TM INTERNATIONAL BERHAD (242188-H)

PROSPECTUS

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TMI

TM INTERNATIONAL BERHAD

(Company No.: 242188-H)
(Incorporated in Malaysia under the Companies Act, 1965)

LISTING OF TM INTERNATIONAL BERHAD ON THE MAIN BOARD OF BURSA MALAYSIA SECURITIES BERHAD

Principal Adviser

CIMB

CIMB Investment Bank Berhad (18417-M)
(A Participating Organisation of Bursa Malaysia Securities Berhad)

Joint Financial Advisers

CIMB

CIMB Investment Bank Berhad (18417-M)
(A Participating Organisation of Bursa Malaysia Securities Berhad)

UBS

UBS Securities Malaysia Sdn Bhd (253825-X)
(A Participating Organisation of Bursa Malaysia Securities Berhad)

FOR INFORMATION CONCERNING CERTAIN RISK FACTORS WHICH YOU SHOULD CONSIDER, SEE "RISK FACTORS" COMMENCING ON PAGE 19 OF THIS DOCUMENT.

THIS DOCUMENT IS ISSUED FOR INFORMATION PURPOSES ONLY. NO ISSUE OF, OFFER FOR SUBSCRIPTION OR PURCHASE OF, OR INVITATION TO SUBSCRIBE FOR OR PURCHASE SECURITIES IS OR WILL BE MADE ON THE BASIS OF THIS DOCUMENT.

This document is dated 25 April 2008

OUR DIRECTORS HAVE SEEN AND APPROVED THIS DOCUMENT AND THEY COLLECTIVELY AND INDIVIDUALLY ACCEPT FULL RESPONSIBILITY FOR THE ACCURACY OF THE INFORMATION CONTAINED IN THIS DOCUMENT. THEY CONFIRM THAT, AFTER HAVING MADE ALL REASONABLE ENQUIRIES, AND TO THE BEST OF THEIR KNOWLEDGE AND BELIEF, THERE ARE NO FALSE OR MISLEADING STATEMENTS OR OTHER FACTS, THE OMISSION OF WHICH WOULD MAKE ANY STATEMENT IN THIS DOCUMENT FALSE OR MISLEADING.

THE DIRECTORS OF TELEKOM MALAYSIA BERHAD ("TM") HAVE SEEN AND APPROVED THIS DOCUMENT AND THEY COLLECTIVELY AND INDIVIDUALLY ACCEPT FULL RESPONSIBILITY FOR THE ACCURACY OF THE INFORMATION CONTAINED IN THIS DOCUMENT, SAVE AND EXCEPT FOR INFORMATION WITH RESPECT TO THE DIRECTORS OF TM INTERNATIONAL BERHAD ("TMI" OR "OUR COMPANY"), COMPETITIVE STRENGTHS, FUTURE PLANS AND STRATEGIES, DIVIDEND POLICY AND PROSPECTS OF OUR GROUP (AS HEREIN DEFINED), AS WELL AS ANY FORWARD LOOKING STATEMENTS RELATING TO OUR GROUP'S BUSINESS AND THE INDUSTRY AND MARKETS IN WHICH OUR GROUP OPERATES, WHICH ARE THE RESPONSIBILITY OF THE DIRECTORS OF OUR COMPANY. THE DIRECTORS OF TM CONFIRM THAT, AFTER HAVING MADE ALL REASONABLE ENQUIRIES, AND TO THE BEST OF THEIR KNOWLEDGE AND BELIEF, THERE ARE NO FALSE OR MISLEADING STATEMENTS OR OTHER FACTS, THE OMISSION OF WHICH WOULD MAKE ANY STATEMENT IN THIS DOCUMENT FALSE OR MISLEADING, SAVE AND EXCEPT FOR INFORMATION WITH RESPECT TO THE DIRECTORS OF OUR COMPANY, COMPETITIVE STRENGTHS, FUTURE PLANS AND STRATEGIES, DIVIDEND POLICY AND PROSPECTS OF OUR GROUP, AS WELL AS ANY FORWARD LOOKING STATEMENTS RELATING TO OUR GROUP'S BUSINESS AND THE INDUSTRY AND MARKETS IN WHICH OUR GROUP OPERATES.

CIMB INVESTMENT BANK BERHAD ("CIMB"), BEING THE PRINCIPAL ADVISER, ACKNOWLEDGES THAT, BASED ON ALL AVAILABLE INFORMATION, AND TO THE BEST OF ITS KNOWLEDGE AND BELIEF, THIS DOCUMENT CONSTITUTES A FULL AND TRUE DISCLOSURE OF ALL MATERIAL FACTS CONCERNING THE LISTING OF OUR COMPANY ON BURSA MALAYSIA SECURITIES BERHAD ("BURSA SECURITIES") ("LISTING").

THE SECURITIES COMMISSION ("SC") HAS APPROVED THE LISTING. HOWEVER, THIS IS NOT AN INDICATION THAT THE SC RECOMMENDS THE LISTING. THE SC SHALL NOT BE LIABLE FOR ANY NON-DISCLOSURE IN THIS DOCUMENT BY US. THE SC TAKES NO RESPONSIBILITY FOR THE CONTENTS OF THIS DOCUMENT AND DOES NOT REPRESENT THAT THIS DOCUMENT IS ACCURATE OR COMPLETE. THE SC SHALL NOT BE LIABLE FOR ANY LOSS THAT YOU MAY SUFFER AS A RESULT OF YOUR RELIANCE ON THE WHOLE OR ANY PART OF THE CONTENTS OF THIS DOCUMENT. **YOU SHOULD RELY ON YOUR OWN EVALUATION TO ASSESS THE MERITS AND RISKS OF THE LISTING AND AN INVESTMENT IN US. IF YOU ARE IN ANY DOUBT AS TO THE ACTION TO BE TAKEN, YOU SHOULD CONSULT YOUR STOCKBROKER, BANK MANAGER, SOLICITOR, ACCOUNTANT OR OTHER PROFESSIONAL ADVISER IMMEDIATELY.**

BURSA SECURITIES HAS ALSO GRANTED ITS APPROVAL-IN-PRINCIPLE FOR THE LISTING OF OUR SHARES ON THE MAIN BOARD OF BURSA SECURITIES. YOU SHOULD NOT TAKE OUR ADMISSION TO THE OFFICIAL LIST OF BURSA SECURITIES AS AN INDICATION OF OUR MERITS, THE MERITS OF OUR SHARES OR THE LISTING.

A COPY OF THIS DOCUMENT HAS BEEN REGISTERED WITH THE SC. A COPY OF THIS DOCUMENT HAS ALSO BEEN LODGED WITH THE REGISTRAR OF COMPANIES WHO TAKES NO RESPONSIBILITY FOR THE CONTENTS OF THIS DOCUMENT.

THE SHARIAH ADVISORY COUNCIL OF THE SC ("SAC") HAS CLASSIFIED OUR SHARES AS SHARIAH-COMPLIANT BASED ON THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF OUR COMPANY AND CELCOM (MALAYSIA) BERHAD FOR THE FINANCIAL YEAR ENDED DECEMBER 31, 2006 AND THE SHARIAH CRITERIA ADOPTED BY THE SAC. THIS CLASSIFICATION REMAINS VALID UNTIL THE NEXT SHARIAH COMPLIANCE REVIEW IS UNDERTAKEN BY THE SAC AND THE SHARIAH COMPLIANT STATUS OF OUR SHARES WILL BE RELEASED IN THE UPDATED LIST OF SHARIAH-COMPLIANT SECURITIES ON THE LAST FRIDAY OF THE MONTH OF MAY OR NOVEMBER OF EACH YEAR.

THE DISTRIBUTION OF THIS DOCUMENT AND THE LISTING ARE SUBJECT TO MALAYSIAN LAWS. WE AND OUR ADVISERS ARE NOT RESPONSIBLE FOR THE DISTRIBUTION OF THIS DOCUMENT OUTSIDE MALAYSIA. WE AND OUR ADVISERS HAVE NOT TAKEN ANY ACTION TO PERMIT AN OFFERING OF OUR SHARES BASED ON THIS DOCUMENT OR THE DISTRIBUTION OF THIS DOCUMENT OUTSIDE MALAYSIA. THIS DOCUMENT MAY NOT BE USED FOR AN OFFER TO SELL OR AN INVITATION TO BUY OUR SHARES IN ANY JURISDICTION OR IN ANY CIRCUMSTANCE. THIS DOCUMENT SHALL ALSO NOT BE USED TO MAKE AN OFFER TO SELL OR AN INVITATION TO BUY OUR SHARES TO ANY PERSON. WE AND OUR ADVISERS REQUIRE YOU TO INFORM YOURSELF OF AND TO OBSERVE SUCH RESTRICTIONS.

THIS DOCUMENT IS PREPARED AND PUBLISHED SOLELY FOR THE LISTING UNDER THE LAWS OF MALAYSIA. WE AND OUR ADVISERS HAVE NOT AUTHORISED ANYONE TO PROVIDE YOU WITH INFORMATION WHICH IS NOT CONTAINED IN THIS DOCUMENT.

ALL TERMS USED ARE DEFINED UNDER "PRESENTATION OF FINANCIAL AND OTHER INFORMATION", "DEFINITIONS" AND "ANNEX A - GLOSSARY OF TECHNICAL TERMS" AS SET OUT IN THIS DOCUMENT.

TIMELINE

We set out below the timeline of key events leading to the listing of our Company on the Main Board of Bursa Securities:

Events	**Date**
Announcement of the Entitlement Date	April 11, 2008
Entitlement Date	April 25, 2008
Listing of our Shares	April 28, 2008

As a result of the Pre-Listing Restructuring, you will receive 1 Share for every 1 TM Share you hold as at the Entitlement Date. The Shares will be directly credited into your CDS account(s) prior to the listing of our Shares on the Main Board of Bursa Securities.

You do not need to take any action nor make any payment to receive our Shares.

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PRESENTATION OF FINANCIAL AND OTHER INFORMATION

References to the "Latest Practicable Date" in this document are to March 17, 2008, which is the latest practicable date prior to the registration of this document with the SC. Unless otherwise indicated, operating data in this document is as of December 31, 2007.

In this document, all references to "TMI" or "our Company" are to TM International Berhad; and all references to "our Group", "we", "us", "our" and "ourselves" are to our Company and our subsidiaries as if the Pre-Listing Restructuring (as defined below) and Acquisition (as defined below) have taken place. All references to "TMI Group" are to our Company and our subsidiaries prior to the completion of the Pre-Listing Restructuring and Acquisition.

