

TELEKOM MALAYSIA BERHAD (128740-P)

(Incorporated in Malaysia)

The Board of Directors of Telekom Malaysia Berhad is pleased to announce the following unaudited results of the Group for the second quarter ended 30 June 2011.

UNAUDITED CONSOLIDATED INCOME STATEMENT

	2ND QUARTER ENDED		FINANCIAL PERIOD ENDED	
	30/6/2011 RM Million	30/6/2010 RM Million	30/6/2011 RM Million	30/6/2010 RM Million
OPERATING REVENUE	2,233.6	2,150.9	4,381.8	4,275.8
OPERATING COSTS				
- depreciation, impairment and amortisation	(511.4)	(477.5)	(1,011.4)	(934.3)
- other operating costs	(1,521.5)	(1,494.3)	(2,960.1)	(2,930.1)
OTHER OPERATING INCOME (net)	34.8	29.6	56.1	60.5
OTHER GAINS/(LOSSES) (net)	2.0	(1.2)	2.7	3.2
OPERATING PROFIT BEFORE FINANCE COST	237.5	207.5	469.1	475.1
FINANCE INCOME	34.9	26.2	66.4	50.7
FINANCE COST	(75.9)	(89.8)	(150.1)	(186.6)
FOREIGN EXCHANGE GAIN ON BORROWINGS	11.1	23.0	49.5	180.5
NET FINANCE (COST)/INCOME	(29.9)	(40.6)	(34.2)	44.6
ASSOCIATES				
- share of results (net of tax)	(0.5)	-	(0.5)	(0.2)
PROFIT BEFORE TAXATION AND ZAKAT	207.1	166.9	434.4	519.5
TAXATION AND ZAKAT	(70.1)	(35.4)	(122.7)	(137.1)
PROFIT FOR THE FINANCIAL PERIOD	137.0	131.5	311.7	382.4
ATTRIBUTABLE TO:				
- equity holders of the Company	127.2	124.4	290.5	367.3
- non-controlling interests	9.8	7.1	21.2	15.1
PROFIT FOR THE FINANCIAL PERIOD	137.0	131.5	311.7	382.4
EARNINGS PER SHARE (sen) (part B, note 13)				
- basic	3.6	3.5	8.1	10.4
- diluted	3.6	3.5	8.1	10.3

(The above unaudited consolidated income statement should be read in conjunction with the audited financial statements for the financial year ended 31 December 2010)

UNAUDITED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	2ND QUARTER ENDED		FINANCIAL PERIOD ENDED	
	30/6/2011 RM Million	30/6/2010 RM Million	30/6/2011 RM Million	30/6/2010 RM Million
PROFIT FOR THE FINANCIAL PERIOD	137.0	131.5	311.7	382.4
OTHER COMPREHENSIVE INCOME:				
Increase in fair value of available-for-sale investments	23.9	4.9	28.8	247.0
Increase in fair value of available-for-sale receivables	0.9	1.3	0.8	1.1
Reclassification adjustments relating to available-for-sale investments disposed	(0.4)	0.6	(1.1)	(0.2)
Currency translation differences - subsidiaries	0.2	(4.8)	(0.7)	(0.7)
Other comprehensive income for the financial period	24.6	2.0	27.8	247.2
TOTAL COMPREHENSIVE INCOME FOR THE FINANCIAL PERIOD	161.6	133.5	339.5	629.6
ATTRIBUTABLE TO:				
- equity holders of the Company	151.8	126.4	318.3	614.5
- non-controlling interests	9.8	7.1	21.2	15.1
TOTAL COMPREHENSIVE INCOME FOR THE FINANCIAL PERIOD	161.6	133.5	339.5	629.6

(The above unaudited consolidated statement of comprehensive income should be read in conjunction with the audited financial statements for the financial year ended 31 December 2010)

UNAUDITED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	AS AT 30/6/2011 (UNAUDITED)	AS AT 31/12/2010 (AUDITED)
	RM Million	RM Million
SHARE CAPITAL	3,577.4	3,568.1
SHARE PREMIUM	43.2	1,055.1
OTHER RESERVES	430.4	366.8
RETAINED PROFITS	2,622.6	2,719.4
TOTAL CAPITAL AND RESERVES ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY	6,673.6	7,709.4
NON-CONTROLLING INTERESTS	142.3	150.8
TOTAL EQUITY	6,815.9	7,860.2
Borrowings	5,754.5	5,506.0
Derivative financial instruments	32.0	28.0
Deferred tax liabilities	1,699.4	1,664.2
Deferred income	1,783.3	1,432.1
DEFERRED AND NON-CURRENT LIABILITIES	9,269.2	8,630.3
	16,085.1	16,490.5
Property, plant and equipment	12,906.9	13,112.1
Land held for property development	108.9	107.4
Intangible assets	319.0	312.3
Associates	-	0.5
Available-for-sale investments	114.7	114.6
Available-for-sale receivables	13.4	14.9
Other long term receivables	79.8	89.4
Derivative financial instruments	4.7	3.6
Deferred tax assets	23.9	86.7
NON-CURRENT ASSETS	13,571.3	13,841.5
Assets of disposal group held for sale	9.8	-
Inventories	223.7	174.0
Customer acquisition costs	103.6	87.1
Trade and other receivables	2,342.6	2,329.3
Available-for-sale investments	899.4	838.1
Financial assets at fair value through profit or loss	22.3	21.5
Cash and bank balances	2,657.3	3,488.5
CURRENT ASSETS	6,258.7	6,938.5
Liabilities of disposal group held for sale	0.4	-
Trade and other payables	3,063.7	3,639.2
Customer deposits	579.5	580.5
Borrowings	36.2	26.0
Taxation and zakat	65.1	43.8
CURRENT LIABILITIES	3,744.9	4,289.5
NET CURRENT ASSETS	2,513.8	2,649.0
	16,085.1	16,490.5
NET ASSETS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY (sen)	186.5	216.1

(The above unaudited consolidated statement of financial position should be read in conjunction with the audited financial statements for the financial year ended 31 December 2010)

**UNAUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD 30 JUNE 2011**

	Attributable to equity holders of the Company							
	Share Capital RM Million	Share Premium RM Million	Currency Translation Differences RM Million	Fair Value Reserve RM Million	Capital Redemption Reserve RM Million	Retained Profits RM Million	Non- controlling Interests RM Million	Total Equity RM Million
At 1 January 2011	3,568.1	1,055.1	(1.4)	332.4	35.8	2,719.4	150.8	7,860.2
Profit for the financial period	-	-	-	-	-	290.5	21.2	311.7
Other comprehensive (loss)/income for the financial period	-	-	(0.7)	28.5	-	-	-	27.8
Total comprehensive (loss)/income for the financial period	-	-	(0.7)	28.5	-	290.5	21.2	339.5
Transactions with owners:								
Bonus issue of Redeemable Preference Shares (RPS) (part A, note 5(b))	35.8	(35.8)	-	-	-	-	-	-
Redemption of RPS (part A, note 5(b))	(35.8)	(1,001.6)	-	-	-	-	-	(1,037.4)
Creation of capital redemption reserve upon redemption of RPS (part A, note 5(b))	-	-	-	-	35.8	(35.8)	-	-
Final dividends paid for the financial year ended 31 December 2010	-	-	-	-	-	(351.5)	-	(351.5)
Dividends paid to minority interest	-	-	-	-	-	-	(29.7)	(29.7)
Shares issued upon disposal of shares attributed to lapsed options	9.3	25.5	-	-	-	-	-	34.8
Total transactions with owners	9.3	(1,011.9)	-	-	35.8	(387.3)	(29.7)	(1,383.8)
At 30 June 2011	3,577.4	43.2	(2.1)	360.9	71.6	2,622.6	142.3	6,815.9

(The above unaudited consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the financial year ended 31 December 2010)

**UNAUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2010**

Attributable to equity holders of the Company

	Share Capital RM Million	Share Premium RM Million	Currency Translation Differences RM Million	ESOS Reserve RM Million	Fair Value Reserve RM Million	Capital Redemption Reserve RM Million	Retained Profits RM Million	Non- controlling Interests RM Million	Total Equity RM Million
At 1 January 2010									
As previously reported	3,543.5	1,011.8	(1.0)	19.7	155.5	35.8	2,222.2	142.5	7,130.0
Adjustments on application of FRS 139	-	-	-	-	100.4	-	(18.0)	-	82.4
At 1 January 2010, as restated	3,543.5	1,011.8	(1.0)	19.7	255.9	35.8	2,204.2	142.5	7,212.4
Profit for the financial period	-	-	-	-	-	-	367.3	15.1	382.4
Other comprehensive (loss)/income for the financial period	-	-	(0.7)	-	247.9	-	-	-	247.2
Total comprehensive (loss)/income for the financial period	-	-	(0.7)	-	247.9	-	367.3	15.1	629.6
Transactions with owners:									
Final dividends paid for the financial year ended 31 December 2009	-	-	-	-	-	-	(346.4)	-	(346.4)
Dividends paid to minority interest	-	-	-	-	-	-	-	(17.7)	(17.7)
Employees' share option scheme (ESOS)									
- shares issued upon exercise of options	10.0	10.4	-	-	-	-	-	-	20.4
- transfer of reserve upon exercise of options	-	7.1	-	(7.1)	-	-	-	-	-
Total transactions with owners	10.0	17.5	-	(7.1)	-	-	(346.4)	(17.7)	(343.7)
At 30 June 2010	3,553.5	1,029.3	(1.7)	12.6	503.8	35.8	2,225.1	139.9	7,498.3

(The above unaudited consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the financial year ended 31 December 2010)

UNAUDITED CONSOLIDATED STATEMENT OF CASH FLOWS

	FINANCIAL PERIOD ENDED	
	30/6/2011	30/6/2010
	RM Million	RM Million
Receipts from customers	4,196.0	4,082.6
Payments to suppliers and employees	(3,108.7)	(2,970.2)
Payment of finance cost	(151.9)	(183.4)
Refund of income taxes (net)	3.3	29.0
Payment of zakat	(2.0)	(4.0)
CASH FLOWS FROM OPERATING ACTIVITIES	936.7	954.0
Contribution for purchase of property, plant and equipment	415.4	393.0
Disposal of property, plant and equipment	2.7	15.2
Purchase of property, plant and equipment	(1,160.7)	(1,016.7)
Disposal of available-for-sale investments	134.5	124.3
Purchase of available-for-sale investments	(167.1)	(119.2)
Disposal of financial assets at fair value through profit or loss	0.8	57.0
Purchase of financial assets at fair value through profit or loss	-	(11.0)
Repayments of loans by employees	10.5	17.6
Loans to employees	(7.4)	(12.6)
Disposal of housing loan	7.4	10.2
Interests received	66.7	53.6
Dividends received	13.3	2.9
CASH FLOWS USED IN INVESTING ACTIVITIES	(683.9)	(485.7)
Issue of share capital	34.8	20.4
Redemption of Redeemable Preference Shares	(1,037.4)	-
Proceeds from borrowings	470.0	-
Repayments of borrowings	(162.0)	(12.2)
Repayments of finance lease	(1.7)	(1.6)
Dividends paid to shareholders	(351.5)	(346.4)
Dividends paid to minority interests	(29.7)	(17.7)
CASH FLOWS USED IN FINANCING ACTIVITIES	(1,077.5)	(357.5)
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	(824.7)	110.8
EFFECT OF EXCHANGE RATE CHANGES	1.8	0.7
CASH AND CASH EQUIVALENTS WITHIN ASSETS OF DISPOSAL GROUP HELD FOR SALE	(8.2)	-
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL PERIOD	3,488.0	3,490.2
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL PERIOD	2,656.9	3,601.7

(The above unaudited consolidated statement of cash flows should be read in conjunction with the audited financial statements for the financial year ended 31 December 2010)

TELEKOM MALAYSIA BERHAD (128740-P)
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PART A: EXPLANATORY NOTES PURSUANT TO FINANCIAL REPORTING STANDARDS 134

1. Basis of Preparation

- (a) The unaudited interim financial statements for the 2nd quarter ended 30 June 2011 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 Bursa Malaysia Securities Berhad Main Market Listing Requirements, and should be read in conjunction with the Group’s audited financial statements for the financial year ended 31 December 2010. The accounting policies, method of computation and basis of consolidation applied in the unaudited interim financial statements are consistent with those used in the preparation of the 2010 audited financial statements except for the changes arising from the adoption of the new and revised FRSs issued by the Malaysian Accounting Standards Board (MASB) that are effective for the Group’s financial year beginning on 1 January 2011.

