the Mandatory Offer dated 3 April 2003 issued by Commerce International Merchant Bankers Berhad *(now known as CIMB)* are illegal and void and of no effect;

10. Material Litigation (continued)

(f) Mohd Shuaib Ishak ("MSI") vs Celcom and 13 Others (continued)

(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 TM by itself, its servants and agents be restrained from giving effect to or executing any of the proposals relating to the proposed demerger of the mobile and fixed-line businesses of the TM Group; and
(v) various damages to be assessed.

In December 2007, Celcom and its directors filed their respective applications to strike out the suit and the hearing dates for the striking out applications are fixed for hearing on 31 March 2010.

The Directors are of the view that the claims made by MSI are not sustainable and accordingly will take steps to strike out the action

(g) MSI vs Celcom

In February 2008, MSI commenced proceedings seeking leave to bring a derivative action in Celcom's name under Section 181A (1) of the Companies Act 1965 ("Statutory Derivative Action").

The Statutory Derivative Action is against, inter alia, the former and existing directors of Celcom and TM for failing to obtain the consent of DeTeAsia pursuant to the ARSA prior to entering into the SPA with TM for the acquisition by Celcom of the shares in Celcom Mobile.

MSI alleged that the directors are liable for damages calculated by reference to the difference between the Buy Out Offer price of RM7 per Celcom's share under the ARSA and the price of RM2.75 per Celcom's share under the Mandatory General Offer undertaken by TM through TESB in respect of Celcom. In July 2008, the Court allowed the proceedings and Celcom's solicitors had on the same day filed an appeal to the Court of Appeal. On 23 March 2009, Celcom's appeal was heard and on 27 March 2009, the Court of Appeal allowed Celcom's appeal with costs.

10. Material Litigation (continued)

(g) MSI vs Celcom (continued)

Following the Court of Appeal's decision to allow Celcom's appeal, MSI had on 24 April 2009 filed a notice of motion (leave to appeal to Federal Court). The notice of motion was fixed for hearing on 2 November 2009. However, the date was subsequently vacated on application of one of Celcom's solicitors, whose father passed away on that day. The notice of motion was fixed for hearing on 19 January 2010. On the hearing date, the Federal Court requested for the Court of Appeal to provide its grounds of decision and a new date will be fixed for the notice of motion once the grounds are ready.

The Directors are of the view that the claims made by MSI are not sustainable and accordingly will take steps to strike out the action.

(h) Celcom & Another vs Tan Sri Dato' Tajudin Ramli and 6 Others

On 24 October 2008, Celcom and TRI filed a Writ of Summons and Statement of Claim against the former directors of Celcom/TRI, namely (i) TSDTR, (ii) BR, (iii) DLKY, (iv) Axel Hass ("AH"), (v) Oliver Tim Axmann ("OTA"). In the Writ, Celcom and TRI named DeTeAsia and Beringin Murni Sdn Bhd ("BM") as co-defendants (collectively with the former directors referred to as "Defendants"). Celcom and TRI are seeking damages for conspiracy against the Defendants.

Celcom and TRI claim that the Defendants wrongfully and unlawfully conspired with each other to injure Celcom and TRI by causing and/or committing them to enter into the Supplemental Agreement to the Subscription Agreement and the Management Agreement dated 7 February 2002 ("Supplemental Agreement") and the ARSA with DeTeAsia in consideration for the renunciation by DeTeAsia of certain rights issue shares in TRI in favour of TSDTR and BR.

The Writ of Summons has been extracted from the Court and service effected on all the Defendants.

TSDTR and BR had on 24 December 2008 filed an application to strike out the Writ of Summons. On 17 July 2009, the Court dismissed TSDTR and BR's striking out application with costs. TSDTR and BR filed an appeal to the Court of Appeal but no hearing date has been fixed.

The German directors and DeTeAsia filed their respective striking out applications and the matter is fixed for mention on 1 April 2010.

10. Material Litigation (continued)

(g) Celcom & Another vs Tan Sri Dato' Tajudin Ramli and 8 Others

In April 2006, Celcom and TRI filed a Writ of Summons against the former directors of TRI/Celcom i.e. (i) TSDTR, (ii) BR (iii) DLKY (iv) Dieter Sieber ("DS") (v) Frank-Reinhard Bartsch ("FRB") (vi) Joachim Gronau ("JG") (vii) Joerg Andreas Boy ("JAB") (viii) AH and (ix) OTA (collectively referred to as "Defendants").