In this document, all references to "TM" are to Telekom Malaysia Berhad, the parent company of our Company (prior to the completion of the Pre-Listing Restructuring); and all references to "TM Group" are to TM and its subsidiaries prior to the completion of the Pre-Listing Restructuring. References to "TM Group Post Restructuring" are to TM and its subsidiaries as if the Pre-Listing Restructuring has taken place. References to "our operating companies" are to the subsidiaries and associates of our Company as if the Pre-Listing Restructuring and Acquisition have taken place.

All references to "our management" are to our Directors and the senior management team of our Company, unless the context otherwise requires, as of the date of this document, and statements in this document as to beliefs, expectations, estimates and opinions of our Company or management are those of our management.

References to "Pre-Listing Restructuring" are to the demerger of the TM Group comprising an internal restructuring of the TM Group and a distribution of our Shares to the entitled shareholders of TM pursuant to which our Group will be formed and demerged from the TM Group, the details of which are set out under "Section 5.1 - Pre-Listing Restructuring".

References to "Acquisition" are to the acquisition by our Company and Indocel Holding Sdn Bhd from Khazanah Nasional Berhad of equity interests in SunShare Investments Ltd and PT Excelcomindo Pratama Tbk, the details of which are set out under "Section 5.2 - Acquisition".

In this document, references to the "Government" are to the Government of Malaysia; references to "Ringgit Malaysia", "RM" and "sen" are to the lawful currency of Malaysia; references to "USD" are to the lawful currency of the United States of America; references to "IDR" are to the lawful currency of Indonesia; references to "SLR" are to the lawful currency of Sri Lanka; references to "BDT" are to the lawful currency of Bangladesh; references to "SGD" are to the lawful currency of Singapore; references to "INR" are to the lawful currency of India; and references to "THB" are to the lawful currency of Thailand.

References to "South Asia" are to Bangladesh, British Indian Ocean Territory, Bhutan, India, Maldives, Nepal, Pakistan, Sri Lanka and Iran. References to "Southeast Asia" are to Cambodia, Myanmar, Vietnam, Brunei, East Timor, Indonesia, Laos, Malaysia, Philippines, Singapore and Thailand. References to "Indochina" are to Cambodia, Laos and Vietnam.

Certain acronyms and technical terms used in this document are defined in "Annex A — Glossary of technical terms". Words denoting the singular shall include the plural and vice versa and words denoting the masculine gender shall, where applicable, include the feminine and/or neuter genders and vice versa. Reference to persons shall include companies and corporations.

All references to dates and times are references to dates and times in Malaysia.

References to "fiscal 2005", "fiscal 2006", and "fiscal 2007" are to the financial years ended December 31, 2005, 2006 and 2007, respectively, while references to "fiscal 2008" and "fiscal 2009" are to the financial years ending December 31, 2008 and 2009, respectively. References to "margins" or "operating margins" in this document are to the net profit margins. References to "PATAMI" are to profit after taxation and minority interest.

References to "Post Restructuring Proforma" are to the proforma consolidated financial information of our Group illustrating the effects of the Pre-Listing Restructuring and not taking into account the Acquisition. References to "Post Acquisition Proforma" are to the proforma consolidated financial information of our Group illustrating the effects of the Pre-Listing Restructuring and Acquisition.

Our financial statements are prepared in accordance with applicable approved accounting standards in Malaysia ("Malaysian GAAP"), which differ in certain significant respects from generally accepted accounting principles in certain other countries.

All discrepancies in the tables included in this document between the listed amounts and their totals are due to rounding.

This document includes statistical data provided by us and various third parties and cites third party projections regarding growth and performances of the industry and markets in which we operate. Such data is taken or derived from information published by industry sources and from our internal data. In each such case, the source is stated in this document, provided that where no source is stated, it can be assumed that the information originates from us. In particular, certain information in this document is extracted or derived from the report prepared by Frost & Sullivan Malaysia Sdn Bhd ("Frost & Sullivan"), an independent business and market research consultant, for inclusion in this document. We had appointed Frost & Sullivan to provide "Section 10 — Industry and economy overview" relating to the economy of certain countries in which we have operations and an overview of the mobile telecommunications industry in the key markets in which we operate. In compiling the data for this section, Frost & Sullivan relied on industry sources, published materials including publicly disclosed subscriber base numbers of mobile operators in each market, its own private databanks and direct contacts within the industry. We believe that the information contained in "Section 10 — Industry and economy overview" provided by Frost & Sullivan and the other statistical data and projections cited in this document are useful in assisting you to understand the major trends in the industry in which we operate. However, neither we nor our advisers have verified this data. Further, you should note that as Frost & Sullivan has compiled certain historical industry data based on publicly disclosed subscriber base numbers of mobile operators in each market, such data may vary from published data by regulatory authorities and other parties in each market.

We and our advisers do not make any representation as to the correctness, accuracy or completeness of such data. You should not place undue reliance on the statistical data cited in this document. Similarly, any third party projections cited in this document are subject to significant uncertainties that could cause actual data to differ materially from the projected figures. We give no assurance that the projected figures will be achieved. You should not place undue reliance on any third party projections cited in this document.

The information on our website http://www.tmigroup.com.my, or any websites directly or indirectly linked to such website is not incorporated by reference in this document and should not be relied upon.

FORWARD-LOOKING STATEMENTS

This document contains "forward-looking statements" relating to our business and the industry and markets in which we operate. All statements other than statements of historical facts included in this document, including those regarding our financial position and results, business strategies, plans and objectives of management for future operations (including expansion and development plans), are forward-looking statements. These forward-looking statements include statements relating to demand for our products and services, our business strategies, plans and objectives of our management for future operations, our financial position, our future earnings, cash flows and liquidity, competition, trends and anticipated developments in our industry. These forward-looking statements also include statements relating to our performance in "Section 9 - Management's discussion and analysis of financial condition and results of operations" and "Section 11 - Business" of this document. In addition, we may make forward-looking statements in written materials, press releases and oral statements issued by us or on our behalf. Forward-looking statements include statements regarding our intent, belief or current expectations or those of our officers (including statements preceded by, followed by or that include forward-looking terminology such as "may", "will", "should", "believes", "expects", "anticipates", "estimates", "continues" or similar expressions or comparable terminology) with respect to various matters.

Such forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause our actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. These forward-looking statements are based on numerous assumptions regarding our present and future business strategies and the industries and markets in which we will operate in the future. Important factors that could cause our actual results, performance or achievements to differ materially from those in the forward-looking statements include, amongst others, the condition of, and changes in, the local, regional or global economic or political environment, a decline in the growth of the telecommunications market in any of the key markets in which we operate and changes in government policies, regulations and licensing of our businesses. Additional factors that could cause our actual results, performance or achievements to differ materially include those discussed under "Section 4 - Risk factors", "Section 9 - Management's discussion and analysis of financial condition and results of operations", "Section 10 - Industry and economy overview", "Section 11 - Business" and "Section 11.19 - Regulations and licenses".

It is important to note that our actual results in the future could differ materially from those anticipated in these forward-looking statements depending on various important factors. These factors include (i) the economic, political and investment environment in Malaysia and globally; and (ii) government policy, legislation or regulation.

All forward-looking statements in this document are based on information available to us as at the date of this document. Except as required by applicable law or the Listing Requirements, we do not undertake to update any forward-looking statements that may be made by us or on our behalf in this document or otherwise. In addition, please note that the matters set out in "Section 4 - Risk factors" constitute cautionary statements identifying important factors with respect to these forward-looking statements, including certain risks and uncertainties that could cause actual results in the future to differ materially from those anticipated in such forward-looking statements.

DEFINITIONS

The following terms in this document bear the same meanings as set out below unless the term is defined otherwise or the context requires otherwise:

3G Spectrum Assignment	:	Spectrum Assignment No. SA/01/2003 granted to TM dated April 2, 2003 over the following frequency bands with effect from April 2, 2003 until April 1, 2018: (i) 1950 MHz - 1965 MHz; (ii) 2140 MHz - 2155 MHz; and (iii) 2020 MHz - 2025 MHz, as varied by the variations to the Spectrum Assignment No. SA/01/2003 dated March 14, 2007, November 15, 2007 and February 27, 2008
ACCA	:	Association of Chartered Certified Accountants
Acquisition	:	Acquisition by our Company and Indocel from Khazanah of equity interests in SunShare and XL, as further described in Section 5.2
Admission	:	Admission of our Shares to the Official List of the Main Board
AMI	:	Asia Mobility Initiative
Articles	:	Articles of Association of our Company
ATM	:	Automated teller machine
Banglalink	:	Sheba Telekom (Private) Limited
BNM	:	Bank Negara Malaysia
Board	:	Board of Directors
BTA	:	Bangladesh Telecommunication Act, 2001
BTRC	:	Bangladesh Telecommunication Regulatory Commission
BTTB	:	Bangladesh Telegraph and Telephone Board
Bursa Depository	:	Bursa Malaysia Depository Sdn Bhd
Bursa Securities	:	Bursa Malaysia Securities Berhad
CAGR	:	Compounded annual growth rate
CBNP	:	Communiq Broadband Network (Private) Limited
CBNSP	:	CBN Sat (Private) Limited
CDS	:	Central Depository System
Celcom	:	Celcom (Malaysia) Berhad
Celcom Group	:	Celcom and its subsidiaries

Celcom Mobile	:	Celcom Mobile Sdn Bhd
CIMB	:	CIMB Investment Bank Berhad
CityCell	:	Pacific Bangladesh Telecom Limited
CMA	:	Communications and Multimedia Act, 1998, as amended from time to time and any re-enactment thereof
CMSA	:	Capital Markets and Services Act, 2007, as amended from time to time and any re-enactment thereof
Companies Act	:	Companies Act, 1965, as amended from time to time and any re-enactment thereof
Company	:	TM International Berhad
CT Paging	:	CT Paging Sdn Bhd
CTS	:	Celcom Timur (Sabah) Sdn Bhd
CTX	:	Celcom Transmission (M) Sdn Bhd
C-Mobile	:	C-Mobile Sdn Bhd
DBN	:	Dialog Broadband Networks (Private) Limited
DCIL	:	Distacom Communications (India) Limited (now known as TMI India)
Demerger Agreement	:	An agreement entered into by TM, TESB, CTX, Celcom and our Company on December 10, 2007 to give effect to the Pre-Listing Restructuring
Dialog	:	Dialog Telekom PLC *(formerly known as Dialog Telekom Limited)*
Dialog TV	:	Dialog Television (Private) Limited *(formerly known as Asset Media (Private) Limited)*
DiGi	:	DiGi.Com Berhad
EBITDA	:	Earnings before interest, tax, depreciation and amortisation
Entitlement Date	:	April 25, 2008
EPF	:	Employees Provident Fund Board
ESOS	:	Employees' share option scheme
Etisalat Indonesia	:	Emirates Telecommunications Corporation (Etisalat) International Indonesia Limited
Fibrecomm	:	Fibrecomm Network (M) Sdn Bhd
FIC	:	Foreign Investment Committee of Malaysia

