

INFORMATION MEMORANDUM

BGSM MANAGEMENT SDN BHD

(Company No. 1070628-X)

(Incorporated in Malaysia under the Companies Act, 1965)

Proposed issuance of Islamic Medium Term Notes with an aggregate nominal value of up to RM10.0 billion pursuant to an Islamic Medium Term Notes Programme based on the Shariah principle of Musharakah

PRINCIPAL ADVISER / LEAD ARRANGER



23 DECEMBER 2013

Strictly Private and Confidential

Responsibility Statements

This Information Memorandum has been approved by the directors of BGSM Management Sdn Bhd (Company No. 1070628-X) (“**Issuer**”) and the Issuer accepts full responsibility for the accuracy of the information contained in this Information Memorandum. The Issuer, after having made all reasonable enquiries, confirms that this Information Memorandum contains all information which is material in the context of the offering and issue of up to RM10.0 billion nominal value Islamic medium term notes (“**Sukuk Musharakah**”) pursuant to an Islamic medium term notes programme (“**Sukuk Programme**”) based on the Shariah principle of Musharakah. The opinions and intentions expressed in this Information Memorandum are honestly held, have been reached after considering all relevant circumstances and are based on reasonable assumptions, and there are no other facts the omission of which would make any statement in this Information Memorandum misleading in any material respect and all reasonable enquiries have been made by the Issuer to ascertain such facts and to verify the accuracy of all such information and statements. No representation or warranty, expressed or implied, is made such that the information remains unchanged in any respect after the dates stated herein or if no dates have been specifically stated, after the date of this Information Memorandum, with respect to any matter or any statement made in this Information Memorandum.

Important Notice and General Statement of Disclaimer

This Information Memorandum is being furnished on a private and confidential basis solely for the purpose of enabling prospective investors to consider the purchase of the Sukuk Musharakah.

None of the information or data contained in this Information Memorandum has been independently verified by CIMB Investment Bank Berhad, as the Principal Adviser and the Lead Arranger for the Sukuk Programme (the “**Principal Adviser**” or “**Lead Arranger**”). Accordingly, no representation, warranty or undertaking, express or implied, is given or assumed by the Lead Arranger as to the authenticity, origin, validity, accuracy or completeness of such information and data or that the information or data remains unchanged in any respect after the dates stated herein or if no dates have been specifically stated, after the date of this Information Memorandum. The Lead Arranger has not accepted and will not accept any responsibility for the information and data contained in this Information Memorandum or otherwise in relation to the aforesaid proposed issuance of the Sukuk Musharakah and shall not be liable for any consequences of reliance on any of the information or data in this Information Memorandum, except as provided under Malaysian laws.

The information in this Information Memorandum supersedes all other information and material previously supplied (if any) to the recipients. By taking possession of this Information Memorandum, the recipients are acknowledging and agreeing and are deemed to have acknowledged and agreed that they will not rely on any previous information supplied. No person is authorised to give any information or data or to make any representation or warranty other than as contained in this Information Memorandum and, if given or made, any such information, data, representation or warranty must not be relied upon as having been authorised by the Issuer, the Lead Arranger or any other person.

This Information Memorandum is not and is not intended to be a prospectus. Unless otherwise specified in this Information Memorandum, the information contained in this Information Memorandum is current as at the date hereof.

This Information Memorandum has not been and will not be made to comply with the laws of any other jurisdiction (“**Foreign Jurisdiction**”) other than Malaysia, and has not been and will not be lodged, registered or approved pursuant to or under any legislation of (or with or by any regulatory

authorities or other relevant bodies of) any Foreign Jurisdiction and it does not constitute an issue, offer or sale of, or an invitation to subscribe or purchase the Sukuk Musharakah or any other securities of any kind by any party in any Foreign Jurisdiction.

The distribution or possession of this Information Memorandum in or from certain jurisdictions may be restricted or prohibited by law. Each recipient is required to seek appropriate professional advice regarding, and to observe, any such restriction or prohibition. Neither the Issuer nor the Lead Arranger accept any responsibility or liability to any person in relation to the distribution or possession of this Information Memorandum in or from any Foreign Jurisdiction.

By accepting delivery of this Information Memorandum, each recipient agrees to the terms upon which this Information Memorandum is provided to such recipient as set out in this Information Memorandum, and further agrees and confirms that (a) it will keep confidential all of such information and data, (b) it is lawful for such recipient to subscribe for or purchase the Sukuk Musharakah under all jurisdictions to which such recipient is subject, (c) it has complied with all applicable laws in connection with such subscription or purchase of the Sukuk Musharakah, (d) the Issuer, the Lead Arranger and their respective directors, officers, employees and professional advisers are not and will not be in breach of the laws of any jurisdiction to which such recipient is subject as a result of such subscription or purchase of the Sukuk Musharakah, and they shall not have any responsibility or liability in the event that such subscription or purchase of the Sukuk Musharakah is or shall become unlawful, unenforceable, voidable or void, (e) it is aware that the Sukuk Musharakah can only be offered, sold, transferred or otherwise disposed of directly or indirectly in accordance with the relevant selling restrictions and all applicable laws, (f) it has sufficient knowledge and experience in financial and business matters to be capable of evaluating the merits and risks of subscribing or purchasing the Sukuk Musharakah, and is able and is prepared to bear the economic and financial risks of investing in or holding the Sukuk Musharakah, (g) it is subscribing or accepting the Sukuk Musharakah for its own account, and (h) it is a person falling within the categories of persons specified in section 4 (6) of the Companies Act, 1965, as amended from time to time (“CA”) as well as Schedule 6 (or Section 229(1)(b)) and Schedule 7 (or Section 230(1)(b)) of the Capital Markets and Services Act, 2007, as amended from time to time (“CMSA”) and read together with Schedule 9 (or Section 257(3)) of the CMSA. Each recipient is solely responsible for seeking all appropriate expert advice as to the laws of all jurisdictions to which it is subject. For the avoidance of doubt, this Information Memorandum shall not constitute an offer or invitation to subscribe or purchase the Sukuk Musharakah in relation to any recipient who does not fall within item (h) above.

This Information Memorandum or any document delivered under or in relation to the issue, offer and sale of the Sukuk Musharakah is not, and should not be construed as, a recommendation by the Issuer and/or the Lead Arranger to subscribe or purchase the Sukuk Musharakah. This Information Memorandum is not a substitute for, and should not be regarded as, an independent evaluation and analysis and does not purport to be all-inclusive. Each recipient should perform and is deemed to have made its own independent evaluation and analysis of the Issuer, the Sukuk Musharakah and all other relevant matters, and each recipient should consult its own professional advisers. All information and statements herein are subject to the detailed provisions of the respective agreements referred to herein and are qualified in their entirety by reference to such documents.

Neither the delivery of this Information Memorandum nor the offering, sale or delivery of any Sukuk Musharakah shall in any circumstance imply that the information contained herein concerning the Issuer is correct at any time subsequent to the date stated herein or if no dates have been specifically stated, subsequent to the date of this Information Memorandum or that any other information supplied in connection with the Sukuk Musharakah is correct as of any time subsequent to the date indicated in the document containing the same. Neither the Lead Arranger nor any other

advisers undertake to review the financial condition or affairs of the Issuer or to advise any participants in the Sukuk Musharakah issue of any information coming to their respective attention.

This Information Memorandum includes forward-looking statements and reflects projections of future events which may or may not prove to be correct. All of these statements are based on estimates and assumptions made by the Issuer and its advisers and although believed to be reasonable, are subject to risks and uncertainties that may cause actual events or future results to be materially different than expected or indicated by such statements and estimates, and no assurance can be given that any such statements or estimates will be realized. The Issuer, the Principal Adviser and the Lead Arranger are not under any obligation to update or revise such forward-looking statements to reflect any change in expectations or circumstances. In light of all these and other uncertainties, the inclusion of forward-looking statements in this Information Memorandum should not be regarded as a representation or warranty by the Issuer, the Principal Adviser, the Lead Arranger or any other persons that the plans and objectives and future events as anticipated by the Issuer will occur or be achieved. Any such statements are not guarantees of performance and involve risks and uncertainties, many of which are beyond the control of the Issuer

This Information Memorandum includes certain historical information, estimates, or reports thereon derived from sources mentioned in this Information Memorandum and other parties with respect to the Malaysian economy or that of other jurisdictions, the material businesses which the Issuer and its group of companies operate and certain other matters. Such information, estimates, or reports have been included solely for illustrative purposes. No representation or warranty is made as to the accuracy or completeness of any information, estimates and/or reports thereon derived from such sources or from other third party sources.

CIMB Islamic Bank Berhad (“**Shariah Adviser**”) has approved the structure and mechanism of the Sukuk Musharakah and their compliance with Shariah principles. However, the approval is only an expression of the view of the Shariah Adviser based on its extensive experience in the subject. There can be no assurance as to the Shariah permissibility of the structure of the issue of the Sukuk Musharakah and none of the Issuer, the Trustee (as defined below), the Principal Adviser, the Lead Arranger, or any other persons makes any representation as to the same. Investors are reminded that, as with any Shariah views, differences in opinion are possible. Investors are advised to obtain their own independent Shariah advice as to whether the structure meets their individual standards of compliance and make their own determination.

Acknowledgement

The Issuer hereby acknowledges that it has authorised the Lead Arranger to circulate or distribute this Information Memorandum on its behalf in respect of or in connection with the proposed offer or invitation to subscribe for or purchase of the Sukuk Musharakah on a confidential basis to prospective investors falling within the selling restrictions and that no further evidence of authorisation is required.

Statements of Disclaimer by the Securities Commission

A copy of this Information Memorandum will be deposited within 7 days after it is first issued, with the Securities Commission Malaysia (“**SC**”), who takes no responsibility for its contents.

The issue, offer or invitation in relation to the Sukuk Musharakah in this Information Memorandum or otherwise are subject to the fulfilment of various conditions precedent.

THE AUTHORISATION OF THE SC FOR THE ISSUANCE OF THE SUKUK MUSHARAKAH HAS BEEN OBTAINED ON 20 DECEMBER 2013.

PLEASE NOTE THAT THE AUTHORISATION OF THE SC SHALL NOT BE TAKEN TO INDICATE THAT THE SC RECOMMENDS THE SUBSCRIPTION OR PURCHASE OF THE SUKUK MUSHARAKAH.

THE SC SHALL NOT BE LIABLE FOR ANY NON-DISCLOSURE ON THE PART OF THE ISSUER AND ASSUMES NO RESPONSIBILITY FOR THE CORRECTNESS OF ANY STATEMENT MADE OR OPINIONS OR REPORTS EXPRESSED IN THIS INFORMATION MEMORANDUM.