(I) New and revised standards, amendments to published standards and IC Interpretations issued by the MASB that are effective for the Group’s financial year beginning on 1 January 2011

The new and revised standards, amendments to published standards and IC Interpretations that have been issued by the MASB that are effective for the Group’s financial year beginning on 1 January 2011, being considered in this announcement are as follows:

		Effective date
Amendment to FRS 132	Financial Instruments: Presentation on Classification of Rights Issues	1 March 2010
FRS 3 (revised)	Business Combinations	1 July 2010
FRS 127 (revised)	Consolidated and Separate Financial Statements	1 July 2010
IC Interpretation 16	Hedges of a Net Investment in a Foreign Operation	1 July 2010
IC Interpretation 17	Distribution of Non-cash Assets to Owners	1 July 2010
Amendment to FRS 2	Share-based Payment: Group Cash-settled Share-based Payment Transactions	1 January 2011
Amendments to FRS 7	Financial Instruments: Disclosures and FRS 1 First-time Adoption of Financial Reporting Standards	1 January 2011
IC Interpretation 4	Determining Whether an Arrangement contains a Lease	1 January 2011
IC Interpretation 18	Transfers of Assets from Customers	1 January 2011

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1. Basis of Preparation (continued)

(I) New and revised standards, amendments to published standards and IC Interpretations issued by the MASB that are effective for the Group's financial year beginning on 1 January 2011 (continued)

The following amendments are part of the MASB's improvement projects:

		Effective date
FRS 2	Share-based Payment	1 July 2010
FRS 5	Non-current Assets Held for Sale and Discontinued Operations	1 July 2010
FRS 138	Intangible Assets	1 July 2010
IC Interpretation 9	Reassessment of Embedded Derivatives	1 July 2010
FRS 3	Business Combinations	1 January 2011
FRS 7	Financial Instruments: Disclosures	1 January 2011
FRS 101	Presentation of Financial Statements	1 January 2011
FRS 121	The Effects of Changes in Foreign Exchange Rates	1 January 2011
FRS 128	Investments in Associates	1 January 2011
FRS 132	Financial Instruments: Presentation	1 January 2011
FRS 134	Interim Financial Reporting	1 January 2011
FRS 139	Financial Instruments: Recognition and Measurement	1 January 2011
IC Interpretation 13	Customer Loyalty Programmes	1 January 2011

The adoption of the revised FRS 3 and FRS 127 will potentially have impact on the Group as these standards will change the accounting for business combinations. As these standards are applied prospectively, the impact to the financial results will arise from future acquisitions. The revised FRS 127 requires the effects of all transactions with non-controlling interests to be recorded in equity if there is no change in control and these transactions will no longer result in goodwill or gains and losses. All earnings and losses of the subsidiary are attributed to the parent and the non-controlling interest, even if the attribution of losses to the non-controlling interest results in a debit balance in the shareholders' equity. Profit or loss attribution to non-controlling interests for prior years is not restated. The standard also specifies the accounting when control is lost. Any remaining interest in the entity is remeasured to fair value, and a gain or loss is recognised in the Income Statement.

The revised FRS 3 continues to apply the acquisition method to business combinations, with some significant changes. For example, all payments to purchase a business are to be recorded at fair value at the acquisition date, with contingent payments classified as debt subsequently remeasured through the Income Statement. There is a choice on an acquisition-by-acquisition basis to measure the non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's net assets. All acquisition-related costs should be expensed.

PART A: EXPLANATORY NOTES PURSUANT TO FINANCIAL REPORTING STANDARDS 134

1. Basis of Preparation (continued)

(I) New and revised standards, amendments to published standards and IC Interpretations issued by the MASB that are effective for the Group's financial year beginning on 1 January 2011 (continued)

IC Interpretation 18 "Transfers of Assets from Customers" provides guidance where an entity receives from a customer an item of property, plant and equipment (or cash to acquire such an asset) that the entity must then use to connect the customer to a network or to provide the customer with services. Where the transferred item meets the definition of an asset, the asset is recognised as an item of property, plant and equipment at its fair value. Revenue is recognised for each separate service performed in accordance with the recognition criteria of FRS 118 "Revenue". The Group has transactions where an item of property, plant and equipment is received from customer, which the Group then uses to connect the customer to a network or to provide the customer with services. The adoption of IC Interpretation 18 does not have material impact to the Group.

The adoption of the Amendment to FRS 7 which requires enhanced disclosures about fair value measurement and liquidity risk, in particular, the disclosure of fair value measurements by the three-level fair value hierarchy, does not impact the financial results of the Group as the enhancement introduced is on disclosure.

The adoption of the other standards, amendments to published standards and IC Interpretations do not have any material effect to the Group or the Group's significant accounting policies.

(II) Standard that is not yet effective and has not been early adopted

The revised standard that is applicable to the Group, which the Group has not early adopted, is as follows:

		Effective date
FRS 124 (revised)	Related Party Disclosure	1 January 2012

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PART A: EXPLANATORY NOTES PURSUANT TO FINANCIAL REPORTING STANDARDS 134

1. Basis of Preparation (continued)

(b) Reclassification of Comparatives

During the 4th quarter 2010, the Group reclassified fair value changes on forward foreign exchange contracts from other gains/(losses) (net) to net finance cost to better reflect the effective cost of borrowings. The impact of this reclassification is as follows:

	2nd Quarter Ended 30/6/2010			Financial Period Ended 30/6/2010		
	As previously reported RM Million	Reclassifi- cation RM Million	As restated RM Million	As previously reported RM Million	Reclassifi- cation RM Million	As restated RM Million
Other gains/(losses) (net)	3.7	(4.9)	(1.2)	(1.0)	4.2	3.2
Foreign exchange gain on borrowings	18.1	4.9	23.0	184.7	(4.2)	180.5
Net finance (cost)/income	(45.5)	4.9	(40.6)	48.8	(4.2)	44.6

2. Seasonal or Cyclical Factors

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

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

There were no unusual items affecting assets, liabilities, equity, net income or cash flows due to their nature, size or incidence for the financial period ended 30 June 2011 other than as mentioned elsewhere in the unaudited interim financial statements.