Frost & Sullivan	:	Frost & Sullivan Malaysia Sdn Bhd
GDP	:	Gross Domestic Product
Google	:	Google Ireland Ltd
Grameenphone	:	Grameenphone Ltd
Hijrah Bonds	:	Islamic bonds (*Sukuk Ijarah*) issued by a wholly-owned subsidiary of TM, Hijrah Pertama, on July 6, 2007
Hijrah Pertama	:	Hijrah Pertama Berhad *(formerly known as Hijrah Pertama Sdn Bhd and previously as Malaysian Logistics Sdn Bhd)*
HSSB	:	Hugold Success Sdn Bhd
ICT	:	Information and communications technology
IDA	:	Infocomm Development Authority of Singapore
Indocel	:	Indocel Holding Sdn Bhd
Indosat	:	PT Indosat Tbk
IT	:	Information technology
ITRB	:	Indonesian telecommunications regulatory bodies
Jabodetabek	:	Jakarta, Bogor, Depok, Tangerang and Bekasi, collectively
Joint Financial Advisers	:	CIMB and UBS
Khazanah	:	Khazanah Nasional Berhad
KPPU	:	Commissioner for the Supervision of Business Competition of Indonesia
Latest Practicable Date	:	March 17, 2008, being the latest practicable date prior to the registration of this document with the SC
Listing	:	Listing of and quotation for 3,753,401,980 Shares representing our entire enlarged issued and fully paid-up share capital on the Main Board
Listing Date	:	Date on which the Shares commence trading on the Main Board
Listing Requirements	:	Listing requirements of Bursa Securities
M1	:	MobileOne Ltd
Main Board	:	Main Board of Bursa Securities
Market Day	:	Day on which Bursa Securities is open for trading of securities
Maxis	:	Maxis Communications Berhad
MCMC	:	Malaysian Communications and Multimedia Commission

MEWC	:	Minister of Energy, Water and Communications
MoF Inc	:	Minister of Finance, Incorporated
MPTC	:	Ministry of Posts and Telecommunications of Cambodia
MTCE	:	Mobile Telecommunications Company of Esfahan
MTN	:	MTN Networks (Private) Limited (now known as Dialog)
Multinet	:	Multinet Pakistan (Private) Limited
PATAMI	:	Profit after taxation and minority interests or profit attributable to shareholders/equity holders
Post Acquisition Proforma	:	Proforma consolidated financial information of our Group illustrating the effects of the Pre-Listing Restructuring and Acquisition
Pre-Listing Restructuring	:	Demerger of the TM Group comprising an internal restructuring of the TM Group and a distribution of our Shares to the entitled shareholders of TM pursuant to which our Group will be formed and demerged from the TM Group, as further described in Section 5.1
Pre-Listing Restructuring Proforma	:	Proforma consolidated financial information of our Group illustrating the effects of the Pre-Listing Restructuring and not taking into account the Acquisition
R&D	:	Research and development
SAC	:	Shariah Advisory Council of the SC
Sacofa	:	Sacofa Sdn Bhd
Samart	:	Samart Corporation Public Company Limited
Samart I-Mobile	:	Samart I-Mobile Public Company Limited
Samart I-Mobile (Malaysia)	:	Samart I-Mobile (Malaysia) Sdn Bhd
SASB	:	Skim Amanah Saham Bumiputera
SC	:	Securities Commission of Malaysia
SGX-ST	:	Singapore Exchange Securities Trading Limited
Shares	:	Ordinary shares of RM1.00 each in our Company
SICDA	:	Securities Industry (Central Depositories) Act, 1991, as amended from time to time and any re-enactment thereof
SLT	:	Sri Lanka Telecom Limited
SLTA	:	Sri Lanka Telecommunications Act No. 25 of 1991 as amended by the Sri Lanka Telecommunications (Amendment) Act No. 27 of 1996

Spice	:	Spice Communications Limited
SunShare	:	SunShare Investments Ltd
SunShare RCPS	:	Redeemable convertible preference shares of USD0.01 each in SunShare
SunShare Shares	:	Class A ordinary shares of USD1.00 each in SunShare
TdC	:	Time dotCom Berhad
Teletalk	:	Teletalk Bangladesh Limited
Telkomsel	:	PT Telekomunikasi Selular
TESB	:	Telekom Enterprise Sdn Bhd
TM	:	Telekom Malaysia Berhad, the parent company of our Company (prior to the completion of the Pre-Listing Restructuring)
TM Group	:	TM and its subsidiaries
TM Group Post Restructuring	:	TM and its subsidiaries as if the Pre-Listing Restructuring has taken place
TM Shares	:	Ordinary shares of RM1.00 each in TM
TMI or our Company	:	TM International Berhad
TMI Group	:	TMI and its subsidiaries prior to the completion of the Pre-Listing Restructuring and Acquisition
TMI India	:	TMI India Ltd
TMI Mauritius	:	TMI Mauritius Ltd
TMIB	:	TM International (Bangladesh) Limited
TMIC	:	Telekom Malaysia International (Cambodia) Company Limited
TMIL	:	TM International (L) Limited
TMILP	:	TM International Lanka (Private) Limited
TNB	:	Tenaga Nasional Berhad
TRC	:	Telecommunications Regulatory Commission of Sri Lanka
TRI	:	Technology Resources Industries Berhad
TRIL	:	TR International Limited
UBS	:	UBS Securities Malaysia Sdn Bhd
WTO	:	World Trade Organisation
XL	:	PT Excelcomindo Pratama Tbk

XL Shares	:	Ordinary shares of IDR100 each in XL
CURRENCIES		
BDT	:	Bangladeshi Taka, the lawful currency of Bangladesh
EUR or €	:	Euro, the lawful currency of the European Union
IDR	:	Indonesian Rupiah, the lawful currency of Indonesia
INR	:	Indian Rupee, the lawful currency of India
PKR	:	Pakistani Rupee, the lawful currency of Pakistan
Ringgit Malaysia or RM and sen	:	Ringgit Malaysia, the lawful currency of Malaysia
SGD	:	Singapore dollars, the lawful currency of Singapore
SLR	:	Sri Lankan Rupee, the lawful currency of Sri Lanka
THB	:	Thai Baht, the lawful currency of Thailand
USD	:	United States dollars, the lawful currency of the United States
COUNTRIES		
Cambodia	:	Kingdom of Cambodia
China	:	The People's Republic of China
Indonesia	:	The Republic of Indonesia
Iran	:	The Islamic Republic of Iran
Mauritius	:	Republic of Mauritius
UAE	:	United Arab Emirates
United States	:	United States of America, its territories and possessions, any state of the United States and the District of Columbia

1. CORPORATE DIRECTORY

DIRECTORS

Name	Address	Profession	Nationality
Dato' Azman Mokhtar *(Chairman, Non-Independent Non-Executive Director)*	No. 28, Jalan SS 21/3 Damansara Utama 47400 Petaling Jaya Selangor Darul Ehsan Malaysia	Managing Director of Khazanah	Malaysian
Dato' Jamaludin Ibrahim *(Managing Director/ President and Group Chief Executive Officer)*	No. 247, Jalan Bungur Rosa Sierramas 47000 Sungai Buloh Selangor Darul Ehsan Malaysia	Company Director	Malaysian
Dato' Yusof Annuar Yaacob *(Executive Director/Group Chief Financial Officer)*	No. 18, Jalan Bunga Melati 2/2 40000 Shah Alam Selangor Darul Ehsan Malaysia	Company Director	Malaysian
Ismael Fariz Ali *(Non-Independent Non-Executive Director)*	14, Lorong Setiabistari 7 Bukit Damansara 50490 Kuala Lumpur Malaysia	Executive Director, Investments of Khazanah	Malaysian
Tan Sri Ghazzali Sheikh Abdul Khalid *(Independent Non-Executive Director)*	50, Jalan Athinahappan Taman Tun Dr Ismail 60000 Kuala Lumpur Malaysia	Ambassador-at-large	Malaysian
Datuk Azzat Kamaludin *(Independent Non-Executive Director)*	No. 38, Jalan TR 8/2 Tropicana Golf & Country Resort 47410 Petaling Jaya Selangor Darul Ehsan Malaysia	Lawyer	Malaysian
Juan Villalonga Navarro *(Independent Non-Executive Director)*	14 Cottesmore Gardens Kensington London W8 5PR United Kingdom	Financial investor	Spanish
Lau Nai Pek *(Independent Non-Executive Director)*[(1)]	B-3-4, Sri Kenny Condo No. 28 Jalan Tun Ismail 50480 Kuala Lumpur Malaysia	Chartered Accountant	Malaysian
Gita Irawan Wirjawan *(Independent Non-Executive Director)*	St. Budi Tgh Four Season Apartment RT.007/003 Setiabudi Jakarta Selatan Indonesia	Managing Director, JP Morgan Indonesia	Indonesian
Dr. Farid Mohamed Sani *(Alternate Director to Ismael Fariz Ali)*	No. 82, SS 21/44 Damansara Utama 47400 Petaling Jaya Selangor Darul Ehsan Malaysia	Senior Vice President of the Managing Director's Office at Khazanah	Malaysian

Note:

(1) Lau Nai Pek will be a Director of our Company effective from April 23, 2008.

1. CORPORATE DIRECTORY *(cont'd)*

BOARD AUDIT COMMITTEE

Name	Designation	Directorship
Lau Nai Pek	Chairman	Independent Non-Executive Director
Datuk Azzat Kamaludin	Member	Independent Non-Executive Director
Juan Villalonga Navarro	Member	Independent Non-Executive Director

COMPANY SECRETARY : Suryani Hussein (LS0009277)
No. 41, Liku Bruas
Bukit Damansara
50490 Kuala Lumpur
Malaysia

REGISTERED OFFICE : Level 42, North Wing
Menara TM
Jalan Pantai Baharu
50672 Kuala Lumpur
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Information on our website does not constitute a part of this document.