THE ISSUE OF THE SUKUK MUSHARAKAH WILL CARRY RISKS AND ALL INVESTORS SHOULD EVALUATE SUCH ISSUE ON ITS MERITS AND RISKS OF THE INVESTMENT.

INVESTORS SHOULD RELY ON THEIR OWN EVALUATION TO ASSESS THE MERITS AND RISKS OF THE INVESTMENT.

INVESTORS SHOULD READ THIS ENTIRE INFORMATION MEMORANDUM CAREFULLY AND AS A WHOLE, INCLUDING THE APPENDICES.

IT IS RECOMMENDED THAT PROSPECTIVE INVESTORS CONSULT THEIR FINANCIAL, LEGAL AND OTHER ADVISERS BEFORE PURCHASING OR ACQUIRING OR SUBSCRIBING THE SUKUK MUSHARAKAH.

[the rest of this page has been left blank intentionally]

CONFIDENTIALITY

To the recipient of this Information Memorandum:

This Information Memorandum and its contents are strictly confidential and are made strictly on the basis that the recipient shall ensure that they will remain confidential. Accordingly, this Information Memorandum and its contents, or any information, which is made available in connection with any further enquiries, must be held in complete confidence.

This Information Memorandum is submitted to prospective investors specifically in reference to the Sukuk Musharakah pursuant to the Sukuk Programme and may not be reproduced or used, in whole or in part, for any purpose, nor furnished to any person.

In the event that there is any contravention of this confidentiality undertaking or there is reasonable likelihood that this confidentiality undertaking may be contravened, the Issuer may, at its discretion, apply for any remedy available to the Issuer whether at law or equity, including without limitation, injunctions. The Issuer is entitled to fully recover from the contravening party all costs, expenses and losses incurred and/or suffered in this regard. For the avoidance of doubt, it is hereby deemed that this confidentiality undertaking shall be imposed upon the recipient, the recipient's professional advisers, directors, employees and any other persons who may receive this Information Memorandum (or any part of it) from the recipient.

The recipient must return this Information Memorandum and all reproductions and copies whether in whole or in part and any other information in connection therewith to the Principal Adviser or the Lead Arranger promptly upon the Principal Adviser or the Lead Arranger's request.

[the rest of this page has been left blank intentionally]

Table of Content

<u>Section</u>	<u>Description</u>	<u>Page</u>
	GLOSSARY OF DEFINITIONS	1
1.	EXECUTIVE SUMMARY	4
1.1	Description of Proposed Sukuk Programme	4
1.2	Utilisation of Proceeds	4
1.3	Rating	4
2.	INFORMATION ON THE ISSUER	5
2.1	Corporate Information	5
2.2	Share Capital	5
2.3	Shareholders	5
2.4	Directors	5
2.5	Group Corporate Structure as at the date of first issuance of the Sukuk Musharakah	8
3.	INFORMATION ON BGSM EQUITY	9
3.1	Corporate Information	9
3.2	Share Capital	9
3.3	Shareholders	9
3.4	Directors	9
4.	INFORMATION ON MAXIS	12
4.1	Corporate Information	12
4.2	Share Capital	12
4.3	Substantial Shareholders	12
4.4	Directors	15
4.5	Management Team	20
4.6	Financial Highlights	22
5.	INDUSTRY OVERVIEW	23
5.1	The Malaysian Economy	23
5.2	Outlook.....	24
5.3	The Malaysian Telecommunications Industry	24
6.	OVERVIEW OF THE MALAYSIAN TELECOMMUNICATIONS REGULATORY FRAMEWORK	28
6.1	Regulatory Regime	28
6.2	Regulator	28
6.3	Licensing Regime	28
6.4	Access Regime	29
6.5	Spectrum.....	29
6.6	Rate Setting	30
6.7	Universal Service Provision	30
6.8	Restrictions on Anti-Competitive Behaviour	31
7.	BUSINESS OVERVIEW OF MAXIS	32
8.	PRINCIPAL TERMS AND CONDITIONS	33
8.1	Background Information and Principal Terms and Conditions	33
8.2	Musharakah Diagramme	34
8.3	Price Payable	36
8.4	Shariah Adviser Endorsement	38
9.	INVESTMENT CONSIDERATIONS	39
9.1	Considerations Relating to the Group	39

9.2	Considerations relating to the Sukuk Musharakah	40
10.	GENERAL INFORMATION	42
10.1	Material Litigation and Material Contracts	42
10.2	Material Contingent Liabilities and Material Commitment	42
10.3	Conflict-of-Interest and Appropriate Mitigating Measures	43
10.4	BGSM MTN Programme.....	44

Appendices

Appendix 1	Financial Highlights of Maxis
Appendix 2	Shariah Pronouncement
Appendix 3	Business Overview of Maxis
Appendix 4	Principal Terms and Conditions

Glossary of Definitions

The following terms when used in this Information Memorandum shall bear the same meanings as set out below, unless otherwise defined herein or the context otherwise requires:

Access List	the list determined by the Commission which sets out the type of facilities and/or services subject to the access obligations under the CMA;
BGSM	Binariang GSM Sdn Bhd (Company No. 264292-W);
BGSM Equity	BGSM Equity Holdings Sdn Bhd (Company No. 1070624-P);
BGSM MTN Programme	the existing Islamic medium term notes programme with an aggregate nominal value of up to RM19.0 billion based on the Shariah principle of Musharakah established by BGSM;
BNM	Bank Negara Malaysia, the central bank of Malaysia;
Bursa Malaysia	Bursa Malaysia Securities Berhad (Company No. 30632-P);
CCM	Companies Commission of Malaysia;
CMA	Communications and Multimedia Act, 1998 and includes any amendments thereto from time to time;
Commission	Malaysia Communications and Multimedia Commission established under the MCMCA;
Early Redemption	shall have the meaning ascribed to it in paragraph (2)(x) of the Principal Terms and Conditions as set out in Section 8 of this Information Memorandum;
Exercise Price	shall have the meaning ascribed to it in the Principal Terms and Conditions as set out in Section 8 of this Information Memorandum;
Expected Periodic Payment	shall have the meaning ascribed to it in paragraph 2(i) of the Principal Terms and Conditions as set out in Section 8 of this Information Memorandum;
CIMB	CIMB Investment Bank Berhad (Company No. 18417-M);
Group	the Issuer and its subsidiaries;
Issuer	BGSM Management Sdn Bhd (Company No. 1070628-X);
Loan	shall have the meaning ascribed to it in paragraph (2)(l) of the Principal Terms and Conditions as set out in Section 8 of this Information Memorandum;
Mandatory Redemption	shall have the meaning ascribed to it in under the Section entitled “Mandatory Redemption” under paragraph (2)(y) of the Principal

	Terms and Conditions as set out in Section 8 of this Information Memorandum;
Maturity Date	shall have the meaning ascribed to it in under the Section entitled “Positive Covenants” under paragraph (2)(w)(iv) of the Principal Terms and Conditions as set out in Section 8 of this Information Memorandum;
MCB	Maxis Communications Berhad (Company No. 158400-V);
Maxis	Maxis Berhad (Company No. 867573-A);
Maxis Shares	ordinary shares of RM0.10 each in Maxis;
MCMCA	Malaysian Communications and Multimedia Commission Act, 1998 and includes any amendments thereto from time to time;
Minister	Minister of Information, Communications and Culture of Malaysia;
Musharakah Structure	the Musharakah venture entered into between the Sukukholders and the Issuer pursuant to the Sukuk Programme;
Outstanding BGSM IMTNs	the outstanding Islamic medium term notes issued pursuant to the BGSM MTN Programme;
Periodic Payment Dates	shall have the meaning ascribed to it in paragraph (2)(j) of the Principal Terms and Conditions as set out in Section 8 of this Information Memorandum;
RAM	RAM Rating Services Berhad (Company No. 763588-T);
RM	Ringgit Malaysia and sen, respectively, the lawful currency of Malaysia;
SC	Securities Commission Malaysia;
Sukuk Musharakah	the Islamic medium term notes issued or to be issued under the Sukuk Programme;
Sukukholders	the holders of the Sukuk Musharakah;
Sukuk Programme	the Islamic medium term notes programme with an aggregate nominal value of up to RM10.0 billion based on the Shariah principle of Musharakah;
Shariah Adviser	CIMB Islamic Bank Berhad (Company No. 671380-H);
subsidiary	has the meaning defined in Section 5 of the CA and “subsidiaries” shall be construed accordingly;
Trustee	CIMB Islamic Trustee Berhad (Company No. 167913-M), the trustee in

respect of the Sukuk Programme.

[the rest of this page has been left blank intentionally]

1. EXECUTIVE SUMMARY

1.1 Description of Proposed Sukuk Programme

The Issuer proposes to issue the Sukuk Musharakah pursuant to the Sukuk Programme. The Sukuk Programme has a tenure of 30 years from the date of first issue of the Sukuk Musharakah thereunder.

1.2 Utilisation of Proceeds

The proceeds from the first issuance under the Sukuk Programme shall be utilised for the following Shariah compliant purposes:-

- (a) to refinance the Outstanding BGSM IMTNs issued pursuant to the BGSM MTN Programme prior to their respective maturity dates; and/or
- (b) to refinance any bridging financing facility incurred by BGSM and/or the Issuer to
(.1) redeem the Outstanding BGSM IMTNs issued pursuant to the BGSM MTN Programme, and/or (.2) refinance the Loan in part or in whole; and/or
- (c) to refinance the Loan in part or in whole.

The proceeds from subsequent issuances under the Sukuk Programme shall be utilised for the following Shariah compliant purposes:-

- (i) to refinance any maturing Sukuk Musharakah issued under the Sukuk Programme and the Loan in part or in whole; and/or
- (ii) to refinance any bridging financing facility incurred by BGSM and/or the Issuer to
(.1) redeem the Outstanding BGSM IMTNs issued pursuant to the BGSM MTN Programme, and/or (.2) refinance the Loan in part or in whole; and/or
- (iii) for working capital and general corporate purposes of the Issuer and its subsidiaries (“**Group**”) including capital expenditure for the Group including amongst others potential capital expenditure for the Group’s fixed assets (land, buildings, office equipment etc.); and/or
- (iv) for payment of fees, costs and all ancillary expenses incurred in connection with the establishment of the Sukuk Programme and the issuance of the Sukuk Musharakah.

1.3 Rating

RAM has assigned a preliminary rating of AA₃ to the Sukuk Musharakah.

[the rest of this page has been left blank intentionally]

2. INFORMATION ON THE ISSUER

2.1 Corporate Information

The Issuer was incorporated in Malaysia on 18 November 2013 under the CA and is a private limited company. The Issuer is an investment holding company.