4. Material Changes in Estimates

There was no material changes in estimates reported in the prior interim period or prior financial year.

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PART A: EXPLANATORY NOTES PURSUANT TO FINANCIAL REPORTING STANDARDS 134

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

- (a) The issued and paid-up capital of the Company increased by 9.3 million ordinary shares from 3,568.1 million to 3,577.4 million ordinary shares of RM1.00 each following the disposal of 9.3 million ordinary shares of the Company attributed to lapsed options by TM ESOS Management Sdn Bhd.

As per the By-laws of the Special ESOS scheme, the excess unallocated shares and shares attributable to lapsed options will be sold to the open market upon the expiration of the Special ESOS on 16 September 2010. The features of the Special ESOS are as disclosed in note 15 to the audited financial statements for the financial year ended 31 December 2010.

- (b) On 25 February 2011, the Company had announced a proposal to carry out a cash capital distribution (Capital Distribution) to shareholders of approximately RM1,037.4 million. The proposal was approved by shareholders at an Extraordinary General Meeting on 10 May 2011.

On 7 June 2011, the Company had implemented a bonus issue of 3,577.4 million Redeemable Preference Shares (RPS) of RM0.01 each to eligible shareholders, on the basis of 1 RPS for each ordinary share of RM1.00 each held. The bonus issue was issued at a par value of RM0.01 for each RPS by way of capitalisation of the Company's share premium account.

As this bonus issue was intended to facilitate the Capital Distribution, the Company has redeemed the RPS at a redemption price of RM0.29 for each RPS settled by way of a cash payment of RM1,037.4 million. The premium on redemption of RM0.28 for each RPS or RM1,001.6 million was redeemed out of the Company's share premium account. Concurrently, the redemption of the par value of the RPS resulted in the creation of a capital redemption reserve of RM35.8 million. The payment was made on 15 June 2011.

- (c) On 5 April 2011, the Company received approval from the Securities Commission for the establishment of Islamic Commercial Paper (ICP) programme and an Islamic Medium Term Notes (IMTN) programme with a combined limit of up to RM2.0 billion in nominal value, which has respective tenures of 7 and 15 years from the date of first issuance. The proceeds from the issuance of ICP and/or IMTN will be used by the Company to meet its capital expenditure requirement.

On 25 April 2011, the Company issued RM150.0 million nominal value ICPs at 3.15% per annum maturing 27 June 2011.

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

- (c) On 27 June 2011, the Company issued RM300.0 million nominal value IMTN and repaid the ICP of RM150.0 million. The IMTN will mature on 25 June 2021.

Save for the above, there were no other issuance, 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 period ended 30 June 2011.

6. Dividends Paid

A final gross dividend of 13.1 sen per share less tax at 25% amounting to RM351.5 million in respect of financial year ended 31 December 2010 was paid on 15 June 2011.

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PART A: EXPLANATORY NOTES PURSUANT TO FINANCIAL REPORTING STANDARDS 134

7. Segmental Information

Segmental information for the Group are as follows:

By Business Segment

All amounts are in RM Million

	Retail Business				Total Retail Business	Wholesale Business	Global Business	Shared Services /Others	Total
	Consumer	SME	Enterprise	Government					
30 June 2011									
Operating Revenue									
Total operating revenue	1,208.4	908.1	924.1	655.4	3,696.0	520.0	473.7	2,337.4	7,027.1
Inter-segment @	(17.5)	(0.9)	(199.7)	-	(218.1)	(142.2)	(99.5)	(2,185.5)	(2,645.3)
External operating revenue	1,190.9	907.2	724.4	655.4	3,477.9	377.8	374.2	151.9	4,381.8
Results									
Segment result	22.0	155.7	157.3	167.7	502.7	70.5	24.9	(52.6)	545.5
Unallocated income/other gains #									15.8
Unallocated costs ^									(92.2)
Operating profit before finance cost									469.1
Finance income									66.4
Finance cost									(150.1)
Foreign exchange gain on borrowings									49.5
Associates									
- share of results (net of tax)									(0.5)
Profit before taxation and zakat									434.4
Taxation and zakat									(122.7)
Profit for the financial period									311.7

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PART A: EXPLANATORY NOTES PURSUANT TO FINANCIAL REPORTING STANDARDS 134

7. Segmental Information (continued)

All amounts are in RM Million

	Retail Business				Total Retail Business	Wholesale Business	Global Business	Shared Services /Others	Total
	Consumer	SME	Enterprise	Government					
30 June 2010									
Operating Revenue									
Total operating revenue	1,134.5	876.2	891.7	617.0	3,519.4	559.6	537.2	2,124.1	6,740.3
Inter-segment @	(16.9)	-	(173.5)	-	(190.4)	(182.3)	(119.8)	(1,972.0)	(2,464.5)
External operating revenue	1,117.6	876.2	718.2	617.0	3,329.0	377.3	417.4	152.1	4,275.8
Results									
Segment result	35.0	141.5	170.9	121.8	469.2	91.4	90.7	(81.4)	569.9
Unallocated income/other gains #									8.0
Unallocated costs ^									(102.8)
Operating profit before finance cost									475.1
Finance income									50.7
Finance cost									(186.6)
Foreign exchange gain on borrowings									180.5
Associates									
- share of results (net of tax)									(0.2)
Profit before taxation and zakat									519.5
Taxation and zakat									(137.1)
Profit for the financial period									382.4