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REGISTRAR : Tenaga Koperat Sdn Bhd (118401-V)
20th Floor, Plaza Permata
Jalan Kampar, Off Jalan Tun Razak
50400 Kuala Lumpur
Malaysia

Tel. no.: +603 4047 3883
Fax no.: +603 4042 6352

AUDITORS AND REPORTING ACCOUNTANTS : PricewaterhouseCoopers (AF: 1146)
Level 10, 1 Sentral, Jalan Travers
Kuala Lumpur Sentral
P O Box 10192
50706 Kuala Lumpur
Malaysia

Tel. no.: +603 2173 1188

1. CORPORATE DIRECTORY *(cont'd)*

PRINCIPAL BANKERS	:	Malayan Banking Berhad (3813-K) Ampang Park Branch Lot 1.01, Ampang Park Complex Jalan Ampang 50450 Kuala Lumpur Tel. no.: +603 2161 2101 Bank Islam Malaysia Berhad (98127-X) Menara TM Branch LG1, Menara TM Jalan Pantai Baharu 59200 Kuala Lumpur Tel. no.: +603 2240 2020
SOLICITORS FOR THE LISTING	:	Zul Rafique & Partners 17th Floor Menara PanGlobal 8 Lorong P. Ramlee 50250 Kuala Lumpur Malaysia Tel. no.: +603 2078 8228
PRINCIPAL ADVISER	:	CIMB Investment Bank Berhad 5th Floor, Bangunan CIMB Jalan Semantan Damansara Heights 50490 Kuala Lumpur Malaysia Tel. no.: +603 2084 8888
JOINT FINANCIAL ADVISERS	:	CIMB Investment Bank Berhad 5th Floor, Bangunan CIMB Jalan Semantan Damansara Heights 50490 Kuala Lumpur Malaysia Tel. no.: +603 2084 8888 UBS Securities Malaysia Sdn Bhd Level 7 Wisma Hong Leong 18, Jalan Perak 50450 Kuala Lumpur Malaysia Tel. no.: +603 2781 1100
INDEPENDENT MARKET RESEARCHER	:	Frost & Sullivan Malaysia Sdn Bhd (522293-W) Suite E-08-15, Block E Plaza Mont' Kiara 2, Jalan Kiara, Mont' Kiara 50480 Kuala Lumpur Malaysia Tel. no.: +603 6204 5800

LISTING SOUGHT	:	Main Board of Bursa Securities
SHARIAH STATUS	:	Approved by the SAC

There is no promoter for the Pre-Listing Restructuring and Listing. Our Company's current shareholder, TM, is not suitable to be the promoter as TM will no longer hold any Shares in our Company, and will not have any board representatives in our Company upon the completion of the Pre-Listing Restructuring. The eventual substantial shareholders of our Company are also not suitable to be a promoter given that the Pre-Listing Restructuring was initiated by the management of TM, who believe that the Pre-Listing Restructuring is able to create value for the shareholders of TM.

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2. INTRODUCTION

This document is dated April 25, 2008.

We have registered a copy of this document with the SC. We have also lodged a copy of this document with the Registrar of Companies. Neither the SC nor the Registrar of Companies takes any responsibility for the contents of this document.

We have voluntarily submitted an application to the SC for a Shariah compliance review to be carried out by the SAC as part of the process of determining our Shariah status at the point of our initial listing. The SAC has via its letter dated April 2, 2008 classified our Shares as Shariah-compliant based on the audited consolidated financial statements of TMI and Celcom for the financial year ended December 31, 2006, and on the Shariah criteria adopted by the SAC. This classification remains valid until the next Shariah compliance review is undertaken by the SAC and the Shariah compliant status of our Shares will be released in the updated list of Shariah-compliant securities on the last Friday of the month of May or November of each year.

We have received Bursa Securities' approval-in-principle on March 31, 2008 for the listing of and quotation for our entire issued and fully paid-up share capital. Our Shares will be admitted to the Official List of the Main Board and official quotation will commence upon receipt of confirmation from Bursa Depository that all CDS accounts of the entitled shareholders of TM have been duly credited and notices of allotment will be despatched to all entitled shareholders of TM.

Pursuant to Section 14(1) of the SICDA, Bursa Securities has prescribed our Shares as prescribed securities. Therefore, we will deposit our Shares directly with Bursa Depository. Any dealings in our Shares will be carried out in accordance with the SICDA, the Securities Industry (Central Depositories) (Amendment) Act, 1998, and the Rules of Bursa Depository.

Pursuant to the Listing Requirements, at least 25% of our issued and paid-up share capital for which listing is sought must be held by a minimum of 1,000 public shareholders holding not less than 100 Shares each at the point of our Listing. If we do not meet the public shareholding requirement, we may not be allowed to proceed with the Listing. Based on the current shareholding spread of TM whose shareholding structure will be mirrored in our Company's shareholding structure, and notwithstanding the Acquisition, we will meet the public shareholding requirement at the point of Listing.

This document is issued for information purposes only. No issue of, offer for subscription or purchase of, or invitation to subscribe for or purchase securities is or will be made on the basis of this document.

We or our advisers have not authorised anyone to provide you with information that is not contained in this document. The delivery of this document or any issue made in connection with this document shall not, under any circumstances, constitute a representation or create any implication that there has been no change in our affairs since the date of this document.

YOU SHOULD RELY ON YOUR OWN EVALUATION TO ASSESS THE MERITS AND RISKS OF THE LISTING AND AN INVESTMENT IN US. IF YOU ARE IN ANY DOUBT AS TO THE ACTION TO BE TAKEN, YOU SHOULD CONSULT YOUR STOCKBROKER, BANK MANAGER, SOLICITOR, ACCOUNTANT OR OTHER PROFESSIONAL ADVISER IMMEDIATELY.

3. SUMMARY

This summary highlights selected information from this document and may not contain all of the information that may be important to you. You should read and understand this document in its entirety (which qualifies the summary). You are advised to read "Section 4 - Risk factors" for an understanding of the risks associated with an investment in us.

3.1 OVERVIEW

With the completion of the Pre-Listing Restructuring and Acquisition, our Group will be a regional mobile telecommunications provider, with operations principally in Malaysia, Indonesia, Sri Lanka, Bangladesh and Cambodia. In addition, we have strategic mobile and non-mobile telecommunications operations and investments in India, Singapore, Iran, Pakistan and Thailand. On a proforma basis, as of December 31, 2007, our Group (including our jointly-controlled entities and associates) had a total of 39.8 million mobile subscribers in various markets in Asia. Our CAGR of mobile subscribers on a proforma basis (including our jointly-controlled entities and associates) was 34.1% between 2005 and 2007.

Our mobile telecommunications business is currently centred in our 5 key operating subsidiaries as set out in the table below:

Operating company	Market in which it operates	Equity interest held by our Group	Percentage of contribution to our Post Acquisition Proforma operating revenues as of December 31, 2007
		%	%
Celcom	Malaysia	100.0	50.8[(1)]
XL	Indonesia	83.8	29.8
Dialog	Sri Lanka	84.8	10.6
TMIB	Bangladesh	70.0	7.2
TMIC	Cambodia	100.0	1.4
Others	-	-	0.2

Note:

(1) This represents the percentage of contribution by the Celcom Group as a whole.

We intend to continue to focus on growing our existing market share and expanding into targeted new markets in the South and Southeast Asian mobile telecommunications sector in regions generally characterised by high economic growth and/or low mobile penetration rates.

See "Section 11 – Business".

3.2 COMPETITIVE STRENGTHS

We believe we have the following competitive strengths:

3.2.1 Unique portfolio of assets focused on certain fast-growing South and Southeast Asian markets, complemented by mobile operations in Malaysia generating strong cash flows

Through a number of acquisitions, our Group controls a unique portfolio of assets focused on the provision of mobile telecommunications services within the fast growing markets in the South and Southeast Asian region, a number of which are characterised by low mobile telecommunications penetration. We believe that our Group is therefore well positioned to benefit from population growth, economic development and increased demand for mobile telecommunications services in these regions. Economic growth (measured in terms of GDP per capita), population growth and mobile subscriber growth in these regions have outpaced that of developed countries or countries in the Organisation for Economic Cooperation and Development in recent years. We expect this trend to continue over the next few years.

In addition, our portfolio is well complemented by the Celcom Group, our anchor operations in Malaysia, which operates in a more developed market and provides steady cash flows that can be deployed to support our operations in the high growth markets as well as serve as a strong base to grow talents and expertise.

3.2.2 Strong competitive position providing growth potential within the South and Southeast Asian region

Our Group has strong competitive positions in many of the regional markets that we operate. In terms of market share of mobile subscribers, Dialog is Sri Lanka's largest mobile telecommunications service provider. The Celcom Group is the second largest mobile telecommunications service provider in Malaysia, while XL, TMIB, TMIC and M1 are the third largest mobile providers in Indonesia, Bangladesh, Cambodia and Singapore, respectively. Many of our companies also have long operating track records and were either the incumbent mobile services provider or the pioneer in delivering certain key services, such as 3G, in their respective markets.

3.2.3 Ability to develop and enhance synergies across operating companies

The operational challenges and opportunities faced by each of our operations are similar and therefore we believe that our knowledge and experience can be leveraged across such operations to enhance our Group's performance and operational efficiencies.

We believe that we can create additional revenue streams, improve our purchasing power for the acquisition of network equipment and infrastructure to achieve lower capital expenditures per unit on network and infrastructure, lower expenses through the coordination of marketing opportunities and processes and enhance individual operations through the sharing and application of knowledge and telecommunication best practices, particularly through our management rotation and other talent management efforts.

Specifically, we have entered into joint purchasing arrangements for our Group to achieve economies of scale as well as cost savings. We are also able to make improvements to our technology and business processes by leveraging on expertise across our operations. Areas where our Group can enhance synergies across our operating companies include network and IT, sales and marketing and launching new products and businesses.

3. SUMMARY *(cont'd)*

3.2.4 Strong brand equity in our respective markets

Our operating companies have strong competitive positions in their respective markets, particularly in Malaysia, Indonesia, Sri Lanka, Bangladesh, Cambodia and Singapore. We have successfully developed strong brand identities in many of our markets. We believe our brand names, such as *"Celcom"*, *"XL"*, *"Dialog"*, *"AKTEL"*, "*hello*" and *"M1"* are well-known and recognised in their respective markets and therefore play a critical role in subscriber acquisition and retention across all of our principal product segments. Our brands and their attributes are key in differentiating our Group's products from those of existing and new competition. Over the years, we have invested heavily in the building of our brand names such as *"Celcom"*, *"XL"* and *"Dialog"*.

Our brands were built through planned advertising and promotions centred around our commitment to providing high quality and innovative communication services that anticipate and meet our subscribers' needs. We believe that our strong market position, operating track record and strong brand recognition position us well for us to continue capturing opportunities for growth in our markets.

3.2.5 Extensive network coverage and effective distribution network

We believe that our extensive network coverage and numerous distribution outlets in our respective operating markets have enabled us to compete successfully in the mobile telecommunications services market particularly in Malaysia, Indonesia and Sri Lanka.

In Malaysia, the Celcom Group operates nationwide mobile networks, including the nation's first 3G network, providing our subscribers with extensive network coverage in the country. The Celcom Group also has a wide distribution network consisting of over 15,000 outlets for prepaid services as of the Latest Practicable Date.