2.2 Share Capital

The authorised, issued and paid-up capital of the Issuer as at 20 December 2013 are as follows:

Share Capital

Authorised

RM5,000,000.00 divided into 4,999,600 ordinary shares of RM1.00 each and 40,000 redeemable preference shares of RM0.01 each.

Issued and paid-up

RM2.00 comprising 2 ordinary shares of RM1.00 each.

Note: The Issuer intends to issue and allot to MCB such number of ordinary shares of RM1.00 each and such number of redeemable preference shares with a par value of RM0.01 each and a premium of RM999,999.99 each, in the share capital of the Issuer, on or before the first issuance date of the Sukuk Musharakah.

2.3 Shareholders

The Issuer is a wholly-owned subsidiary of MCB.

2.4 Directors

2.4.1 List of Directors

The board of directors of the Issuer, as at 27 November 2013, comprises the following directors:

- (a) Raja Tan Sri Dato' Seri Arshad bin Raja Tun Uda;
- (b) Augustus Ralph Marshall;
- (c) Chan Chee Beng; and
- (d) Krishnan Ravi Kumar.

2.4.2 Profiles of Directors

The profiles of the directors of the Issuer are as follows:

(a) Raja Tan Sri Dato' Seri Arshad bin Raja Tun Uda

Raja Tan Sri Dato' Seri Arshad bin Raja Tun Uda (NRIC No. 461202-10-5727), aged 66, a Malaysian, was appointed as a first Director of the Issuer on 18 November 2013.

He was appointed as the Chairman and Director of Maxis on 16 October 2009.

He is presently a director of Khazanah Nasional Berhad, Yayasan DayaDiri and ACR Retakaful SEA Berhad. He is the chairman of BGSM, Ekuiti Nasional Berhad, Yayasan Raja Muda Selangor and Yayasan Amir. He is also the Chancellor of University Selangor.

He was formerly the executive chairman and senior partner of PricewaterhouseCoopers (“**PwC**”), Malaysia, the chairman of the Leadership Team of PwC Asia 7, and the chairman of the Malaysian Accounting Standards Board and Danamodal Nasional Berhad. His previous international appointments include being a member of the PwC Global Leadership Team, the PwC Global IFRS Board and the Standards Advisory Council of the International Accounting Standards Board. His previous public appointments include being a member of the SC, the Commission, the Investment Panel of the Employees Provident Fund and the board of trustees of the National Art Gallery.

He is a Fellow of the Institute of Chartered Accountants in England and Wales, and a member of the Malaysian Institute of Accountants. He is also a member of the Malaysian Institute of Certified Public Accountants and served on its council for 24 years, including 3 years as its president.

He sits as Chairman of the Nomination Committee of Maxis. In addition, he is also a member of the Audit and Remuneration Committees of Maxis.

(b) Augustus Ralph Marshall

Augustus Ralph Marshall (NRIC No. 511001-08-6649), aged 62, a Malaysian, was appointed as a first Director of the Issuer on 18 November 2013.

He was appointed as a Director of Maxis on 7 August 2009.

He has more than 30 years of experience in financial and general management. He is an executive director of Usaha Tegas Sdn. Bhd. (“**UTSB**”), the executive deputy chairman and group chief executive officer (“**CEO**”) of Astro Holdings Sdn. Bhd. Group, including his position as non-executive deputy chairman of Astro Malaysia Holdings Berhad (listed on Bursa Malaysia); and an executive director of Tanjong Public Limited Company, in which UTSB has significant interests. He also serves as a non-executive director on the boards of several other companies in which UTSB also has significant interests such as MCB (holding company of Maxis) and Johnston Press plc (listed on the London Stock Exchange plc). In addition, he is a director in an independent non-executive capacity and the chairman of the audit committee of KLCC Property Holdings Berhad (listed on Bursa Malaysia) and a non-executive director of MEASAT Global Berhad (“**MGB**”) and KLCC REIT Management Sdn Bhd (the management company of KLCC REIT).

He is an Associate of the Institute of Chartered Accountants in England and Wales and a member of the Malaysian Institute of Certified Public Accountants.

He is a member of the Remuneration and Employee Share Option Scheme Committees of Maxis.

(c) Chan Chee Beng

Chan Chee Beng (NRIC No. 550823-02-5505), aged 58, a Malaysian, was appointed as a first Director of the Issuer on 18 November 2013.

He was appointed as a Director of Maxis on 7 August 2009.

He has more than 30 years’ experience in investment banking, financial management and accounting including stints with Ernst & Young and Morgan Grenfell & Co. Ltd prior to joining the UTSB group in 1992 as head of corporate finance. He is presently an executive director of UTSB and serves on the boards of several other companies in which UTSB has significant interests such as MCB (holding company of Maxis) and BGSM, having an operational base in Malaysia; Bumi Armada Berhad (“**BAB**”) (listed on Bursa Malaysia), an offshore oil and gas service provider; and Sri Lanka Telecom PLC (listed on the Colombo

Stock Exchange) and Mobitel (Pvt) Ltd, having an operational base in Sri Lanka. He is also a director of MEASAT Satellite Systems Sdn. Bhd. (“MSS”), a regional satellite operator and a director in a non-executive capacity on the board of MGB, the holding company of MSS; Powertek Energy Sdn. Bhd. (formerly known as Tanjong Energy Holdings Sdn. Bhd.), a wholly-owned subsidiary of 1Malaysia Development Berhad, which is involved in the business of power generation and related services; and Yu Cai Foundation. He is a member of the audit and nomination committees of BAB and a member of the audit committee of MGB.

He holds a degree in Economics and Accounting from the University of Newcastle-upon-Tyne in the United Kingdom (“UK”) and is a Fellow of the Institute of Chartered Accountants in England and Wales.

He is a member of the Audit and Nomination Committees of Maxis.

(d) **Krishnan Ravi Kumar**

Krishnan Ravi Kumar (Passport Number E2662368C), aged 49, a Singaporean, was appointed as a Director of the Issuer on 27 November 2013.

He was appointed as a Director of Maxis on 26 November 2012.

He joined Saudi Telecom Company (“STC”) group as its group chief financial officer (“CFO”) in May 2012. He has over 25 years of experience working for multinational companies and has held a variety of positions at senior management level. He joined STC group from Olam International Ltd (“Olam”), a leading global integrated supply chain manager of agricultural commodities based in Singapore. At Olam, he was the group CFO and led the Finance, Accounting, Corporate Affairs and Strategic Investments functions of the group. Apart from the CFO responsibilities, he was a member of the Executive Committee, Risk Committee and Investment Committee in the company. He worked at Olam for more than 20 years in a variety of managerial positions, the last 14 years out of their corporate headquarters in Singapore. He serves on the board of BGSM and MCB (holding company of Maxis). He obtained a Bachelor of Commerce degree from the University of Delhi, India in 1984 and a Degree in Cost Accountancy from The Institute of Cost and Works Accountants of India in 1985. He became a qualified Company Secretary with the Institute of Company Secretaries in India in 1989 and obtained a postgraduate Diploma in Business Management (“MBA”) from Xavier Labour Relations Institute, India in 1990. In 2009, he completed the Advanced Management Program from Harvard Business School, Boston, United States of America (“USA”).

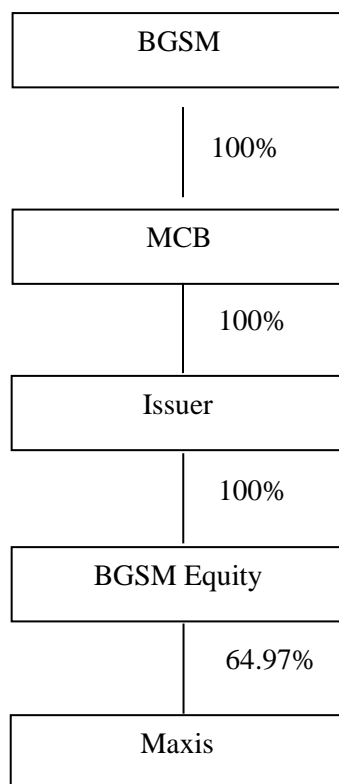
2.4.3 **Directors’ Shareholdings**

None of the directors of the Issuer hold any shares in the Issuer nor do they have any interest in the shares of the Issuer.

[the rest of this page has been left blank intentionally]

2.5 Group Corporate Structure as at the date of first issuance of the Sukuk Musharakah

The proposed Group structure as at the date of first issuance of the Sukuk Musharakah will be as follows:-



[the rest of this page has been left blank intentionally]

3. INFORMATION ON BGSM EQUITY

3.1 Corporate Information

BGSM Equity was incorporated in Malaysia on 18 November 2013 under the CA and is a private limited company. BGSM Equity is an investment holding company.

3.2 Share Capital

The authorised, issued and paid-up capital of BGSM Equity as at 20 December 2013 are as follows:

Share Capital

Authorised

RM5,000,000.00 divided into 4,999,600 ordinary shares of RM1.00 each and 40,000 redeemable preference shares of RM0.01 each.

Issued and paid-up

RM2.00 comprising 2 ordinary shares of RM1.00 each.

Note: BGSM Equity intends to issue and allot to the Issuer such number of ordinary shares of RM1.00 each and such number of redeemable preference shares with a par value of RM0.01 each and a premium of RM999,999.99 each, in the share capital of BGSM Equity, on or before the first issuance date of the Sukuk Musharakah.

3.3 Shareholders

BGSM Equity is a wholly-owned subsidiary of the Issuer.

3.4 Directors

3.4.1 List of Directors

The board of directors of BGSM Equity, as at 27 November 2013, comprises the following directors:

- (a) Raja Tan Sri Dato' Seri Arshad bin Raja Tun Uda;
- (b) Augustus Ralph Marshall;
- (c) Chan Chee Beng; and
- (d) Krishnan Ravi Kumar.

3.4.2 Profiles of Directors

The profiles of the directors of BGSM Equity are as follows:

(a) Raja Tan Sri Dato' Seri Arshad bin Raja Tun Uda

Raja Tan Sri Dato' Seri Arshad bin Raja Tun Uda (NRIC No. 461202-10-5727), aged 66, a Malaysian, was appointed as a first Director of BGSM Equity on 18 November 2013.

He was appointed as the Chairman and Director of Maxis on 16 October 2009.

He is presently a director of Khazanah Nasional Berhad, Yayasan DayaDiri and ACR Retakaful SEA Berhad. He is the chairman of BGSM, Ekuiti Nasional Berhad, Yayasan Raja Muda Selangor and Yayasan Amir. He is also the Chancellor of University Selangor.

He was formerly the executive chairman and senior partner of PwC, Malaysia, the chairman of the Leadership Team of PwC Asia 7, and the chairman of the Malaysian Accounting Standards Board and Danamodal Nasional Berhad. His previous international appointments include being a member of the PwC Global Leadership Team, the PwC Global IFRS Board and the Standards Advisory Council of the International Accounting Standards Board. His previous public appointments include being a member of the SC, the Commission, the Investment Panel of the Employees Provident Fund and the board of trustees of the National Art Gallery.