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PART A: EXPLANATORY NOTES PURSUANT TO FINANCIAL REPORTING STANDARDS 134

7. Segmental Information (continued)

All amounts are in RM Million

	Retail Business				Total Retail Business	Wholesale Business	Global Business	Shared Services /Others	Total
	Consumer	SME	Enterprise	Government					
Segment assets									
As at 30 June 2011									
Segment assets	526.7	207.8	888.3	727.9	2,350.7	588.4	503.6	12,824.6	16,267.3
Associates									-
Unallocated assets *									3,562.7
Total									<u>19,830.0</u>
As at 31 December 2010 (Audited)									
Segment assets	502.2	213.5	901.2	864.9	2,481.8	667.8	596.1	12,506.5	16,252.2
Associates									0.5
Unallocated assets *									4,527.3
Total									<u>20,780.0</u>

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7. Segmental Information (continued)

- @ Inter-segment operating revenue relates to inter-division recharge and inter-company revenue and has been eliminated at the respective segment operating revenue. The inter-division recharge was agreed between the relevant lines of business. These inter-segment trading arrangements are subject to periodic review. The inter-company revenue was entered into in the normal course of business.
- # Unallocated income/other gains comprises other operating income such as dividend income and other gains such as gain on disposal of available-for-sale investments which has not been allocated to a particular business segment.
- ^ Unallocated costs represent expenses incurred by corporate divisions such as Group Human Capital, Group Finance, Company Secretary, Group Procurement and special purpose entities and foreign exchange differences arising from translation of foreign currency placements which were not allocated to a particular business segment.
- * Unallocated assets mainly include available-for-sale investments, available-for-sale receivables, other non-current receivables, financial assets at fair value through profit or loss, deferred tax assets as well as cash and bank balances of the Company and property, plant and equipment of the Company's corporate divisions and office buildings.

The prior year comparatives for financial period ended 30 June 2010 have been restated to conform to current business structure which was realigned in 3rd quarter 2010.

8. Valuation of Property, Plant and Equipment

There is 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/ Financial Period

On 26 July 2011, a bookbuilding exercise of 92,362,000 Axiata shares, being the remaining unexercised share options and excess unallocated shares held by TM ESOS Management Sdn Bhd (TEMSB), has been completed. The shares have been placed to successful third-party foreign institutional investors at a price of RM5.07 per Axiata share and raised gross proceeds of RM468.3 million. The balance Axiata shares held by TEMSB after the placement is 807 shares that may be disposed via open market disposals. The disposal resulted in a gain of approximately RM257.9 million.

Except as disclosed above, there is no other material event subsequent to the reporting date that requires disclosure or adjustments to the unaudited interim financial statements.

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10. Effects of Changes in the Composition of the Group

There is no change in the composition of the Group for the 2nd quarter and financial period ended 30 June 2011.

11. Changes in Contingent Liabilities Since the Last Annual Reporting Period

Other than material litigations disclosed in part B, note 12 of this announcement, there are no other material changes in contingent liabilities since the latest audited financial statements of the Group for the financial year ended 31 December 2010.

12. Commitments

Capital Commitments

	Group	
	30/6/2011	31/12/2010
	RM Million	RM Million
		(Audited)
Property, plant and equipment:		
Commitments in respect of expenditure approved and contracted for	3,652.1	4,499.5
Commitments in respect of expenditure approved but not contracted for	4,641.8	4,752.4

The above includes expenditure in relation to High Speed Broadband (HSBB) project. The project involves the deployment of access, domestic core and international networks to deliver an end-to-end HSBB infrastructure covering 1.3 million premises nationwide by 2012.

13. Disposal Group Held for Sale

On 3 June 2011, Telekom Malaysia Berhad (TM) announced that its wholly owned subsidiary, Telekom Multi-Media Sdn Bhd (TMM) had entered into a Sale of Shares Agreement (the SSA) with Digital Technologies Sdn Bhd (DTech) for the disposal of TMM's entire 51% equity interest comprising 7,650,000 ordinary shares of RM 1.00 each (Sale Shares) held in Telekom Smart School Sdn Bhd (TSS) for a total consideration of RM5.5 million (the Purchase Price) subject to the terms and conditions of the SSA (hereinafter referred to as the Disposal).

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13. Disposal Group Held for Sale (continued)

The Purchase Price payable by the Purchaser to TMM shall be satisfied by cash in the following manner:

- (a) upon execution of the SSA, DTech shall pay to TMM in cash ten per cent (10%) of the Purchase Price as deposit and part payment of the Purchase Price; and
- (b) the balance of the Purchase Price shall be paid by DTech to TMM in cash not later than thirty (30) days from the date of the SSA (Completion Period). If DTech fails to pay the balance of the Purchase Price (or any part thereof) on or before the expiry of the Completion Period, TMM shall grant an extension of fourteen (14) days or such longer period as TMM may at its own discretion grant for the settlement of the balance of the Purchase Price.

On 18 July 2011, TM announced that upon request from DTech, TMM has agreed to grant DTech further extension of 14 days until 1 August 2011. Subsequently on 1 August 2011, TMM has agreed to further extend the period for DTech to make settlement of the balance of the Purchase Price for the Sale Shares for another 25 days from 1 August 2011.

TMM will cease to have any interest in TSS upon completion.

The investment in TSS is classified as disposal group held for sale in accordance to FRS 5 “Non-current Assets Held for Sale and Discontinued Operations”. Assets and liabilities of TSS are analysed as follows:

	30/6/2011 RM Million
Current assets	
Trade and other receivables	1.2
Cash and bank balances	8.4
Non-current assets	
Property, plant and equipment	0.2
	9.8
Current liabilities	
Trade and other payables	0.4

TSS is reported within the Shared Services/Others segment.

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1. Review of Performance

(a) Quarter-on-Quarter

For the current quarter under review, the Group revenue increased by 3.8% to RM2,233.6 million as compared to RM2,150.9 million in the second quarter 2010, mainly attributed to higher revenue from Internet and multimedia, data services and other telecommunications related services, which mitigated the impact of lower revenue from voice and non-telecommunications related services.