With respect to the persons in items (iv) to (ix) above, TRI/Celcom filed an *ex parte* application for leave to issue and serve the Writ of Summons upon those former directors in Germany and/or Singapore in the manner required under the Rules of the High Court 1980.

The breaches of duty complained of in the legal proceedings relate mainly to the entry of the Subscription Agreement dated 25 June 1996 ("Subscription Agreement") between Deutsche Telekom AG and TRI and the ARSA. The claim against TSDTR also relates to unauthorised profits claimed to have been made by him in connection with the entry of TRI/Celcom into the Subscription Agreement and the ARSA.

Celcom and TRI are seeking, *inter alia*, the following relief in the claim:

(i) A declaration that the Defendants are liable to indemnify Celcom to the extent of all sums paid by Celcom to DeTeAsia in satisfaction of the Award.
(ii) As against TSDTR, for unauthorised profits made amounting to RM446,038,141
(iii) An account of all monies received by the Defendants arising out of such breaches.
(iv) Loss and Damages to be assessed.

The service of the Writ of Summons and Statement of Claim has been effected on all the Defendants. AH was served by way of substituted service. TSDTR and BR have entered appearance and have applied to set aside the Writ of Summons and Statement of Claim on the basis that the issues which are the subject of this action has been litigated and decided on its merits by reason of the Award. On 6 February 2009, TSDTR and BR's striking out application was dismissed by the Court. TSDTR and BR had on 2 March 2009 filed a notice of appeal to the Court of Appeal. No hearing has been fixed yet.

Celcom's and TRI's application to restrain DLKY's solicitors from representing him on the grounds that the partner had advised on the abovementioned agreements in connection with the acquisition of TRI and Celcom by TM was allowed by the Court on 26 February 2008 with costs. DLKY has on 26 March 2008 appointed new solicitors to act on his behalf.

PART B : EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD

10. Material Litigation (continued)

(g) Celcom & Another vs Tan Sri Dato' Tajudin Ramli and 8 Others (continued)

The German directors have respectively applied to set aside these proceedings on the basis that the issues have been litigated and decided on their merits based on the Award. The said applications are fixed for hearing on 25 February 2010.

11. Earnings Per Share ("EPS")

(a) Basic EPS

	INDIVIDUAL QUARTER		FINANCIAL YEAR ENDED	
	31/12/2009	31/12/2008	**31/12/2009**	31/12/2008
Basic EPS				
Profit attributable to equity holders of the Company (RM '000)	**558,283**	(515,250)	**1,652,682**	497,983
Weighted average number of ordinary shares, as previously reported ('000)	**-**	3,753,402	**-**	3,694,732
Basic EPS, as previously reported (sen)	**-**	(14)	**-**	13
Adjusted weighted average number of shares including effects of Rights Issue ('000)	**8,445,154**	5,511,354	**7,665,487**	5,425,206
Basic EPS, including effects of Rights Issue (sen)	**7**	(9)	**22**	9

Basic EPS of the Group was calculated by dividing the net profit attributable to shareholders by the weighted average number of ordinary shares during the financial period and year.

11. Earnings Per Share ("EPS")(continued)

(b)Diluted EPS

For the diluted EPS, the weighted average number of ordinary shares in issue is adjusted to assume conversion of all dilutive potential ordinary shares.

	INDIVIDUAL QUARTER	**FINANCIAL YEAR ENDED**
	31/12/2009	**31/12/2009**
Diluted EPS		
Profit attributable to equity holders of the Company (RM '000)	**558,283**	**1,652,682**
Adjusted weighted average number of shares including effects of Rights Issue ('000)	**8,445,154**	**7,665,487**
Adjustment for the Company's ESOS	**27,827**	**23,706**
Weighted average number of diluted ordinary shares for computation of diluted EPS ('000)	**8,472,981**	**7,689,193**
Diluted EPS (sen)	**7**	**21**

Diluted EPS was not presented for 4th quarter and financial year ended 31 December 2008 since there were no dilutive potential ordinary shares.

12. Qualification of Preceding Audited Financial Statements

The 2008 Audited Financial Statements were not subject to any material qualification.

13. Dividends

No dividend was recommended for the financial year ended 31 December 2009.

By Order of the Board

Suryani Hussein (LS0009277)
Secretary

Kuala Lumpur
24 February 2010