He is a Fellow of the Institute of Chartered Accountants in England and Wales, and a member of the Malaysian Institute of Accountants. He is also a member of the Malaysian Institute of Certified Public Accountants and served on its council for 24 years, including 3 years as its president.

He sits as Chairman of the Nomination Committee of Maxis. In addition, he is also a member of the Audit and Remuneration Committees of Maxis.

(b) Augustus Ralph Marshall

Augustus Ralph Marshall (NRIC No. 511001-08-6649), aged 62, a Malaysian, was appointed as a first Director of BGSM Equity on 18 November 2013.

He was appointed as a Director of Maxis on 7 August 2009.

He has more than 30 years of experience in financial and general management. He is an executive director of UTSB, the executive deputy chairman and group CEO of Astro Holdings Sdn. Bhd. Group, including his position as non-executive deputy chairman of Astro Malaysia Holdings Berhad (listed on Bursa Malaysia); and an executive director of Tanjong Public Limited Company, in which UTSB has significant interests. He also serves as a non-executive director on the boards of several other companies in which UTSB also has significant interests such as MCB (holding company of Maxis) and Johnston Press plc (listed on the London Stock Exchange plc). In addition, he is a director in an independent non-executive capacity and the chairman of the audit committee of KLCC Property Holdings Berhad (listed on Bursa Malaysia) and a non-executive director of MGB and KLCC REIT Management Sdn Bhd (the management company of KLCC REIT).

He is an Associate of the Institute of Chartered Accountants in England and Wales and a member of the Malaysian Institute of Certified Public Accountants.

He is a member of the Remuneration and Employee Share Option Scheme Committees of Maxis.

(c) Chan Chee Beng

Chan Chee Beng (NRIC No. 550823-02-5505), aged 58, a Malaysian, was appointed as a first Director of BGSM Equity on 18 November 2013.

He was appointed as a Director of Maxis on 7 August 2009.

He has more than 30 years' experience in investment banking, financial management and accounting including stints with Ernst & Young and Morgan Grenfell & Co. Ltd prior to joining the UTSB group in 1992 as head of corporate finance. He is presently an executive director of UTSB and serves on the boards of several other companies in which UTSB has

significant interests such as MCB (holding company of Maxis) and BGSM, having an operational base in Malaysia; BAB (listed on Bursa Malaysia), an offshore oil and gas service provider; and Sri Lanka Telecom PLC (listed on the Colombo Stock Exchange) and Mobitel (Pvt) Ltd, having an operational base in Sri Lanka. He is also a director of MSS, a regional satellite operator and a director in a non-executive capacity on the board of MGB, the holding company of MSS; Powertek Energy Sdn. Bhd. (formerly known as Tanjong Energy Holdings Sdn. Bhd.), a wholly-owned subsidiary of 1Malaysia Development Berhad, which is involved in the business of power generation and related services; and Yu Cai Foundation. He is a member of the audit and nomination committees of BAB and a member of the audit committee of MGB.

He holds a degree in Economics and Accounting from the University of Newcastle-upon-Tyne in the UK and is a Fellow of the Institute of Chartered Accountants in England and Wales. He is a member of the Audit and Nomination Committees of Maxis.

(d) **Krishnan Ravi Kumar**

Krishnan Ravi Kumar (Passport Number E2662368C), aged 49, a Singaporean, was appointed as a Director of BGSM Equity on 27 November 2013.

He was appointed as a Director of Maxis on 26 November 2012.

He joined STC group as its group CFO in May 2012. He has over 25 years of experience working for multinational companies and has held a variety of positions at senior management level. He joined STC group from Olam, a leading global integrated supply chain manager of agricultural commodities based in Singapore. At Olam, he was the group CFO and led the Finance, Accounting, Corporate Affairs and Strategic Investments functions of the group. Apart from the CFO responsibilities, he was a member of the Executive Committee, Risk Committee and Investment Committee in the company. He worked at Olam for more than 20 years in a variety of managerial positions, the last 14 years out of their corporate headquarters in Singapore. He serves on the board of BGSM and MCB (holding company of Maxis). He obtained a Bachelor of Commerce degree from the University of Delhi, India in 1984 and a Degree in Cost Accountancy from The Institute of Cost and Works Accountants of India in 1985. He became a qualified Company Secretary with the Institute of Company Secretaries in India in 1989 and obtained a MBA from Xavier Labour Relations Institute, India in 1990. In 2009, he completed the Advanced Management Program from Harvard Business School, Boston, USA.

3.4.3 **Directors' Shareholdings**

None of the directors of BGSM Equity hold any shares in BGSM Equity nor do they have any interest in the shares of BGSM Equity.

[the rest of this page has been left blank intentionally]

4. INFORMATION ON MAXIS

4.1 Corporate Information¹

Maxis was incorporated in Malaysia on 7 August 2009 under the CA as a public company limited by shares and was listed on the Main Market of Bursa Malaysia on 19 November 2009. Maxis is principally an investment holding company.

4.2 Share Capital

The authorised, issued and paid-up capital of Maxis are as follows:

Share Capital

Authorised² (as at 21 November 2013)

RM1,200,000,000 divided into 12,000,000,000 ordinary shares of RM0.10 each.

Issued and paid-up³ (as at 27 November 2013)

RM750,331,290 comprising 7,503,312,900 ordinary shares of RM0.10 each.

4.3 Substantial Shareholders

The registered substantial shareholders holding ordinary shares in Maxis as at 25 November 2013 are as follows:

Name of Substantial Shareholder	Direct		Indirect	
	No. of Shares held	%	No. of Shares held	%
MCB	4,875,000,000	64.97	-	-
BGSM ⁽¹⁾	-	-	4,875,000,000	64.97
Usaha Tegas Equity Sdn. Bhd. ("UTE") ⁽²⁾	-	-	4,875,000,000	64.97
UTSB ⁽³⁾	-	-	4,875,000,000	64.97
Pacific States Investment Limited ("PSIL") ⁽⁴⁾	-	-	4,875,000,000	64.97
Excorp Holdings N.V. ("Excorp") ⁽⁵⁾	-	-	4,875,000,000	64.97
PanOcean Management Limited ("PanOcean") ⁽⁵⁾	-	-	4,875,000,000	64.97

¹ This information is based on (a) the Annual Report 2012 of Maxis, and (b) the result of the company search conducted on Maxis at the CCM on 28.11.13 and the results are based on Maxis' documents registered as at 21.11.13 made available for public inspection.

² This information is based on the result of the company search conducted on Maxis at the CCM on 28.11.13 and the results are based on Maxis' documents registered as at 21.11.13 made available for public inspection.

³ This information is based on announcements made by Maxis to Bursa Malaysia.

Name of Substantial Shareholder	Direct		Indirect	
	No. of Shares held	%	No. of Shares held	%
Ananda Krishnan Tatparanandam (" TAK ") ⁽⁶⁾	-	-	4,875,000,000	64.97
Harapan Nusantara Sdn. Bhd. (" Harapan Nusantara ") ⁽⁷⁾	-	-	4,875,000,000	64.97
Tun Dr. Haji Mohammed Hanif bin Omar ⁽⁸⁾	-	-	4,875,000,000	64.97
Dato' Haji Badri bin Haji Masri ⁽⁸⁾	-	-	4,875,000,000	64.97
Mohamad Shahrin bin Merican ⁽⁸⁾	11,000	*	4,875,000,000	64.97
STC Malaysia Holding Ltd (" STCM ") ⁽⁹⁾	-	-	4,875,000,000	64.97
STC Asia Telecom Holding Ltd (" STCAT ") ⁽¹⁰⁾	-	-	4,875,000,000	64.97
Saudi Telecom Company (" Saudi Telecom ") ⁽¹¹⁾	-	-	4,875,000,000	64.97
Public Investment Fund (" PIF ") ⁽¹²⁾	-	-	4,875,000,000	64.97
AmanahRaya Trustees Berhad (" ARB ") – Skim Amanah Saham Bumiputera	570,432,100	7.6		
Employees Provident Fund Board (" EPF ") ⁽¹³⁾	412,363,400	5.49	39,521,700	0.53

Notes:

* Negligible

- (1) BGSM's deemed interest in the Shares arises by virtue of its direct equity interests of 100% in MCB.
- (2) UTE's deemed interest in the Shares arises by virtue of its direct equity interest of 100% in each of Wilayah Bintang Sdn. Bhd., Tegas Mahsuri Sdn. Bhd., Besitang (M) Sdn. Bhd. and Besitang Utara Sdn. Bhd. which in turn wholly-own Wilayah Resources Sdn. Bhd., Tegas Puri Sdn. Bhd., Besitang Barat Sdn. Bhd. and Besitang Selatan Sdn. Bhd. (collectively, "**UT Subsidiaries**") respectively. The UT Subsidiaries hold in aggregate 37% direct equity interest in BGSM, and therefore via such aggregate interest, UTE has a deemed interest over all the Shares held by MCB. See Note (1) above for BGSM's deemed interest in the Shares.