Internet and multimedia services registered higher revenue by 21.1% to RM487.9 million in the current year quarter arising from increased broadband and UniFi customers to 1.72 million and 109,019 respectively in the current quarter from 1.54 million and 4,051 in the corresponding quarter 2010.

Data revenue increased by 7.1% in the second quarter 2011 to RM455.0 million as compared to RM424.9 million in the corresponding quarter 2010 arising from demand for higher bandwidth services.

Operating profit before finance cost of RM237.5 million increased by 14.5% from RM207.5 million recorded in the same quarter last year largely attributed to higher revenue and other operating income.

Group profit after tax and non-controlling interests (PATAMI) increased by 2.3% to RM127.2 million as compared to RM124.4 million in the corresponding quarter in 2010. This was attributed to higher revenue, lower net finance cost, net of higher tax charge.

(b) Year-on-Year

For the period under review, Group revenue increased by 2.5% to RM4,381.8 million as compared to RM4,275.8 million recorded in the corresponding period last year, mainly attributed to higher revenue from Internet and multimedia and data services.

Operating profit before finance cost of RM469.1 million was lower by 1.3% as compared to RM475.1 million recorded in the preceding year corresponding period mainly due to higher operating costs and depreciation charge, and lower other operating income.

Group PATAMI decreased by 20.9% to RM290.5 million as compared to RM367.3 million recorded in the corresponding period last year primarily due to higher operating costs and lower foreign exchange gain on translation of foreign currency borrowings. The Group recorded RM49.5 million foreign exchange gain on borrowings in current period as compared to RM180.5 million in the preceding year corresponding period.

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1. Review of Performance (continued)

(c) Economic Profit Statement

	2nd Quarter Ended		Financial Period Ended	
	30/6/2011 RM Million	30/6/2010 RM Million	30/6/2011 RM Million	30/6/2010 RM Million
EBIT	235.5	208.7	466.4	471.9
Adjusted Tax	58.9	52.2	116.6	118.0
NOPLAT	176.6	156.5	349.8	353.9
AIC	2,958.9	2,900.4	5,917.8	5,800.8
WACC	6.59%	6.28%	6.58%	6.26%
ECONOMIC CHARGE	195.0	182.1	389.4	363.1
ECONOMIC LOSS	(18.4)	(25.6)	(39.6)	(9.2)

Definitions:

EBIT = Earnings before Interest & Taxes

NOPLAT = Net Operating Profit less Adjusted Tax

AIC = Average Invested Capital

WACC = Weighted Average Cost of Capital

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

TM Group recorded Economic Loss (EL) of RM18.4 million in 2nd quarter 2011, a reduction of RM7.2 million from the same period last year of EL RM25.6 million. This was due to increase in EBIT by RM26.8 million (+12.8%) was greater than increase in economic charge by RM12.9 million (+7.1%).

The higher economic charge was due to the increase in WACC (+0.31 percentage point) due to lower debt following the repayment of USD260.3 million Global bonds on 6 December 2010. As the cost of debt is lower than cost of equity, reduction in debt has resulted in higher WACC. Whilst, the higher EBIT of RM26.8 million was mainly attributed to the increase in operational revenue and other income was higher than increase in operational cost.

On year to date basis, despite the increase in operating revenue, TM recorded EL of RM39.6 million, an increase of RM30.4 million from EL of RM9.2 million reported in the corresponding period last year. This was due to lower EBIT consequent from higher operating cost and lower other income. In addition, current year to date also recorded higher economic charge consequent from higher WACC (+0.32 percentage point) as compared to the same period last year.

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2. Comparison with Preceding Quarter's Results

The current quarter Group revenue increased by 4.0% to RM2,233.6 million as compared to RM2,148.2 million recorded in the first quarter 2011 primarily due to higher revenue from voice, data, Internet and multimedia.

Voice services registered higher revenue of RM21.8 million to RM945.9 million in current quarter from RM924.1 million recorded in preceding quarter mainly due to higher usage registered in current quarter.

Operating profit before finance cost increased by 2.5% to RM237.5 million as compared to RM231.6 million recorded in the preceding quarter mainly due to higher dividend received from quoted investments.

Group PATAMI decreased from RM163.3 million recorded in the preceding quarter to RM127.2 million in the current quarter mainly due to higher net finance cost and taxation charge.

3. Prospects for the Current Financial Year

The Malaysian economy growth slowed down to 4.0% in the 2nd quarter 2011, from a revised 4.9% in the 1st quarter 2011, due to weak external economic conditions, moderation in consumer and business spending, mitigated by a pick-up in exports, driven by exports to ASEAN countries, Japan and China, during the quarter. Bank Negara Malaysia maintained the 2011 growth forecast at 5% to 6% but will closely monitor given the global economic uncertainties. The growth forecast is underpinned by domestic demand, which is expected to remain resilient and support growth, amidst sustained private consumption, strong private investment and faster pace of implementation of public sector projects in the second half of the year.

TM sees itself working hand in hand with the Government in fulfilling the aspiration of Economic Transformation Programme (ETP) especially in the key areas of "Business Services" and "Communications Content and Infrastructure". In line with Entry Point Project (EPP) 10, TM continues to create and leave marks in the domain of domestic and regional connectivity via two international partnerships to develop high capacity submarine cables i.e. the Batam-Dumai-Malacca and Cahaya Malaysia submarine fiber optic projects. The Company has also entered into a collaboration agreement recently to offer Managed Telepresence Services and to build the first Telepresence exchange in Malaysia. Another initiative in-line with EPP 3 is concrete plans to expand our data centre footprint aimed at fulfilling the objective of positioning Malaysia as a world-class data centre hub.

On the ICT front, TM became the first Malaysian telco to venture into cloud computing in line with TM's roadmap towards becoming a prominent ICT player in Malaysia. Through its wholly-owned subsidiary, VADS, TM recently entered into a collaboration with MIMOS to develop an orchestration platform for VADS Cloud Computing services.