XL also operates a nationwide mobile and 3G network with its own fiber optic network covering most of the populated areas of Java. XL also has high capacity microwave transmission links covering Kalimantan, Sumatra, Sulawesi, Bali and Lombok and a submarine cable linking Java, Sumatra, Sulawesi and Kalimantan. XL's products in Indonesia are widely distributed through XL Centres and through its network of distributors.

Dialog's mobile network has a wide reach in Sri Lanka covering a substantial portion of its inhabited land mass. Its distribution network in Sri Lanka consists of its own retail outlets and service centres as well as an exclusive business partner network.

We believe that a strong distribution network supported by wide mobile network coverage is a key competitive advantage to attract and retain subscribers.

3.2.6 Ability to deliver enhanced technology and innovative products and services

We believe that our operating companies have demonstrated their ability to consistently deliver innovative products and services to their markets, allowing us to compete effectively in a rapidly developing mobile telecommunications market. The Celcom Group has maintained its technology leadership in the Malaysian mobile telecommunications industry with its launch of Malaysia's first HSDPA service, branded "*Celcom 3GX*". Since the launch of Celcom 3GX (HSDPA), the Celcom Group has made further capital investments to ensure that its 3G network remains competitive in terms of coverage and quality. The Celcom Group has also consistently delivered innovative products and services. Its strategic alliance with Vodafone has also allowed it to launch exclusive innovative services for business users and international travellers.

3. SUMMARY *(cont'd)*

XL's 3G network supports HSDPA services and has a wide coverage of 73 Indonesian cities. It offers GPRS-based features such as mobile mail, WAP services as well as various interactive services such as video calls supported by its network.

Dialog was the first operator in South Asia to introduce 3G services in August 2006. Its HSDPA-enabled network also supports high speed mobile broadband, allowing it to offer innovative services such as live streaming, video conferencing and surveillance. Dialog's subsidiaries also offer broadcast television services using leading digital video broadcast technology and broadband services using WiMax technology.

3.2.7 Experienced management team with extensive industry experience

We believe that our senior management team (both in Malaysia and internationally) possesses the mix of skills and multinational experience necessary to grow and focus our Group on becoming a leading regional mobile services provider. Our senior executives are highly qualified and experienced with strong exposure to high growth mobile markets in Asia. We believe that the ability of our management team to adapt to various cultures and operating environments is key to our future success.

See "Section 11.2 – Competitive Strengths".

3.3 FUTURE PLANS AND STRATEGIES

Our goal is to become a leading regional mobile telecommunications provider. The key elements of our strategy to achieve this objective are:

3.3.1 Increase emphasis on organic growth in existing country operations

- *Build on our strong positions in our existing markets through effective branding and disciplined marketing.* We intend to continue working to further develop our brand equity, image and awareness, to enable us to strengthen our position within our core segments while attracting new subscribers. We plan to employ a disciplined marketing strategy based on strong and clear marketing propositions in each market that will be focused on increasing market share in our existing markets.

- *Continue to expand network coverage, capacity and quality.* Since our Group's operations are focused on a number of fast growing mobile markets in South and Southeast Asia, we believe that we must work continuously to expand our network coverage and enhance our network quality in order to improve our subscriber base and operating margins. For example, in Indonesia, we have been aggressively increasing the number of XL's BTS. Between 2006 and 2007, XL's total number of BTS increased by 54%.

- *Develop innovative product offerings and services.* We intend to continue to develop and package innovative products and services, in both voice and data, in all of our markets, which we believe will help us to continue building our subscriber base and improving margins.

- *Further strengthen management teams in operating companies.* We intend to continue to develop our human capital and seek additional talent from outside our Group where appropriate.

3.3.2 Pursue selective acquisitions and partnerships in mobile telecommunications markets in South and Southeast Asia

- *Expand our footprint in our targeted markets.* The South and Southeast Asia mobile markets are generally characterised by high economic growth and/or low mobile penetration rates and we intend to continue to focus on expanding our footprint in these markets. Specifically, we intend to enhance and grow our Group's operations and/or investments in key markets, particularly India, which represents one of Asia's fastest growing mobile markets. We also intend to pursue growth opportunities in other Asian emerging economies such as Indochina.

- *Strategic acquisition opportunities.* In several of our target markets, we believe there will be opportunities to participate in strategic business combinations with other mobile telecommunications companies. We believe that some of these opportunities could provide synergies with our capabilities and assist in further strengthening our platform and growth. We will continue to seek to evaluate and pursue, where appropriate, potential business combinations that we believe would be beneficial to our business.

- *Partnerships with other telecommunications companies.* We will continue to consider partnerships with other telecommunication companies which may have capabilities that are complementary to our business that could enhance our shareholders' value.

3.3.3 Further improving operational synergies and efficiencies

- *Drive operational synergies among our operating companies.* Our corporate centre will support the execution of our strategies and drive operational synergies on the revenue and cost side among our operating companies. We plan to increase the revenue and cost synergies through increased collaboration and best practice sharing among our operating companies. Specifically, we believe revenue synergies may be derived from roaming synergies and the development of innovative products and services which will facilitate traffic within our network or within our operating companies. With the breadth of our networks across multiple countries, we also believe there are cross-selling opportunities which we can capitalise on.

  On the cost side, we have already realised procurement synergies and believe there remain significant synergy opportunities that can be extracted through a group-wide procurement initiative. Other areas of cost savings include improved cost structures in sales and marketing costs, human resources costs, IT costs and R&D expenditure.

- *Leverage operational efficiency in the individual operating companies.* We intend to actively manage costs and maximise margins in low ARPU environments. We believe our continued focus on cost improvement initiatives and development of operational excellence, including best practice sharing, throughout our portfolio of operating companies will help us maximise profitability in the developing markets which our Group operates in.

3.3.4 Attracting and retaining a high quality workforce

- *Develop a talent management programme.* In order to strengthen our corporate culture and further develop our human resource capabilities, we intend to undertake initiatives to enhance our staff capabilities, including through the development of a structured talent management programme. We intend to rotate and second key managers and officers to our different operating companies, allowing them to benefit from the breadth and diversity of experiences available within our Group.

- *Introduce an improved compensation structure.* We believe that compensation should commensurate with responsibility, capability and performance to create a high performance culture. We intend to link incentive compensation to the achievement of specific key performance indicators, promote meritocracy and build a high performance culture. We believe that a competitive compensation structure will motivate our talent to perform to the best of their abilities and also help us to recruit and retain the best talent.

- *Provide comprehensive training and development programmes.* We intend to focus on developing an effective human resources strategy which fosters a work environment that contributes to continuous learning and improvement, provides both accountability and fairness for all employees and will be attractive to skilled personnel we seek to recruit.

See "Section 11.3 – Future Plans and Strategies".

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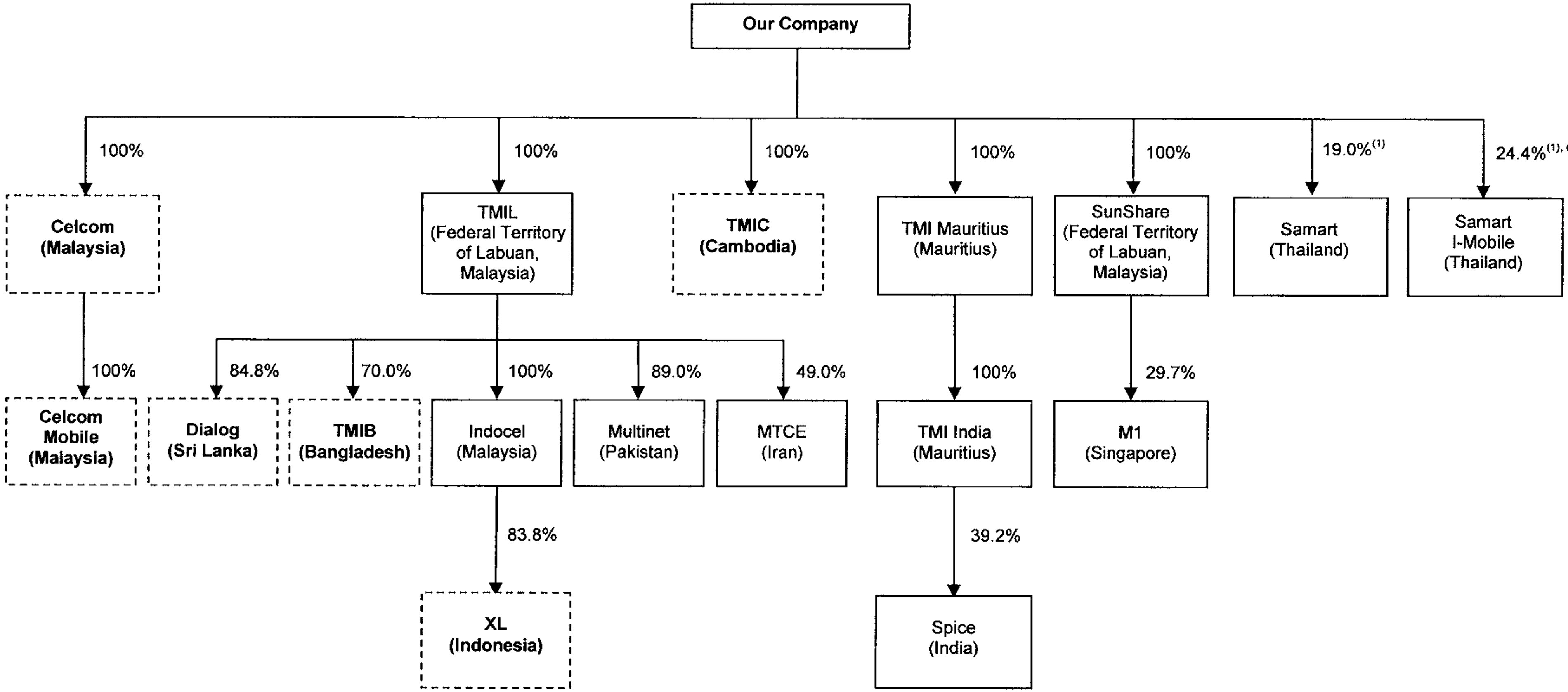
3. SUMMARY *(cont'd)*

3.4 GROUP STRUCTURE

The following chart sets out the group structure of the principal companies within our Group after the completion of the Pre-Listing Restructuring and Acquisition (see "Section 5 - Pre-Listing Restructuring and Acquisition"):



Notes:

(1) The respective shareholdings of TMI in Samart and Samart I-Mobile are as of December 31, 2007.

(2) Samart holds 57.7% direct and 1.2% indirect equity interest in Samart I-Mobile as of December 31, 2007. As such, the effective shareholding of TMI in Samart I-Mobile is 35.6% as of December 31, 2007.