- (3) UTSB is deemed to have an interest in all of the Shares in which UTE has an interest, by virtue of UTSB being entitled to exercise 100% of the votes attached to the voting shares of UTE. See Note (2) above for UTE's deemed interest in the Shares.
- (4) PSIL is deemed to have an interest in all of the Shares in which UTSB has an interest, by virtue of PSIL being entitled to exercise 99.999% of the votes attached to the voting shares of UTSB. See Note (3) above for UTSB's deemed interest in the Shares.
- (5) The shares in PSIL are held by Excorp which is in turn 100% held by PanOcean. See Note (4) above for PSIL's deemed interest in the Shares. PanOcean is the trustee of a discretionary trust, the beneficiaries of which are members of the family of TAK and foundations including those for charitable purposes. Although PanOcean is deemed to have an interest in the Shares, it does not have any economic or beneficial interest over such Shares, as such interest is held subject to the terms of such discretionary trust.
- (6) TAK is deemed to have an interest in the Shares in which BGSM has an interest, by virtue of the following:
 - a. PanOcean's deemed interest in the Shares. See Note (5) above for PanOcean's deemed interest in the Shares. Although TAK is deemed to have an interest in such Shares, he does not have any economic or beneficial interest over such Shares, as such interest is held subject to the terms of a discretionary trust referred to in Note (5) above;
 - b. his controlling interest in Eridanes International N.V. ("**EINV**"), the immediate holding company of East Asia Telecommunications Ltd, Global Multimedia Technologies ("**BVI**") Ltd and Worldwide Communications Technologies Ltd which in turn collectively own Maxis Holdings Sdn. Bhd. ("**MHSB**"). EINV has a 53.50% equity interest in Shield Estate N.V. ("**SENV**") via MHSB;
 - c. his controlling interest in MAI Holdings Sdn. Bhd. ("**MAIH**"), the immediate holding company of Pacific Fortune Sdn. Bhd. which in turn has a direct equity interest of 100% in each of Ria Utama Sdn. Bhd. ("**RUSB**") and Tetap Emas Sdn. Bhd. ("**TESB**"). MAIH has a 34.27% equity interest in SENV via RUSB and TESB; and
 - d. his controlling interest in MAI Sdn Berhad ("**MAI**"), the immediate holding company of Terang Equity Sdn. Bhd., which in turn has a direct equity interest of 100% in Wangi Terang Sdn. Bhd. ("**WTSB**"). MAI has a 12.23% equity interest in SENV via WTSB, and SENV has an 8% equity interest in BGSM which in turn wholly-owns MCB. MCB owns 64.97% direct equity interest in the Company.
- (7) Harapan Nusantara is deemed to have an interest in all of the Shares in which Mujur Anggun Sdn. Bhd., Cabaran Mujur Sdn. Bhd., Anak Samudra Sdn. Bhd., Dumai Maju Sdn. Bhd., Nusantara Makmur Sdn. Bhd., Usaha Kenanga Sdn. Bhd. and Tegas Sari Sdn. Bhd. (collectively, "**Harapan Nusantara Subsidiaries**") have an interest, by virtue of Harapan Nusantara being entitled to control the exercise of 100% of the votes attached to the voting shares in each of the Harapan Nusantara Subsidiaries. The Harapan Nusantara Subsidiaries hold in aggregate 30% direct equity interest in BGSM and therefore, via such aggregate interest, Harapan Nusantara has a deemed interest over all the Shares held by MCB. See Note (1) above for BGSM's deemed interest in the Shares.

 The Shares held via the Harapan Nusantara Subsidiaries are held under discretionary trusts for Bumiputera objects. As such, Harapan Nusantara does not have any economic interest in the Shares via the Harapan Nusantara Subsidiaries, as such interest is held subject to the terms of such discretionary trusts.
- (8) Deemed to have an interest in the Shares in which Harapan Nusantara has an interest, by virtue of his 25% direct equity interest in Harapan Nusantara. However, he does not have any economic interest in the Shares held via the Harapan Nusantara Subsidiaries as such interest is

held subject to the terms of the discretionary trusts for Bumiputera objects. See Note (7) above for Harapan Nusantara's deemed interest in the Shares.

- (9) STCM is deemed to have an interest in the Shares by virtue of its direct 25% equity interest in BGSM. See Note (1) above for BGSM's deemed interest in the Shares.
- (10) STCAT is deemed to have an interest in all of the Shares in which STCM has an interest, by virtue of its direct 100% equity interest in STCM. See Note (9) above for STCM's deemed interest in the Shares.
- (11) Saudi Telecom is deemed to have an interest in all of the Shares in which STCAT has an interest, by virtue of its direct 100% equity interest in STCAT. See Note (10) above for STCAT's deemed interest in the Shares.
- (12) PIF is deemed to have an interest in all of the Shares in which Saudi Telecom has an interest, by virtue of its direct 70% equity interest in Saudi Telecom. See Note (11) above for Saudi Telecom's deemed interest in the Shares.
- (13) EPF is deemed to have an interest in 39,521,700 Shares held through nominees.

4.4 Directors

4.4.1 List of Directors¹

The board of directors of Maxis comprises the following directors:

- (a) Raja Tan Sri Dato' Seri Arshad bin Raja Tun Uda;
- (b) Robert William Boyle;
- (c) Dato' Mokhzani bin Mahathir;
- (d) Krishnan Ravi Kumar;
- (e) Dr. Fahad Hussain S. Mushayt;
- (f) Dr. Ibrahim Abdulrahman H. Kadi;
- (g) Augustus Ralph Marshall;
- (h) Chan Chee Beng;
- (i) Alvin Michael Hew Thai Kheam; and
- (j) Morten Lundal.

4.4.2 Profiles of Directors

The profiles of the directors of Maxis are as follows²:-

- (a) **Raja Tan Sri Dato' Seri Arshad bin Raja Tun Uda (NRIC No. 461202-10-5727)**, aged 66, a Malaysian, was appointed as the Chairman and Director of Maxis on 16 October 2009.

He is presently a director of Khazanah Nasional Berhad, Yayasan DayaDiri and ACR Retakaful SEA Berhad. He is the chairman of BGSM, Ekuiti Nasional Berhad, Yayasan Raja Muda Selangor and Yayasan Amir. He is also the Chancellor of University Selangor.

¹ The list of directors of Maxis is based on Maxis' website as at 27 November 2013.

² The profiles of the directors of Maxis contained in this Section is extracted from Maxis' website and is based on the said website as at 27 November 2013.

He was formerly the executive chairman and senior partner of PwC, Malaysia, the chairman of the Leadership Team of PwC Asia 7, and the chairman of the Malaysian Accounting Standards Board and Danamodal Nasional Berhad. His previous international appointments include being a member of the PwC Global Leadership Team, the PwC Global IFRS Board and the Standards Advisory Council of the International Accounting Standards Board. His previous public appointments include being a member of the SC, the Commission, the Investment Panel of the Employees Provident Fund and the board of trustees of the National Art Gallery.

He is a Fellow of the Institute of Chartered Accountants in England and Wales, and a member of the Malaysian Institute of Accountants. He is also a member of the Malaysian Institute of Certified Public Accountants and served on its council for 24 years, including 3 years as its president. He sits as Chairman of the Nomination Committee of Maxis. In addition, he is also a member of the Audit and Remuneration Committees of Maxis.

- (b) **Robert William Boyle (Passport Number 502872723)**, aged 65, a British citizen, was appointed as a Director of Maxis on 17 September 2009.

He is a non-executive director of Witan Investment Trust plc, Centaur Media plc, Schroder Asia Pacific Fund plc and Prosperity Voskhod Limited, all London listed companies. Previously he was a senior partner of PwC in London, with experience in leading and participating in global teams on client and PwC projects, including chairing the PwC European Entertainment and Media and UK Telecommunications Groups. His expertise includes financial reporting, shareholder communications, risk management and corporate governance. During his career he has worked in France and Africa and been seconded to the UK civil service. He holds a Master of Arts in Law from Oxford and is a Fellow of the Institute of Chartered Accountants of England and Wales. He sits as Chairman of the Audit Committee and is a member of the Remuneration and Nomination Committees.

- (c) **Dato' Mokhzani bin Mahathir (NRIC No. 610117-02-5155)**, aged 52, a Malaysian, was appointed as director of Maxis on 16 October 2009.

He began work in 1987 as a wellsite operations engineer with Sarawak Shell Berhad and resigned in 1989 to pursue business opportunities in Kuala Lumpur. By investing in Tongkah Holdings Berhad (listed on the then Kuala Lumpur Stock Exchange), he ventured into the component manufacturing, oil and gas, finance and healthcare sectors. He held positions as the group CEO of Pantai Holdings Berhad (healthcare), the chairman of THB Industries Berhad (electronics) and the group executive chairman of Tongkah Holdings Berhad (oil and gas, finance). A divestment exercise in 2001 saw him relinquish all positions and equity in these companies. Presently his portfolio of investments includes businesses in Information Technology ("IT"), oil and gas support services, structural steel engineering and fabrication, the automotive sector and property development. He is a non-independent executive director and executive vice-chairman of SapuraKencana Petroleum Berhad. Through his private holding company, Kencana Capital Sdn. Bhd., he has investments in IT, property and other businesses. He is currently the chairman of Sepang International Circuit Sdn. Bhd., which hosts the FIA Formula One World Championship. He also serves as non independent non-executive director and chairman of Opcom Holdings Berhad. He is a qualified petroleum engineer. He pursued his tertiary education at the University of Tulsa, Oklahoma in the USA, where he graduated with a Bachelor of Science in Petroleum Engineering.

He sits as the Chairman of the Remuneration and ESOS Committees of Maxis and is a member of the Audit and Nomination Committees of Maxis.

- (d) **Krishnan Ravi Kumar (Passport Number E2662368C)**, aged 49, a Singaporean, was appointed as a Director of Maxis on 26 November 2012.

He joined STC group as its group CFO in May 2012. He has over 25 years of experience working for multinational companies and has held a variety of positions at senior management level. He joined STC group from Olam, a leading global integrated supply chain manager of agricultural commodities based in Singapore. At Olam, he was the group CFO and led the Finance, Accounting, Corporate Affairs and Strategic Investments functions of the group. Apart from the CFO responsibilities, he was a member of the Executive Committee, Risk Committee and Investment Committee in the company. He worked at Olam for more than 20 years in a variety of managerial positions, the last 14 years out of their corporate headquarters in Singapore. He serves on the board of BGSM and MCB (holding company of Maxis). He obtained a Bachelor of Commerce degree from the University of Delhi, India in 1984 and a Degree in Cost Accountancy from The Institute of Cost and Works Accountants of India in 1985. He became a qualified Company Secretary with the Institute of Company Secretaries in India in 1989 and obtained a MBA from Xavier Labour Relations Institute, India in 1990. In 2009, he completed the Advanced Management Program from Harvard Business School, Boston, USA.

- (e) **Dr. Fahad Hussain S. Mushayt (Passport Number J363356)**, aged 44, a Saudi citizen, was appointed as a Director of Maxis on 25 September 2009.

He is the vice president of Corporate Strategy at STC. He joined STC in 2000 as a Senior Business Analyst in its Corporate Planning Department, and moved up later to be Strategic Planning Director and Business Development Director in 2001. In July 2004, he was made Head of STC Strategic Investments Unit which he founded, reporting to the CEO. In this role, he initiated, managed, closed and subsequently oversaw in excess of US\$8 billion in investments by STC in KSA and globally. In 2011, he was promoted to vice president of Corporate Strategy, reporting to the group CEO. His responsibilities included promoting the growth agenda of STC, and enhancing the company's competitive position through strategic and business planning. He also oversaw the establishment and implementation of the group's investment strategy, customer experience strategy, integrated broadband strategy, as well as the digitisation strategy among others. Throughout his career at STC, he has been responsible for representing STC locally and internationally, maintaining and expanding relationships with the telecom industry and regulators in KSA and abroad. Prior to joining STC, he spent two years with the Saudi Industrial Development Fund. He has a B.Sc. degree in Operations Research from King Saud University, Riyadh and a M.Sc. in Economics from California State Polytechnic University, Pomona. He obtained a PhD in Political Economy and Public Policy from the University of Southern California L.A. He has also completed management programmes at INSEAD, London Business School and Stanford. He was vice president of the Telecom Development Advisory Group of the International Telecommunications Union for three years. He sits on the board of many international and local companies including MCB (holding company of Maxis) and PT AXIS Telekom Indonesia.