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3. Prospects for the Current Financial Year (continued)

Meanwhile, TM aspires to continue to be the National Broadband Champion, anchoring on Streamyx and UniFi as its key broadband products. Streamyx customers have increased to 1.72 million as at 30 June 2011, a net addition of more than 13,000 from the 1st quarter 2011. UniFi continues to strengthen its market leadership in High Speed Broadband with close to 110,000 customers as at 30 June 2011, an addition of more than 45,000 customers from 1st quarter 2011.

TM will continue its commitment to deliver the High Speed Broadband (HSBB) project based on Public Private Partnership (PPP) agreement signed with Government on 16 September 2008. As at 18 August 2011, we have successfully rolled out the services to more than 973,000 premises passed covering 76 exchange areas and expanded outside of the Klang Valley, with the latest launch in Melaka last month. By year end 2011, TM is expected to have a total of 78 exchange areas being served by UniFi with 1.1 million premises passed. TM is targeting to achieve 1.3 million premises passed covering 95 exchange areas by end 2012.

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

The Group has not provided any profit forecast or profit guarantee in any public document in respect of the financial period ended 30 June 2011.

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5. Taxation

The taxation charge for the Group comprises:

	2nd Quarter Ended		Financial Period Ended	
	30/6/2011	30/6/2010	30/6/2011	30/6/2010
	RM Million	RM Million	RM Million	RM Million
<u>Malaysia</u>				
Income Tax:				
Current year	(15.3)	14.3	32.7	40.4
Prior year	0.1	0.5	(4.5)	(2.1)
Deferred tax (net)	84.3	21.7	91.0	98.9
	69.1	36.5	119.2	137.2
<u>Overseas</u>				
Income Tax:				
Current year	0.6	0.4	1.0	1.3
Prior year	1.2	(0.1)	1.2	(0.1)
Deferred tax (net)	(0.8)	(0.3)	(0.8)	(0.3)
	1.0	-	1.4	0.9
Taxation	70.1	36.5	120.6	138.1
Zakat	-	(1.1)	2.1	(1.0)
Taxation and Zakat	70.1	35.4	122.7	137.1

The current quarter and financial period effective tax rate of the Group is higher than the statutory tax rate primarily due to expenses not allowed for deduction and losses of subsidiaries without group tax relief.

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

There is no other profit on sale of unquoted investments and/or properties other than in the ordinary course of the Group's business for the 2nd quarter and financial period ended 30 June 2011.

7. Purchase and Disposal of Quoted Securities

- (a) There is no purchase of quoted securities during the 2nd quarter and financial period ended 30 June 2011.

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7. Purchase and Disposal of Quoted Securities (continued)

- (b) Total disposals of quoted securities for the 2nd quarter and financial period ended 30 June 2011 are as follows:

	2nd Quarter RM Million	Period to Date RM Million
Total disposals	-	0.8
Total gain on disposal	-	#

Amount less than RM0.1 million.

- (c) Total investments in quoted securities as at 30 June 2011 are as follows:

	RM Million
At cost	268.5
At book value	530.7
At market value	530.7

8. Status of Corporate Proposals

There is no corporate proposal announced and not completed as at the latest practicable date.

9. Group Borrowings and Debt Securities

- (a) Analysis of the Group's borrowings and debt securities are as follows:

	30 June 2011		31 December 2010 (Audited)	
	Short Term Borrowings RM Million	Long Term Borrowings RM Million	Short Term Borrowings RM Million	Long Term Borrowings RM Million
Total Unsecured	36.2	5,754.5	26.0	5,506.0

- (b) Foreign currency borrowings and debt securities are as follows:

	30 June 2011	31 December 2010 (Audited)
Foreign Currency	RM Million	RM Million
US Dollar	2,308.1	2,356.9
Canadian Dollars	3.8	3.9
Total	2,311.9	2,360.8

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10. Derivative Financial Instruments

(a) Analysis of the Group's Derivative Financial Instruments is as follows:

Derivatives (by maturity)	Contract or notional amount RM Million	Fair Value as at 30 June 2011		Fair Value as at 31 December 2010 (Audited)	
		Assets RM Million	Liabilities RM Million	Assets RM Million	Liabilities RM Million
1. <u>Forward Foreign Currency Contracts</u> - More than 3 years	344.3	-	(22.2)	-	(22.8)
	344.3	-	(22.2)	-	(22.8)
2. <u>Interest Rate Swaps</u> - 1 year to 3 years	1,500.0	-	(9.8)	-	(5.2)
- More than 3 years	500.0	4.7	-	3.6	-
	2,000.0	4.7	(9.8)	3.6	(5.2)
Total	2,344.3	4.7	(32.0)	3.6	(28.0)

(b) Financial Risk Management Objectives and Policies

There have been no changes since the end of the previous financial year in respect of the following:

- (i) The types of derivative financial contracts entered into and the rationale for entering into such contracts, as well as the expected benefits accruing from these contracts; and
- (ii) The risk management policies in place for mitigating and controlling the risks associated with these derivative financial instrument contracts.

The details on the above, the valuation and the financial effects of derivative financial instruments that the Group has entered into are discussed in note 4, 18 and 21 to the audited financial statements for the financial year ended 31 December 2010.

(c) Related Accounting Policies

The related accounting policies of the Group in respect of derivative financial instruments and hedge accounting are disclosed in note 2 to the audited financial statements for the financial year ended 31 December 2010.