Key operating subsidiaries

3.5 COMPANY BACKGROUND

Our Company was incorporated in Malaysia under the Companies Act on June 12, 1992 as a private limited company under the name Telekom Malaysia International Sdn Bhd and commenced business in 1994. On October 16, 2001, we changed our name to TM International Sdn Bhd. On December 12, 2007, we were converted to a public company. Since incorporation, our Company has been a wholly-owned subsidiary of TM. See "Section 11.4 – History and background".

3.6 OUR SHARE CAPITAL

We will have 3,753,401,980 issued and paid-up Shares upon the completion of the Pre-Listing Restructuring and Acquisition. There is only 1 class of shares in our Company, namely the Shares, all of which have been issued and fully paid-up and rank equally with one another. The Shares to be issued under the Pre-Listing Restructuring and Acquisition shall, upon allotment and issuance, rank equally in all respects with the other issued Shares which are fully paid-up, except that they shall not entitle the holders to any dividend, right, allotment and/or other distribution in respect of which the entitlement date is before the date of allotment of such Shares. See "Section 16 – Description of share capital" and "Section 19.3 – Share capital".

3.7 DIVIDEND POLICY

Our Board intends to pay dividends of up to 30% of our profits after taxation attributable to shareholders excluding non-recurring items after considering a number of factors, including our level of cash and retained earnings (at company level), results of operations, business prospects, capital requirements and surplus, general financial condition, contractual restrictions and other factors considered relevant by our Board, including our expected financial performance. Our Board would also take into consideration that, given our strategy to explore regional growth opportunities, our capital requirements will also include funds required for the expansion of our international operations. It is the policy of our Board in recommending dividends to allow shareholders to participate in our profits, as well as to retain adequate reserves for our future growth.

Further, as our Company is a holding company, our income, and therefore our ability to pay dividends, is dependent upon the dividends we receive from our subsidiaries. The payment of dividends by our subsidiaries will depend upon their distributable profits, operating results, financial condition, capital expenditure plans and other factors that their respective boards of directors deem relevant. See "Section 4.4.4 – As a holding company, we rely on the ability of our operating companies to generate earnings and pay dividends to us, and any decline in the earnings of our operating companies or their ability to pay dividends to us would materially and adversely affect our performance and operational flexibility".

You should note that all the foregoing statements are merely statements of our present intention and do not constitute legally binding statements in respect of our future dividends which are subject to modification (including reduction or non-declaration thereof) at our Board's sole and absolute discretion.

No inference should or can be made from any of the foregoing statements as to our actual future profitability or our ability to pay dividends in the future. See "Section 7 – Dividend policy".

3. SUMMARY *(cont'd)*

3.8 VOTING RIGHTS

Holders of our Shares are entitled to 1 vote per Share. See "Section 16 - Description of share capital".

3.9 LISTING

There has been no trading market for our Shares. On March 31, 2008, approval-in-principle was obtained from Bursa Securities to list our Shares on the Main Board. It is expected that the Shares will be admitted for trading on the Main Board on April 28, 2008.

The Listing of our Company is intended to enhance the profile of our Group within the global investment community, provide us with direct access to the equity markets and increase flexibility in funding and allow you to have increased liquidity in respect of your shareholding in our Company. See "Section 5.3 – Listing of our Company".

3.10 RISK FACTORS

You should pay particular attention to the fact that our Group, and to a large extent our activities, are governed by the legal, regulatory and business environment in Malaysia, Indonesia, Sri Lanka, Bangladesh and Cambodia as well as the other countries in which we have operations and investments, which differ from that which prevails in other countries. The business of our Group is subject to a number of risks, many of which are outside our control. The risks and investment considerations set out in "Section 4 – Risk factors" are not an exhaustive list of the challenges currently faced by our Group or that may develop in the future. Additional risks, whether known or unknown, may in the future have a material adverse effect on our Group or our Shares. You should carefully consider, along with the other matters set out in this document, the risks and investment considerations described under "Section 4 - Risk factors".

3.11 SUMMARY PROFORMA CONSOLIDATED FINANCIAL INFORMATION

In order to assist your understanding of our results of operations and financial condition, we have prepared and presented, for illustrative purposes only, the following proforma consolidated financial information of our Group, illustrating the effects of the Pre-Listing Restructuring and Acquisition. See "Section 5 - Pre-Listing Restructuring and Acquisition".

We have prepared and presented the Post Restructuring Proforma consolidated income statements of our consolidated group resulting from the Pre–Listing Restructuring for the 3 fiscal years ended December 31, 2007, to illustrate the effects of the Pre-Listing Restructuring as if the Pre-Listing Restructuring had occurred on January 1, 2005, and on the assumption that our consolidated group resulting from the Pre-Listing Restructuring had been in existence throughout the years presented.

We have also prepared and presented the Post Acquisition Proforma consolidated income statements of our Group for the year ended December 31, 2007, to illustrate the effects of the Pre-Listing Restructuring and Acquisition as if the Pre-Listing Restructuring and Acquisition had occurred on January 1, 2007, and on the assumption that the structure of our Group had been in existence throughout the year presented.

We have prepared and presented the proforma consolidated balance sheets of our Group as of December 31, 2007, to illustrate the effects of the Pre-Listing Restructuring and the Acquisition as if the Pre-Listing Restructuring and Acquisition had occurred on December 31, 2007.

3. SUMMARY *(cont'd)*

This proforma consolidated financial information has been derived from, and should be read in conjunction with, our proforma consolidated financial statements and the related notes thereto included in Section 17 in this document. In preparing our proforma consolidated financial information, we have made a number of assumptions and adjustments. Consequently, such information is not necessarily indicative of the financial condition or results of operations that we would have realised if our Group had existed during all fiscal periods presented, nor is it necessarily indicative of our future results of operations or financial condition. See "Section 4.1.22 - The proforma consolidated financial information included herein may not reflect actual results" and "Forward-looking statements".

3.11.1 Proforma consolidated income statements

(i) Post Restructuring Proforma consolidated income statements for the 3 fiscal years ended December 31, 2007

The following Post Restructuring Proforma consolidated income statements for the 3 fiscal years ended December 31, 2007 have been prepared on the assumption that the Pre-Listing Restructuring had occurred on January 1, 2005 and that our consolidated group resulting from the Pre-Listing Restructuring had been in existence throughout the years presented. The Post Restructuring Proforma consolidated income statements are qualified in their entirety by reference to and should be read in conjunction with the notes and the bases for the preparation of our Post Restructuring Proforma consolidated income statements included in Section 17 in this document.

	Post Restructuring Proforma after adjustments for the Pre-Listing Restructuring for the year ended December 31,		
	2005	**2006**	**2007**
	RM million	**RM million**	**RM million**
Operating revenue	6,102.0	8,573.5	9,996.9
Operating cost:			
Depreciation, impairment and amortisation	(1,152.9)	(1,588.8)	(1,827.8)
Provision for a claim	(879.5)	-	-
Other operating costs	(3,523.6)	(4,719.3)	(6,004.9)
	(5,556.0)	(6,308.1)	(7,832.7)
Other operating income:			
Gain on dilution of a subsidiary company	98.3	-	-
Gain on partial disposal of subsidiaries	160.7	-	234.8
Others	24.0	114.3	46.6
Operating profit before finance cost	829.0	2,379.7	2,445.6
Finance income	91.7	105.9	80.5
Finance cost	(340.5)	(493.1)	(722.4)
Net finance cost	(248.8)	(387.2)	(641.9)
Jointly-controlled entities:			
Share of results (net of taxation)	(3.7)	10.6	175.5
Gain on dilution of equity interest	-	-	71.3
Associates:			
Share of results (net of taxation)	19.2	20.0	29.4
Gain on dilution of equity interest	82.7	-	-
Gain on disposal	8.8	-	-
Profit before taxation	687.2	2,023.1	2,079.9
Taxation	(352.8)	(678.7)	(487.0)
Profit after taxation	334.4	1,344.4	1,592.9

3. SUMMARY *(cont'd)*

	Post Restructuring Proforma after adjustments for the Pre-Listing Restructuring for the year ended December 31,		
	2005	2006	2007
	RM million	RM million	RM million
Attributable to:			
Equity holders of our Company	261.6	1,150.1	1,527.2
Minority interests	72.8	194.3	65.7
Profit for the year	334.4	1,344.4	1,592.9
Number of Shares had our Group been in existence (million)	3,577.4	3,577.4	3,577.4
Basic earnings per Share (sen)	7	32	43
Proforma adjusted EBITDA	1,983.1	3,736.9	4,359.8

See "Section 8.1.1 (i) – Post Restructuring Proforma consolidated income statements for the 3 fiscal years ended December 31, 2007".

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3. SUMMARY *(cont'd)*

(ii) Proforma consolidated income statement illustrating effects of the Pre-Listing Restructuring and Acquisition

The following Post Acquisition Proforma consolidated income statement for the year ended December 31, 2007 has been prepared on the assumption that the Pre-Listing Restructuring and Acquisition had occurred on January 1, 2007 and that our Group had been in existence throughout the year presented. The Post Acquisition Proforma consolidated income statement is qualified in its entirety by reference to and should be read in conjunction with the notes and the bases for the preparation of our proforma consolidated income statement included in Section 17 in this document and TMI Group's audited consolidated financial statements and the related notes thereto for the year ended December 31, 2007.

	Post Acquisition Proforma after adjustment for the Pre-Listing Restructuring and Acquisition for the year ended December 31, 2007		
	TMI Group Historical	**After the Pre-Listing Restructuring**	**After Pre-Listing Restructuring and Acquisition**
	RM million	**RM million**	**RM million**
Operating revenue	4,953.9	9,996.9	9,996.9
Operating cost:			
Depreciation, impairment and amortisation	(928.6)	(1,827.8)	(1,827.8)
Other operating costs	(3,201.8)	(6,004.9)	(6,007.2)
	(4,130.4)	(7,832.7)	(7,835.0)
Other operating income:			
Gain on partial disposal of a subsidiary	234.8	234.8	234.8
Others	17.3	46.6	48.4
Operating profit before finance cost	1,075.6	2,445.6	2,445.1
Finance income	33.4	80.5	87.1
Finance cost	(455.8)	(722.4)	(761.9)
Net finance cost	(422.4)	(641.9)	(674.8)
Jointly-controlled entities:			
Share of results (net of taxation)	133.3	175.5	133.3
Gain on dilution of equity interest	71.3	71.3	71.3
Associates:			
Share of results (net of taxation)	24.2	29.4	145.7
Profit before taxation	882.0	2,079.9	2,120.6
Taxation	(134.4)	(487.0)	(487.0)
Profit after taxation	747.6	1,592.9	1,633.6
Attributable to:			
Equity holders of our Company	683.5	1,527.2	1,588.0
Minority interests	64.1	65.7	45.6
Profit for the year	747.6	1,592.9	1,633.6
Number of Shares had our Group been in existence (million)	35.7	3,577.4	3,753.4
Basic earnings per share (sen)	1,915	43	42
Proforma adjusted EBITDA	2,122.5	4,359.8	4,357.5

See "Section 8.1.1 (ii) – Proforma consolidated income statement illustrating effects of the Pre-Listing Restructuring and Acquisition".