- (f) **Dr. Ibrahim Abdulrahman H. Kadi (Passport Number L731241)**, aged 59, a Saudi citizen, was appointed as a Director of Maxis on 26 November 2012.

He is an ICT consultant with wide-ranging experience/expertise in technology, business, policy, regulatory and market perspectives. He has over 35 years of experience in academic, professional, industrial and regulatory fields. His areas of expertise include Communication Engineering, Knowledge Economy, Market Analysis, Security and Socio-economic Impact of Technology. He currently serves as an independent member of the Risk Management Board

Committee at the Saudi Stock Exchange Co. (Tadawul Riyadh, Saudi Arabia). He is also an independent director of Oger Telecom Limited (“OTL”, Dubai UAE). He also serves on the Board of MCB (holding company of Maxis). He was a senior advisor at the Communication & Information Technology Commission (“CITC”), the ICT regulatory authority in Saudi Arabia (2004-2011). He served earlier as the ITU Representative to the Arab States and Head of the ITU Arab Regional Office (2002-2003). He was a professor of communications at King Saud University (1984-2004). He was vice president for Engineering and R&D of Advanced Electronics Company (1991-1994) and served as an executive consultant for the following 10 years (1994-2004). He served in a number of industry boards and committees. He provided consultancy services to government agencies, private sector and international organisations, including Saudi Arabian Monetary Agency (Central Bank), Tadawul, National Commercial Bank (“NCB”), AEC, Al Zamil Group, STC, Gulf Cooperation Council (“GCC”), International Telecommunications Union (“ITU”) and the International Finance Corporation (“IFC”) of the World Bank. He holds a PhD. from Stanford University (1984), a M.Sc. from the University of Michigan (1980), and a B.Sc. from Riyadh University (1978), all in Electrical Engineering (Communication). He has published over 130 research papers, general interest and literary works, and spoken at numerous national and international conferences. He is a member of the Saudi Computer Society, International Association for Cryptologic Research (“IACR”), Saudi Association for Mathematical Sciences (“SAMS”), and Saudi Economics Association (“SEA”). He is a senior member of the IEEE. He is a member of the Nomination Committee of Maxis.

- (g) **Augustus Ralph Marshall (NRIC No. 511001-08-6649)**, aged 62, a Malaysian, was appointed as a Director of Maxis on 7 August 2009.

He has more than 30 years of experience in financial and general management. He is an executive director of UTSB, the executive deputy chairman and group CEO of Astro Holdings Sdn. Bhd. Group, including his position as non-executive deputy chairman of Astro Malaysia Holdings Berhad (listed on Bursa Malaysia); and an executive director of Tanjong Public Limited Company, in which UTSB has significant interests. He also serves as a non-executive director on the boards of several other companies in which UTSB also has significant interests such as MCB (holding company of Maxis) and Johnston Press plc (listed on the London Stock Exchange plc). In addition, he is a director in an independent non-executive capacity and the chairman of the audit committee of KLCC Property Holdings Berhad (listed on Bursa Malaysia) and a non-executive director of MGB and KLCC REIT Management Sdn Bhd (the management company of KLCC REIT).

He is an Associate of the Institute of Chartered Accountants in England and Wales and a member of the Malaysian Institute of Certified Public Accountants.

He is a member of the Remuneration and Employee Share Option Scheme Committees of Maxis.

- (h) **Chan Chee Beng (NRIC No. 550823-02-5505)**, aged 58, a Malaysian, was appointed as a Director of Maxis on 7 August 2009.

He has more than 30 years’ experience in investment banking, financial management and accounting including stints with Ernst & Young and Morgan Grenfell & Co. Ltd prior to joining the UTSB group in 1992 as head of corporate finance. He is presently an executive director of UTSB and serves on the boards of several other companies in which UTSB has significant interests such as MCB (holding company of Maxis) and BGSM, having an operational base in Malaysia; BAB (listed on Bursa Malaysia), an offshore oil and gas service

provider; and Sri Lanka Telecom PLC (listed on the Colombo Stock Exchange) and Mobitel (Pvt) Ltd, having an operational base in Sri Lanka. He is also a director of MSS, a regional satellite operator and a director in a non-executive capacity on the board of MGB, the holding company of MSS; PowertekEnergy Sdn. Bhd. (formerly known as Tanjong Energy Holdings Sdn. Bhd.), a wholly-owned subsidiary of 1Malaysia Development Berhad, which is involved in the business of power generation and related services; and Yu Cai Foundation. He is a member of the audit and nomination committees of BAB and a member of the audit committee of MGB.

He holds a degree in Economics and Accounting from the University of Newcastle-upon-Tyne in the UK and is a Fellow of the Institute of Chartered Accountants in England and Wales. He is a member of the Audit and Nomination Committees of Maxis.

- (i) **Alvin Michael Hew Thai Kheam (NRIC No. 630929-08-5127)**, aged 49, a Malaysian, was appointed as director of Maxis on 30 August 2012.

He is a Director of Abraaj Group – a Dubai-based private equity firm – in charge of Abraaj's Performance Acceleration Group covering Asia Pacific based in Singapore. His corporate experience covers financial advisory and private equity at H2O Capital; commercial banking at TD Bank; investment banking at Lancaster Financial; business development and marketing at P&G in Switzerland, Vietnam, Southeast Asia and Australia; and top management and board experience at L'Oreal where he was the president of its companies in Malaysia and Taiwan. He currently sits on the board of the Taipei American School and chairs its governance committee. In 2004, he was conferred the title of Chevalier de l'Ordre Nationale du Merite by French President Jacques Chirac in recognition of his business achievements. He holds undergraduate degrees from Queen's University, Canada and an MBA from INSEAD France. He is certified with the Canadian Securities Institute and has attended executive programs at IMD, Stanford, USC and UCSF.

- (j) **Morten Lundal (Passport Number 27548462)**, aged 48, a Norwegian, was appointed as a Director of Maxis on 1 October 2013.

Morten joined Maxis as CEO on 1 October 2013, carrying with him more than 16 years of experience in telecommunications industry. Morten is also a Director of Maxis and operational subsidiaries. Prior to joining Maxis, Morten was Group Chief Commercial Officer of Vodafone Group Plc, a member of the Executive Committee responsible for commercial activities at the group level. Prior to assuming that position in 2010, he was Regional Chief Executive Officer responsible for 8 operating companies in Central Europe and Africa. He joined Vodafone in 2008. Prior to Vodafone, he was CEO of DiGi.Com Berhad Group. Morten joined Nordic mobile operator Telenor in 1997 and has held several CEO positions including for the Internet Division and Telenor Business Solutions as well as the position of Executive Vice President for Corporate Strategy. Morten holds a Master of Business Administration from IMD Lausanne and a Master of Business and Economics from the Norwegian School of Management, BI.

4.4.3 Director's Interest in Shares

The interest of the directors of Maxis in the shares of Maxis as at 8 March 2013¹ are as follows:-

¹ The information contained in this Section 4.4.3 of this Information Memorandum is extracted from Maxis' Annual Report 2012 and the information is stated to be as at 8 March 2013. Please note that the disclosure has taken into account that Asgari bin Mohd Fuad Stephens and Sandip Das are no longer directors of Maxis and

Name of Director	Number of Ordinary Shares of RM0.10 each in Maxis		% of Issued Shares	
	Direct*	Indirect	Direct	Indirect
Raja Tan Sri Dato' Seri Arshad bin Raja Tun Uda	750,000 ⁽¹⁾	-	0.01	-
Robert William Boyle	100,000	-	#	-
Dato' Mokhzani bin Mahathir	750,000	1,000 ⁽²⁾	0.01	#
Krishnan Ravi Kumar	-	-	-	-
Dr. Fahad Hussain S Mushayt	-	-	-	-
Dr. Ibrahim Abdulrahman H.Kadi	-	-	-	-
Augustus Ralph Marshall	750,000 ⁽¹⁾	-	0.01	-
Chan Chee Beng	750,000 ⁽¹⁾	-	0.01	-
Alvin Michael Hew Thai Kheam	-	-	-	-
Morten Lundal	-	-	-	-

Notes:

* Subscription of shares in Maxis under the preferential share allocation scheme pursuant to the initial public offering of Maxis

Negligible

(1) Held through a nominee, namely CIMSEC Nominees (Tempatan) Sdn Bhd

(2) Deemed interest in shares of Maxis held by spouse pursuant to Section 134(12)(c) of the Companies Act, 1965

4.5 Management Team

The management team of Maxis consist of the following persons:-¹

- (a) Morten Lundal – Chief Executive Officer
- (b) Nasution Bin Mohamed – Chief Financial and Strategy Officer
- (c) Tan Lay Han – Head of Sales and Services
- (d) Dushyan Vaithiyanathan – Head of Consumer Business
- (e) Zailani Bin Ali – Head of People and Organisation
- (f) Shanti Jusnita Binti Johari – Head of Enterprise Solutions

The profiles of the management team of Maxis are as follows:-²

- (a) **Morten Lundal – Chief Executive Officer**

that the appointment of Morten Lundal as a director of Maxis took place after issuance of Maxis' Annual Report 2012.

¹ The list of senior personnel in the management team of Maxis contained in this Section 4.5 is extracted from Maxis' website and is based on the said website as at 27 November 2013.

² The profiles of the management team contained in this Section is extracted from Maxis' website and is based on the said website as at 27 November 2013.

Morten joined Maxis as CEO on 1 October 2013, carrying with him more than 16 years of experience in telecommunications industry. Morten is also a Director of Maxis and operational subsidiaries. Prior to joining Maxis, Morten was Group Chief Commercial Officer of Vodafone Group Plc, a member of the Executive Committee responsible for commercial activities at the group level. Prior to assuming that position in 2010, he was Regional Chief Executive Officer responsible for 8 operating companies in Central Europe and Africa. He joined Vodafone in 2008. Prior to Vodafone, he was CEO of DiGi.Com Berhad Group. Morten joined Nordic mobile operator Telenor in 1997 and has held several CEO positions including for the Internet Division and Telenor Business Solutions as well as the position of Executive Vice President for Corporate Strategy. Morten holds a Master of Business Administration from IMD Lausanne and a Master of Business and Economics from the Norwegian School of Management, BI.