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10. Derivative Financial Instruments (continued)

(d) Gains/(Losses) Arising from Fair Value Changes of Financial Liabilities

The amount of gains/(losses) for the Group arising from fair value changes of financial liabilities that are carried at fair value through profit or loss (FVTPL) for the current and cumulative quarters ended on 30 June 2011 are as follows:

Derivatives (by Maturity)	Contract or Notional Value RM Million	Fair Value RM Million	Gains/(losses) arising from fair value changes for the	
			2nd Quarter RM Million	Period to Date RM Million
Hedging Instruments				
1. <u>Forward Foreign Currency Contracts</u> - More than 3 years	344.3	(22.2)	5.8	0.6
2. <u>Interest Rate Swaps</u> - 1 year to 3 years	1,500.0	(9.8)	1.4	(4.6)
Total	1,844.3	(32.0)	7.2	(4.0)

11. Realised and Unrealised Profits

The breakdown of retained profits of the Group as at the reporting date, into realised and unrealised profits is as follows:

	Group	
	30/6/2011	31/12/2010
	RM Million	RM Million
		(Audited)
Retained profits		
- realised	1,921.9	2,008.9
- unrealised - in respect of deferred tax recognised in the income statement	(1,675.5)	(1,577.5)
- in respect of other items of income and expense	472.5	384.1
Share of accumulated losses from associates		
- realised	(1.5)	(1.0)
	717.4	814.5
Add: consolidation adjustments	1,905.2	1,904.9
Total Retained Profits	2,622.6	2,719.4

The determination of realised and unrealised profits is based on the Guidance of Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, issued by the Malaysian Institute of Accountants on 20 December 2010.

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12. Material Litigation

I. With reference to the following material litigation cases as disclosed under Contingent Liabilities in note 46 to the audited financial statements of the Group for the financial year ended 31 December 2010, listed below are updates of the relevant cases since the date of the last audited financial statements:

(a) Pengurusan Danaharta Nasional Berhad & 2 Others vs TSDTR (By Original Claim), TSDTR vs Celcom, TRI & 22 Others (By Counterclaim)

On 4 December 2009, TSDTR has appealed to the Court of Appeal against both the decisions of the High Court Judge dated 12 November 2009. On 11 August 2011, the Federal Court fixed 29 September 2011 for Case Management of both the appeals pending the outcome of a global settlement between all parties to the legal suit. As of to date, TM has not received any proposal for settlement from TSDTR, and is not engaged in any negotiation with TSDTR in regard to an out of court settlement of the legal suit.

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

(b) Mohd Shuaib Ishak (MSI) vs TM, TESB, Celcom and 11 Others

On 11 August 2011, the Federal Court has fixed 29 September 2011 for Case Management of the legal suit pending the outcome of a global settlement between all parties to the legal suit. As of to date, TM has not received any proposal for settlement from MSI, and is not engaged in any negotiation with MSI in regard to an out of court settlement of the legal suit.

The Directors, based on legal advice, are of the view that TM and TESB have a good chance of success in defending the legal suit.

(c) Network Guidance (M) Sdn Bhd (NGSB) vs TM and TM Net Sdn Bhd (TM Net)

On 30 June 2011, the High Court has postponed the trial dates of the legal suit to 20 and 21 October 2011.

The Directors, based on legal advice, are of the view that TM has a good defence to NGSB's claim.

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12. Material Litigation (continued)

(d) AINB Tech (M) Sdn Bhd vs TM

On 30 June 2011, the High Court has dismissed the AINB Tech (M) Sdn Bhd's entire legal suit against TM with costs.

On 29 July 2011, AINB filed an appeal against the above stated decision of the High Court. The appeal is fixed for Case Management on 23 August 2011.

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

(e) Acres & Hectares Sdn Bhd (AHSB) vs TM

Based on the Company's record, AHSB had instituted a similar legal suit at the Kuala Lumpur High Court under Civil Suit No. S2- 22-452-2005 against the Company on 22 April 2005 and the said legal suit was dismissed by the High Court on 16 September 2009 with cost.

On 15 April 2011, the High Court has struck out the legal suit with cost. AHSB did not file any appeal against the High Court's decision within the period allowed under the law.

The Directors, based on legal advice, are of the view that the legal suit has ended.

Apart from the above, the Directors are not aware of any other proceedings pending against the Company and/or its subsidiaries or of any facts likely to give rise to any proceedings which might materially affect the position or business of the Company and/or its subsidiaries.

13. Earnings Per Share (EPS)

	2nd Quarter Ended		Financial Period Ended	
	30/6/2011	30/6/2010	30/6/2011	30/6/2010
(a) Basic earnings per share				
Profit attributable to equity holders of the Company (RM million)	127.2	124.4	290.5	367.3
Weighted average number of ordinary shares (million)	3,577.4	3,551.8	3,575.6	3,548.8
Basic earnings per share (sen) attributable to equity holders of the Company	3.6	3.5	8.1	10.4

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13. Earnings Per Share (EPS) (continued)

Basic earnings per share was calculated by dividing the net profit attributable to equity holders of the Company by the weighted average number of issued and paid-up ordinary shares during the financial period.

	2nd Quarter Ended		Financial Period Ended	
	30/6/2011	30/6/2010	30/6/2011	30/6/2010
(b) Diluted earnings per share				
Profit attributable to equity holders of the Company (RM million)	127.2	124.4	290.5	367.3
Weighted average number of ordinary shares (million)	3,577.4	3,551.8	3,575.6	3,548.8
Adjustment for dilutive effect of Special ESOS (million)	-	7.3	-	8.2
Weighted average number of ordinary shares (million)	3,577.4	3,559.1	3,575.6	3,577.0
Diluted earnings per share (sen) attributable to equity holders of the Company	3.6	3.5	8.1	10.3

Diluted earnings per share for the preceding financial period was calculated by dividing the net profit attributable to equity holders of the Company by the weighted average number of issued and paid-up ordinary shares adjusted for conversion of all dilutive potential ordinary shares from share options granted to employees under the Special ESOS, which had expired on 16 September 2010.

There is no dilutive potential ordinary share as at 30 June 2011. Thus, diluted earnings per share is equal to basic earnings per share.

14. Qualification of Preceding Audited Financial Statements

The audited financial statements for the financial year ended 31 December 2010 were not subject to any qualification.

15. Dividends

The Board of Directors has declared an interim single tier dividend of 9.8 sen per share for the financial year ending 31 December 2011 (2010: an interim gross dividend of 13.0 sen per share less tax at 25%). The dividend will be paid on 23 September 2011 to shareholders whose names appear in the Register of Members and Record of Depositors on 12 September 2011.

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

By Order of the Board

Idrus Ismail (LS0008400)
Zaiton Ahmad (MAICSA 7011681)
Hamizah Abidin (LS0007096)

Secretaries

Kuala Lumpur
24 August 2011