3. SUMMARY *(cont'd)*

3.11.2 Proforma consolidated balance sheets as of December 31, 2007

Our proforma consolidated balance sheets as of December 31, 2007 set out below have been prepared on the assumption that the Pre-Listing Restructuring and Acquisition had occurred on December 31, 2007. The summary proforma consolidated balance sheets are qualified in their entirety by reference to and should be read in conjunction with the notes and the bases for the preparation of our proforma consolidated balance sheets included in Section 17 in this document and TMI's audited consolidated financial statements and the related notes thereto for the year ended December 31, 2007.

		Proforma after adjustments for the Pre-Listing Restructuring and Acquisition as of December 31, 2007	
	TMI Group Historical	**After the Pre-Listing Restructuring**	**After the Pre-Listing Restructuring and Acquisition**
	RM million	**RM million**	**RM million**
Non-current assets	13,369.5	21,381.1	23,763.3
Current assets	1,454.1	3,182.9	3,290.5
Current liabilities	3,714.9	9,982.2	9,985.2
Net current liabilities	(2,260.8)	(6,799.3)	(6,694.7)
	11,108.7	14,581.8	17,068.6
FINANCED BY			
Share capital	35.7	3,577.4	3,753.4
Reserves	3,740.7	6,199.0	7,603.0
Total capital and reserves attributable to equity holders of our Company	3,776.4	9,776.4	11,356.4
Minority interests	671.0	676.5	482.6
TOTAL EQUITY	4,447.4	10,452.9	11,839.0
Deferred and long term liabilities	6,661.3	4,128.9	5,229.6
	11,108.7	14,581.8	17,068.6
Number of our Shares assumed to be in issue (million)	35.7	3,577.4	3,753.4
Net assets attributable to equity holders	3,776.4	9,776.4	11,356.4
Net tangible assets attributable to equity holders	389.2	2,317.8	2,666.7
Net assets per ordinary shares of RM1.00 each (RM)	105.78	2.73	3.03
Net tangible assets per ordinary shares of RM1.00 each (RM)	10.90	0.65	0.71
Gearing ratio (times)	1.29	0.93	0.90

See "Section 8.1.2 – Proforma consolidated balance sheets as of December 31, 2007 illustrating the effect of the Pre-Listing Restructuring and Acquisition".

4. RISK FACTORS

You should pay particular attention to the fact that our Group, and to a large extent our activities, are governed by the legal, regulatory and business environment in Malaysia, Indonesia, Sri Lanka, Bangladesh and Cambodia as well as the other countries in which we have operations and investments, which differ from that which prevails in other countries. The business of our Group is subject to a number of risks, many of which are outside our control. The risks and investment considerations set out below are not an exhaustive list of the challenges currently facing our Group or that may develop in the future. Additional risks, whether known or unknown, may in the future have a material adverse effect on our Group or our Shares.

Where indicated, statistical and certain other information relating to our industry and contained in this section is based on or derived from data prepared by Frost & Sullivan or such other industry sources as stated. The information has not been independently verified by us or any other person. Much of the available information is based on best estimates and should therefore be regarded as indicative only and treated with appropriate caution.

This document also contains forward-looking statements that involve risks and uncertainties. Our actual results could differ materially from those anticipated in these forward-looking statements as a result of various factors, including the risks faced by us described below and elsewhere in this document. See "Forward-looking statements".

You should carefully consider, along with the other matters set out in this document, the risks and investment considerations set out below.

4.1 RISKS RELATING TO OUR GROUP AND OUR BUSINESSES

4.1.1 We face increasing competition in Malaysia, Indonesia, Sri Lanka, Bangladesh and Cambodia and in the other markets in which we operate.

The Malaysian, Indonesian, Sri Lankan, Bangladeshi and Cambodian telecommunications sectors are liberalised and as a result, competition in these markets has been keen and has been increasing in recent years. The market for mobile services in many of the countries in which our Group operates is highly competitive. Increased competition from existing and new mobile operators has resulted in, and is expected to continue to result in, greater price competition in the mobile services industry, with operators lowering monthly subscription fees and tariffs, providing handset subsidies and offering more attractive product and service packages. Prices for the services offered by our international operations and ARPU have experienced significant decline in recent years and are anticipated to continue to decline as a result of capacity additions, new technologies, new market entrants and general price competition. The increased competition has also resulted in a higher churn rate, slower growth in total subscribers and increased subscriber acquisition costs. Competition could lead to a decline in our existing subscriber base if subscribers choose to receive mobile services from other providers, or result in lower revenues from competitive pricing policies, increased selling costs to attract or replace subscribers, or a decrease in the rate at which we attract new subscribers for our mobile telecommunications services, any of which could adversely affect our profitability.

Our position in each of the markets in which we operate will also depend on effective marketing initiatives and our ability to anticipate and respond to various competitive factors affecting the industry, including new services, pricing strategies by competitors and changes in consumer preferences and economic, political and social conditions in the countries in which we operate. Any failure by us to compete effectively, including in terms of pricing of services, acquisition of new subscribers and retention of existing subscribers, could have a material adverse effect on our financial condition and the results of our operations.

We may also be subject to competition from providers of new communications services as a result of technological development and the convergence of new communications services. The introduction of any such new services is likely to result in a decline in our market share and have an adverse effect on our financial condition, results of operations and prospects.

4.1.2 Our international operations may not be successful and we face difficulties and risks when commencing businesses in new markets or expanding our operations in certain emerging markets.

A key element of our business strategy involves the expansion of our mobile telecommunications operations in the South and Southeast Asian region. Given the limited size of the Malaysian telecommunications market, our future growth depends, to a large extent, on the success of the businesses of our subsidiaries and associates offshore and our ability to successfully carry out our expansion strategy. We have investments (including subsidiaries, associates and long term investments) in 10 countries, namely Malaysia, Indonesia, Sri Lanka, Bangladesh, Cambodia, India, Singapore, Iran, Pakistan and Thailand.

The successful further expansion of our international network depends on our ability to identify suitable opportunities for investment or acquisition and in reaching agreement with potential overseas partners or sellers on satisfactory commercial and technical terms. There can be no assurance that such opportunities or agreements can be established or that any of our proposed acquisitions or agreements will be completed or completed on commercial terms favourable to us. There is no assurance that we will be successful in making further acquisitions due to limited investment opportunities, competition for available opportunities from other potential investors, foreign ownership restrictions, government and regulatory policies, political considerations and the specific preferences of sellers. In particular, other major telecommunications companies in the region are following similar strategies or attempting to penetrate the same markets.

Furthermore, some of the markets we have entered are dominated by large incumbent telecommunications providers. In certain markets where regulatory and legal issues are major challenges, we may incur substantial expenses in connection with our international operations in these markets and this may adversely impact the return on our investment in these operations. Also, we will require additional licenses, spectrum assignments and/or other authorisations to expand our operations and there is no assurance that we will be able to secure the necessary regulatory approvals for such expansion. Regulatory regimes and regulations in certain of the markets in which we operate are also subject to change and interpretation by local authorities and governments and this may affect our expansion activities, for example, changes which impose greater barriers to entry or restrictions on our expansion plans.

In addition, we may be unable to successfully transplant and adopt our business model developed in Malaysia and in other key markets into new or existing ventures due to differences in market structure and regulatory environments. The rapid development and establishment of mobile telecommunications businesses in new markets may also raise unanticipated operational, control or other risks. Our Group may be unable to profitably manage new ventures and may incur substantial costs and experience delays or other operational or financial problems in trying to do so, and we may incur additional debt or assume contingent liabilities as a result. We may also face changes in the regulations to be complied with in different countries, which may have a material adverse effect on our business, financial condition, results of operations and prospects.

Furthermore, there can be no assurance that we will be able to generate synergies from these businesses and be successful in building a regional footprint. Any delay or failure to achieve these and other objectives may adversely affect our financial condition, results of operations and prospects.

4.1.3 As our Group's business activities are concentrated in the South and Southeast Asian region, including in emerging market countries, we are dependent on the growth of these economies as well as any political and social developments in these countries.

Substantially all of our Group's business activities are concentrated in the South and Southeast Asian region, and many of our operating companies and investments are located in emerging market countries in this region, including Indonesia, Sri Lanka, Bangladesh, India and Cambodia. As a result, our Group's operating revenues and results of operations and future growth depend, to a large extent, on the growth of these economies as well as on the political and social developments in these countries. In the past, currency fluctuations, liquidity shortages, higher interest rates and other factors have materially and adversely affected the economies of many countries in the Asia-Pacific region in general, and in Southeast Asia in particular. Due to the effect that economic conditions in these markets have on our Group's businesses, further economic decline in the South and Southeast Asian region could adversely affect our financial condition, results of operations and prospects.

Further, some of the countries in the South and Southeast Asian region in which our Group operates and has investments have experienced or continue to experience political instability. The continuation or re-emergence of such political instability in the future could have a material adverse effect on economic or social conditions in those countries. This could lead to outbreaks of civil unrest in the affected areas, which could have an adverse effect on our Group's financial condition and results of operations. Such political instability could have a material adverse effect on the ownership, control and condition of our Group's assets in those areas.

Laws and regulations, particularly fiscal policies affecting the economy as a whole and the telecommunications sector specifically, in these emerging markets also tend to be evolving and changing compared to mature markets and we may be adversely affected by any such change relating to telecommunications operators, licensing and services.

4.1.4 A worldwide economic downturn could adversely affect our Group's operations and growth.

Our Group, through our subsidiaries and associates, offers mobile telecommunications and related services to our subscribers throughout the South and Southeast Asian region, particularly to those in Malaysia, in addition to Indonesia, Sri Lanka and Bangladesh and other countries in the region. As the mobile telecommunications industry is predominantly a consumer-dependent industry, any economic slowdown experienced in any of our markets may adversely affect the financial health of our subscribers and consequently affect our operating revenues and profitability.