(b) Nasution Bin Mohamed – Chief Financial and Strategy Officer

Nasution joined Maxis in January 2011 and was appointed as Chief Financial Officer on 15 April 2011. In June 2013, he was appointed as Joint Chief Operating Officer, a position which he held until November 2013 when he was appointed as Chief Financial and Strategy Officer. Nasution has 20 years of wide business experience in Malaysia and overseas. Prior to joining Maxis, Nasution was the Managing Director/CEO of Penerbangan Malaysia Berhad (“PMB”). Prior to PMB, he was an Executive Director at UDA Holdings Berhad. Nasution started his career with KPMG in Australia and subsequently joined the Corporate Finance Division of Amanah Merchant Bank Berhad. He then moved on to Pengurusan Danaharta Nasional Berhad (“Danaharta”). Subsequent to Danaharta, Nasution joined KPMG Malaysia where he was Head of an Audit Department. Nasution holds a Bachelor of Commerce degree from University of New South Wales, Australia and is a member of the Institute of Chartered Accountants in Australia.

(c) Tan Lay Han – Head of Sales and Services

Lay Han leads a team focusing on Customer Service, Channel and Supply Chain Management. Lay Han joined Maxis in October 1999 as Head of Sales and Distribution and was subsequently appointed as Head of Channel Distribution and Customer Service in February 2004, and later as Head of Consumer Marketing in September 2006. In September 2009, he was appointed Head of Planning and in mid-2010, he took charge of the Business Transformation portfolio. On 10 June 2013, he was appointed as Head of Sales & Services. Prior to joining Maxis, he was General Manager at Tanjong Golden Village Sdn Bhd (now known as TGV Cinemas Sdn Bhd). He was also involved in various business development projects for Tanjong plc. including the establishment of the TGV business. He was previously with BP Malaysia Sdn. Bhd. in various marketing and operations positions for nine years. Lay Han holds a Bachelor of Engineering from RMIT (Royal Melbourne Institute of Technology) and Masters in Business Administration from Cranfield School of Management.

(d) Dushyan Vaithiyanathan – Head of Consumer Business

Dushyan is responsible for the end to end management of all mobile and fixed business for the consumer segment. He joined Maxis in January 2013, and was appointed as Head of Consumer Business on 10 June 2013. He brings over 16 years of regional experience in consumer marketing, business strategy and corporate finance, of which approximately 9 years was spent in the telecommunications industry. Prior to joining Maxis, he was the Vice President for Business Development for Telenor ASA, Bangkok, responsible for developing regional operating models, planning and managing cross border commercial initiatives and

driving commercial business case developments in the region. Some of his senior assignments prior to Telenor include advisor to Managing Director and Executive Vice President of Unitech Wireless, Tamilnadu, as well as Head of Consumer Marketing and Head of Voice Products and Services for DiGi Telecommunications. Dushyan holds a Bachelor of Science degree in Chemistry and Law (combined honours) from University of Exeter, UK.

(e) **Zailani Bin Ali – Head of People and Organisation**

Zailani is responsible for implementing strategic People and Organisation initiatives and a seamless operating environment, geared towards creating an employee-oriented, high performing workforce. This includes driving talent management, leadership development, and organisational effectiveness. He is also responsible for scholarship management, occupational safety and health, security and administration. Zailani brings with him more than 20 years of Human Resource (“HR”) experience from various industries. He joined Maxis from ING Insurance Malaysia where he was Head of Human Capital & Corporate Support Services. Some of his senior assignments prior to ING Insurance Malaysia include Group HR Manager of DRB Hicom Group, Regional HR Manager of Bestfoods International, Head of Human Resource & Admin for DaimlerChrysler Malaysia and Vice President of HR Corporate Bank, Citibank Kuala Lumpur. Zailani holds a Bachelor of Business Degree from the National University of Malaysia and is a certified 360 coach from Assessment Plus, USA.

(f) **Shanti Jusnita Binti Johari – Head of Enterprise Solutions**

Shanti leads Enterprise Solutions, and is responsible for the overall business segments of Corporate, Government, Small and Medium Enterprise (“SME”) and Wholesale, encompassing both fixed and mobile products. Shanti joined Maxis in September 2011 as Head of Marketing Strategy and was appointed Head of Enterprise Solutions on 10 June 2013. She has 16 years of experience in the telecommunications industry. Prior to joining Maxis, she was the Executive Vice President of SME business at Telekom Malaysia (“TM”), responsible for the end-to-end strategic development, profitability and operations of TM’s business in the SME market segment. During her career with TM, she has also been responsible for retail business strategy as well as sales and solutions for corporate and multinational business. Shanti holds an MBA in Strategic Management from University of Technology Malaysia and a Bachelors degree in Electronics Engineering from Vanderbilt University, USA.

4.6 Financial Highlights

Please refer to Appendix 1 for the financial highlights of Maxis.

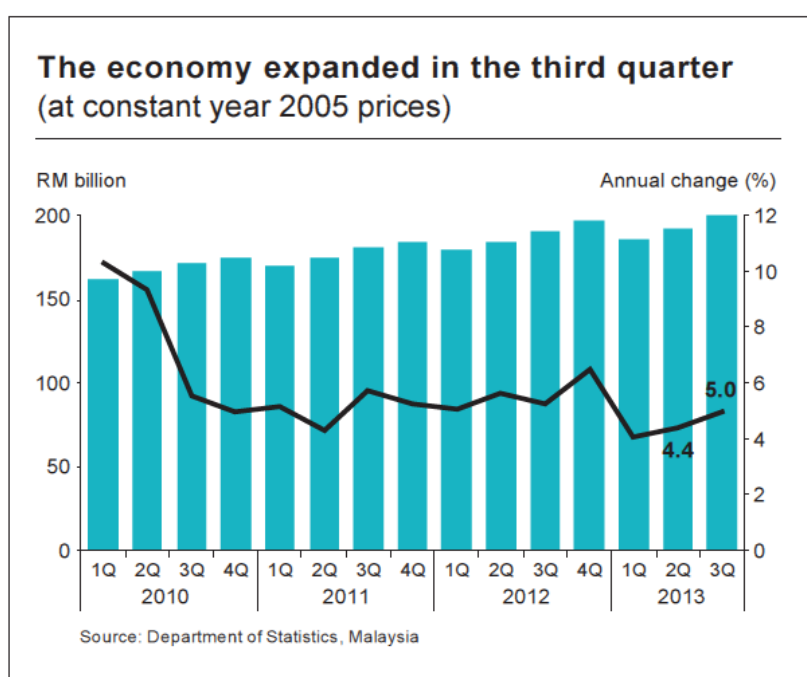
[the rest of this page has been left blank intentionally]

5. INDUSTRY OVERVIEW

5.1 The Malaysian Economy

The following has been extracted from the BNM Quarterly Bulletin, Third Quarter 2013:-

“The Malaysian economy recorded a stronger growth of 5.0% in the third quarter (2Q 2013: 4.4%). Domestic demand remained the key driver of growth, expanding by 8.3% (2Q 2013: 7.4%), while exports turned around to grow by 1.7% (2Q 2013: -5.2%). On the supply side, most major sectors expanded further in the third quarter, supported by the continued strength in domestic demand and the improvement in trade activity. The moderate expansion in the global economy in the third quarter supported the recovery in exports. International financial markets, however, experienced increased volatility amid uncertainties over the fiscal and monetary policies of the advanced economies, particularly the US. On a quarter-on-quarter seasonally adjusted basis, the economy expanded by 1.7% (2Q 2013: 1.4%).



Private consumption expanded by 8.2% (2Q 2013: 7.2%), supported by sustained employment conditions and wage growth. Growth in public consumption moderated in the third quarter to 7.8% (2Q 2013: 11.8%), reflecting mainly lower Government spending on supplies and services.

Growth in gross fixed capital formation improved to 8.6% (2Q 2013: 6.0%), underpinned by capital spending in the private sector. Private investment grew by 15.2% (2Q 2013: 12.7%), driven by capital spending in the services and manufacturing sectors as well as the on-going implementation of projects in the oil and gas sector. Meanwhile, public investment growth improved but remained weak at -1.3% (2Q 2013: -6.4%). Public investment was driven mainly by public enterprises investing in the transportation, oil and gas and utilities sectors.

On the supply side, growth in most economic sectors improved in the third quarter. The services and manufacturing sectors expanded further, supported by domestic demand and the improvement in trade activity. Growth of the agriculture sector was higher, supported mainly by the production of food crops, while the moderation in growth of the mining sector reflected the lower production of natural gas and crude oil. In the construction sector, growth was

sustained, driven mainly by the residential sub-sector. Growth was further supported by the non-residential and civil engineering sub-sectors.

The headline inflation rate, as measured by the annual change in the Consumer Price Index (CPI), was higher at 2.2% in the third quarter (2Q 2013: 1.8%). The increase was mainly attributed to higher inflation in the transport and food and non-alcoholic beverages categories.

In the external sector, the current account surplus increased to RM9.8 billion in the third quarter, equivalent to 4.1% of GNI (2Q 2013: RM2.6 billion or 1.1% of GNI), due mainly to a higher surplus in the goods account. The financial account recorded a net outflow of RM11.5 billion (2Q 2013: inflow of RM5.2 billion), as net inflows of direct investment were offset by outflows from portfolio and other investments. The overall balance of payments registered a larger surplus of RM11.8 billion in the third quarter (2Q 2013: RM1.5 billion)."

5.2 Outlook

The following has been extracted from the BNM Quarterly Bulletin, Third Quarter 2013:-

"Going forward, emerging signs of a recovery in the major advanced economies are expected to support overall global growth. Uncertainties surrounding the fiscal and monetary policy adjustments in these economies, however, may affect market sentiment and overall growth prospects in the global economy. While global policy spillovers may have some impact on Asia, growth will continue to be underpinned by domestic demand.

For the Malaysian economy, the gradual recovery in the external sector will support growth. Domestic demand from the private sector will remain supportive of economic activity amid the continued consolidation of the public sector. The economy is therefore expected to remain on its steady growth trajectory."

5.3 The Malaysian Telecommunications Industry

The following has been extracted from the Quarterly Update on the Malaysian Economy – 2nd Quarter 2013 – Ministry of Finance:-

"The communication subsector continued to grow strongly by 9.8% (Q1 2013: 9%) attributed to higher usage of data services. As at end-June 2013, cellular phone subscriptions rose 9.1% to 42.6 million, with a penetration rate of 143.4% (end-March 2013: 14.2%; 42.4 million; 143.3%) spurred by increased take-up of low- to mid-priced smartphones. Growth was also supported by increased 3G subscriptions, which grew 36.2% to 16.4 million (end-March 2013: 37.8%; 15.6 million) following offerings of attractive mobile internet packages for prepaid and postpaid subscribers. In addition, broadband subscriptions expanded 6.9% to 6.2 million with a household penetration rate of 66.8% (end-March 2013: 8%; 6.2 million; 66.6%) supported by improved network coverage. Meanwhile, as at end-June 2013, the number of wireless hotspots increased to 34,372 locations nationwide (end-March 2013: 31,974)."