Further, certain of the countries in which we operate are highly dependent on exports to other countries within the Asia-Pacific region and to other major markets worldwide, including the United States. Any economic slowdown experienced in the United States and in other major economies may lead to reduced demand for exports from these countries and may adversely affect the economies of these countries. Disasters such as the terrorist attacks on the United States on September 11, 2001, may also exacerbate such economic slowdown in the United States or other major economies and may lead to reduced or negative economic and trade growth levels globally and in Asia in particular. Any significant deterioration in the financial condition of businesses in the Asia-Pacific region as a result of a continuing worldwide economic downturn and, in particular, any decline in demand for telecommunications products or services, could adversely affect our financial condition, results of operations and prospects.

4.1.5 Our existing operations and planned investments and expansions require significant capital investment.

Telecommunications service businesses are capital intensive in nature. We have made significant investments in our network infrastructure and technology to provide the services we offer. In fiscal 2005, fiscal 2006 and fiscal 2007, TMI Group's capital expenditures were RM1,443.4 million, RM3,005.0 million and RM3,645.6 million, respectively and Celcom Group's capital expenditures were RM938.8 million, RM858.2 million and RM745.7 million, respectively. Our planned capital expenditures for fiscal 2008 are RM4,570.2 million and we expect a similar level of capital expenditures in fiscal 2009.

In order to remain competitive and continue providing technologically innovative and compatible services, we must also continue to expand and modernise our networks, which involves substantial capital investment. We also require significant amounts of capital to market and distribute our services and products, to develop new services and products, to develop and implement new mobile telecommunications technologies and potentially to acquire and invest in other telecommunications companies and spectrum rights. We anticipate that our Group's capital investments in fiscal 2008 will be higher than in fiscal 2007 as a result of network expansion and expansion into new markets.

We expect to require substantial financing to broaden the existing range of mobile telecommunications services we provide and to develop new services. In addition to investing in improvements and upgrades to our existing systems and network, our longer term strategy includes making investments in telecommunications-related businesses. Our ability to obtain additional financing will depend on a number of factors, including:

- our future financial condition, results of operations and cash flows;
- general market conditions for financing activities by mobile and fixed-line telecommunications companies; and
- economic, political and other conditions in the markets where we operate.

Adequate financing for the expansion and modernisation of our network, support systems and for telecommunications-related investments may not be available to our Group on acceptable terms, or at all. Accordingly, we cannot assure you that we will have sufficient capital resources or that we will not exceed the estimate of the necessary capital expenditures to improve or expand our mobile telecommunications infrastructure or update our other technology to the extent necessary to remain competitive. If adequate financing is not available, our Group's business prospects may be adversely affected.

4.1.6 We are exposed to risks relating to the expansion of our networks.

Our Group anticipates installing additional equipment to expand the capacity and improve the quality of our mobile networks. Our ability to continue to maintain or increase our subscriber base is dependent in part on our ability to expand and upgrade our networks on a timely basis. Any failure to rollout or enhance our networks to support new services in accordance with anticipated schedules may have a material and adverse effect on our business. The continued expansion and upgrading of our networks are also subject to risks and uncertainties, including the ability to procure a sufficient number of suitably located BTS sites on commercially acceptable terms, obtain the requisite equipment in a timely manner and obtain required regulatory approvals from the relevant state and local governments.

We may also incur higher operating expenses in such expansion. For example, we experienced higher operating expenses in the installation of new BTS sites and transmission towers as a result of increasing raw material prices and real estate prices in Malaysia. There is no assurance that our Group's profitability will not be adversely affected by further increases in such operating expenses.

4.1.7 We may not realise the benefits we expect from our investments in network infrastructure and new technologies, which may adversely impact our business and financial condition.

In order to continue to develop our business and offer new services, we intend to continue to invest in our network infrastructure and technology as well as new technologies. In addition to the further development of our existing products and services, the launch of new and commercially viable products and services is important to the success of our business. We expect to incur substantial capital expenditure to further develop the existing as well as the new range of services and products. Commercial acceptance by consumers of new services we offer may not occur at the rate or level expected, and we may not be able to successfully adapt the new services effectively and economically to meet consumers' demands thus impairing the return from our investments.

We cannot assure you that services enabled by new technologies we implement in certain of our markets, such as 3G and HSDPA, will be accepted by the public to the extent required to generate an acceptable rate of return. In addition, we face the risk of unforeseen complications in the deployment of these new services and technologies, and we cannot assure you that our estimate of the necessary capital expenditures to offer such services will not be exceeded.

New services and technologies may not be developed and/or deployed according to expected schedules or may not achieve commercial acceptance or be cost effective. The failure of any of our services to achieve commercial acceptance could result in additional capital expenditures or a reduction in profitability to the extent that we are required under the applicable accounting standards to recognise a charge for the impairment of assets. Any such charge could materially and adversely affect our financial condition and the results of operations.

4.1.8 Our Group relies on manufacturers of telecommunications equipment and network facility providers, as well as other external suppliers for our key technical support platforms and systems.

We rely on manufacturers of telecommunications equipment for continued maintenance, service and supply, and continued cooperation on the part of these manufacturers is important for us to maintain our operations without disruption. Our subsidiaries in Malaysia, Indonesia, Sri Lanka, Bangladesh and Cambodia as well as our associates are dependent on imports for the majority of their network components as most of the network equipment cannot be sourced locally. The network equipment and facilities are for the provision and support of MSC, BSC, BTS and other network and IT equipment.

The Celcom Group is also dependent on other network facility providers such as Fiberail Sdn Bhd, a subsidiary of TM, for the provision of its fiber optic network which forms part of its transmission backbone infrastructure. Any failure of these providers to maintain their networks will affect Celcom Group's mobile network quality.

We also rely on external suppliers for many of our key IT platforms, customer services systems and billings systems.

On a Post Acquisition Proforma basis for fiscal 2007, the major supplier who individually contributed 10% or more of the purchases of network equipment and services for our Group was Ericsson.

We may experience delays and other problems in acquiring the necessary equipment, support and spare parts in the event that mobile equipment manufacturers run into financial difficulties which have led in some instances to their restructuring from time to time. Further consolidation of major telecommunications suppliers and other technology and systems providers will reduce the number of suppliers from whom we can purchase equipment and technology, and may result in higher pricing and increased costs for our Group either as a result of increased prices by market dominant suppliers or because existing equipment and technology used by our Group may no longer be supported by the new market players.

4.1.9 The telecommunications industry is subject to rapid technological changes and continued transformation, which may affect our Group's competitive position if we are unable to develop new products and services and introduce them to our markets in a timely manner and at competitive prices.

The telecommunications industry is subject to rapid, ongoing technological changes and has experienced significant changes in recent years, which we expect to continue. Wireless technology (such as WiMax, WiFi, WiBro, iBurst and other wireless technologies), satellite-based communications services, private and public radio networks, VoIP and other communications services which have the technical capability to handle telephone calls compete with the businesses of our Group. Continued growth of such technologies, and emerging and future technological changes and new services may adversely affect the viability or competitiveness of our businesses.

Furthermore, changing market demand and consumer trends may require our Group to adopt new technologies that could render our existing technologies less competitive or obsolete. In order to compete effectively, we must continue to improve the speed and features of our existing products and services and develop attractive products and services for our subscribers. We may not have the necessary skills to adopt these new technologies and may require substantial capital expenditure and access to related and/or enabling technologies in order to integrate the new technologies with existing platforms in order to respond successfully to technological advances and emerging industry standards (such as WiMax and HSDPA).

Our Group may also not succeed in developing or introducing new or improved products and services in an economical or timely manner and we may not be able to succeed in delivering new products and services to the market ahead of our competitors or at competitive prices. Further, we may adopt new technologies that may prove to be unprofitable, inadequate or incompatible with the technologies of our subscribers or other carriers. In addition, new technologies implemented by competitors may allow them to provide lower priced, enhanced or better quality services than our Group, which could have a material adverse effect on our Group's ability to compete effectively. We may not be successful in enhancing our network infrastructure in a timely and cost-effective manner to facilitate integration, which could have a material adverse effect on our Group's quality of services, business, prospects, results of operations and financial condition. If our Group is unable to compete because its products and services have not kept pace with the evolving industry, our Group's competitive position may be adversely affected.

4.1.10 Our success depends on the reliability of our network infrastructure and systems, which are vulnerable to damage or interruption due to events outside our control.

We provide mobile telecommunications services that rely to varying degrees on our Group's key network infrastructure, including our mobile networks and our transmission networks which comprise optical fiber cable, microwave, submarine cable and satellite transmission links. The provision of services by our Group depends on the reliability of this integrated network which is, in turn, vulnerable to damage or interruptions in operation due to natural disasters, adverse weather conditions, fire, power loss, telecommunications failures, network software flaws, transmission cable cuts, acts of terrorism, breaches of security or similar events. Our BTS and transmission sites may also be subject to vandalism and theft, which could interfere with our operations and cause network failures. Furthermore, parts of our Group's network infrastructure and systems may suffer from obsolescence or may require significant enhancement to effectively service increasing capacity demand. In the event that we experience significant problems with our MSC, BTS, BSC, network backbone, other system hardware or software, including problems outside our control, temporary service interruptions or quality of service problems could arise. Any failure of our Group's integrated network to service increasing capacity demand or that result in an interruption to our operations or provision of any service, could damage our Group's brand equity, reduce the confidence of our subscribers and consequently impair our ability to attract and retain subscribers, lead to a violation of the terms of our various licenses and could have a material adverse effect on our results of operations and financial condition.

4.1.11 Our mobile operations are dependent upon the availability of spectrum.

The size and capacity of our Group's mobile networks are limited by the amount of radio spectrum allocated to us by the governments in the countries where we operate. The regulatory authorities may recall and reassign or re-allocate any spectrum allocation or assignment previously granted where it is in their discretion to do so. Should our Group's radio spectrum requirements prove inadequate in the future, the expansion of our Group's businesses may be affected. Any failure by our Group to retain, extend the tenure and/or acquire additional radio spectrum on a timely basis, and on commercially acceptable terms, could have a material adverse effect on our Group's business, financial condition, results of operations and prospects. For example, the spectrum allocated to TMIC was reduced by 3.2 MHz from the 900 MHz bandwidth on November 12, 2007 due to reasons of national defence and security.

Further, in the event any of our competitors acquire greater spectrum allocations than us in the future, if we are not able to continue to utilise our spectrum capacity successfully or in a timely manner, or if we cannot finance the requisite incremental capital expenditure to utilise such spectrum capacity successfully as and when needed, or obtain additional spectrum from the regulatory authorities, we may experience difficulty in attracting and retaining subscribers, which could have a material adverse effect on our results of operations, financial condition and prospects.

While we intend to pursue new technical innovations and improvements in our networks in an attempt to optimise our existing frequency spectrum, there can be no assurance that these efforts will continue to be sufficient to maintain and improve service quality, as further capital expenditures may be necessary.