The following has been extracted from the Commission's 2011 Annual Report:-

"Broadband is a major catalyst of the ICT industry and the mainstay of the country's transformation programme. Government initiatives to improve broadband penetration rate had begun as early as 2004 and subsequently had been spurred further by the launch of the National Broadband Initiative in March 2010. Until the end of 2011, the rate of household broadband penetration has reached 62.3%, exceeding the target of 60% set. This remarkable increase compared to 2009 is proving the effectiveness of the initiatives that had been identified and executed. Figure 1 shows the country's broadband penetration rate compared to

the target set. The rates of household broadband penetration by state in 2011 also showed increase compared to 2010, as shown in Figure 2.

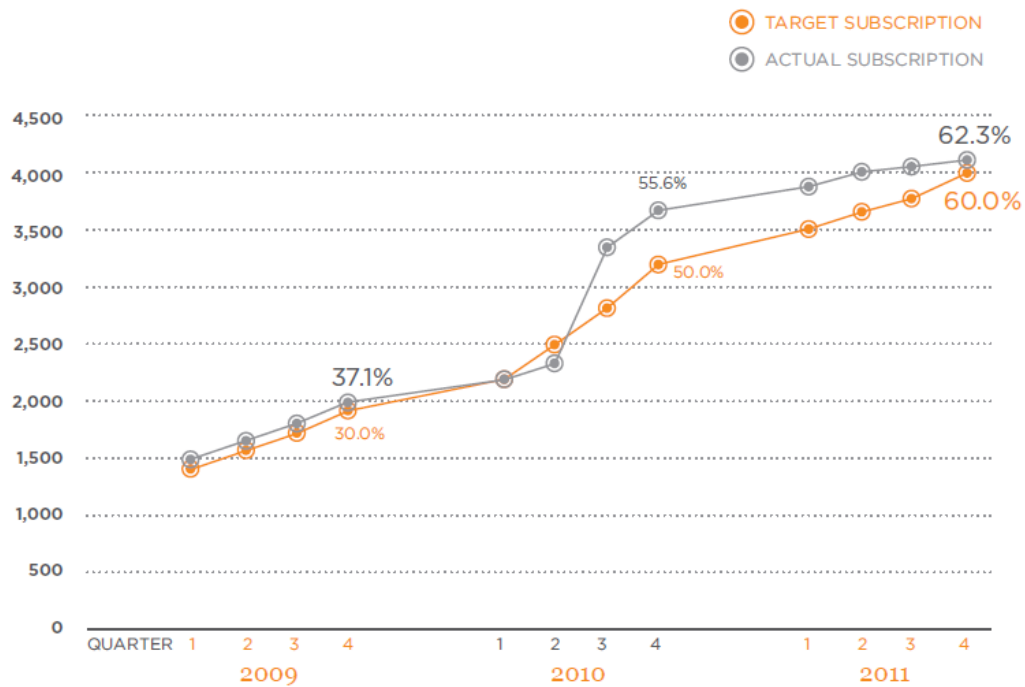
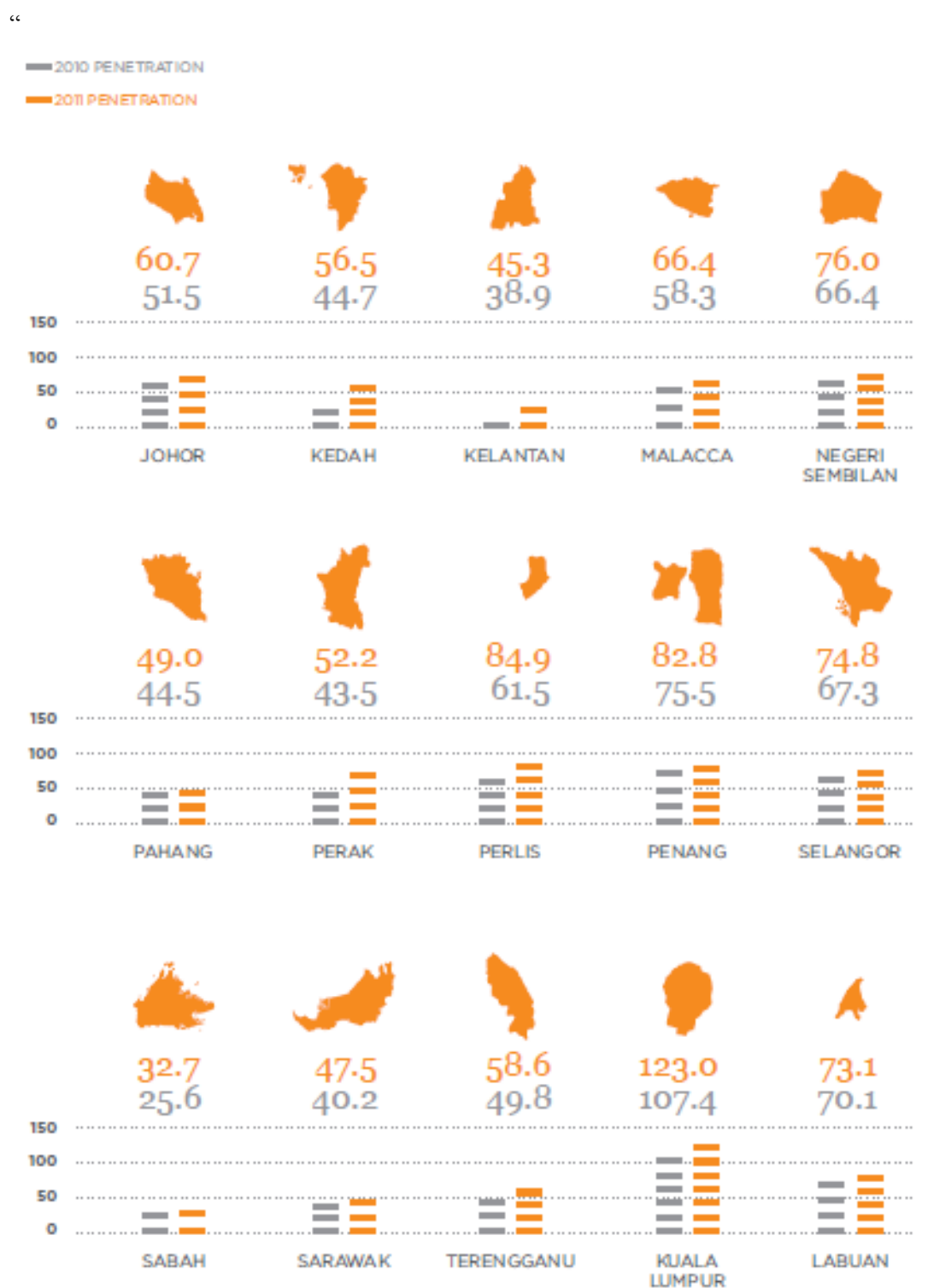


Figure 1 National broadband penetration rate

[the rest of this page has been left blank intentionally]

The following has been extracted from the Commission's Communications and Multimedia Pocket Book of Statistics – 2nd Quarter 2013:-



The following has been extracted from the Commission's Communications and Multimedia Pocket Book of Statistics – 2nd Quarter 2013:-

“The penetration rates of broadband, cellular phone and Direct Exchange Line (DEL) in Malaysia as at the first quarter of 2013 are as follows:

2. PENETRATION RATES AT A GLANCE

Year	Qtr	Broadband		Cellular Phone	DEL
		per 100 inhabitants	per 100 households	per 100 inhabitants	per 100 households
Note		a	b	c	d
2012		21.7	66.0	142.5	34.4
2013	1	22.2	66.6	143.3	33.4
	2	22.3	66.8	143.4	32.8

Explanatory notes:

- The broadband penetration rate per 100 inhabitants is calculated by dividing the sum of household and non-household subscriptions by the number of inhabitants and multiplying by 100. Public Wi Fi subscriptions are not taken into account.
- The broadband penetration rate per 100 households is calculated by dividing the number of subscriptions used in private households by the number of private households and multiplying by 100. Non- private household subscriptions and public WiFi subscriptions are not taken into account.
- The penetration rate refers to the total subscriptions divided by the total population and multiplied by 100. A penetration rate over 100% can occur because of multiple subscriptions. Also see notes on page 22.
- The DEL penetration rate per 100 households is calculated by dividing the number of private household subscriptions by the number of private households and multiplying by 100.

”

[the rest of this page has been left blank intentionally]

6. OVERVIEW OF THE MALAYSIAN TELECOMMUNICATIONS REGULATORY FRAMEWORK

6.1 Regulatory Regime

The communications and multimedia industry is governed by the CMA. The CMA came into force on 1 April 1999. It sets out the licensing regime to address the convergence of the communications and multimedia industries.

6.2 Regulator

Under the CMA, the communications and multimedia industry in Malaysia is subject to the purview of the Commission. The Commission is, in turn, subject to the directions of the Minister.

The Commission was established pursuant to the MCMCA. The role of the Commission is to implement and promote the Government of Malaysia's national policy objectives for the communications and multimedia sector, and also to oversee the regulatory framework for the converging industries of telecommunications, broadcasting and on-line activities. The CMA also sets out specific powers and functions of the Commission.

6.3 Licensing Regime

Under the CMA, the ownership or provision of any network facilities, the provision of any network services, application services, or content applications services requires a licence, unless specifically exempted by the Minister.

The regulatory framework established by the CMA and the licensing regulations provide for four main categories of licences as follows:

Network Facilities Provider Licence: for ownership of facilities, such as satellite earth stations, broadband fibre optic cables, telecommunications lines and exchanges, radiocommunications transmission equipment, mobile communications base stations and broadcasting transmission towers and equipment.

Network Services Provider Licence: for the provision of basic connectivity and bandwidth which support a variety of applications. Network services enable connectivity or transport between different networks. A network service provider is typically also the owner of the network facilities. However, a connectivity service may be provided by a person using network facilities owned by another.

Applications Service Provider Licence: for the provision of particular functions such as voice services, data services, content-based services, electronic commerce and other transmission services. Applications services are essentially the functions or capabilities, which are delivered to end-users.

Content Applications Service Provider Licence: for a special subset of applications service providers including traditional broadcast services and latest services such as online publishing and information services.

Within the abovementioned categories, the CMA provides for the issuance of either individual or class licences. Individual licences are granted for a validity period of up to 10 years for activities which require a high degree of regulatory control while class licences only requiring registration are renewable annually.

6.4 Access Regime

The purpose of an access regime is to ensure that all network facilities providers, network services providers and applications service providers can gain access to the necessary facilities and services on reasonable terms and conditions. This is to encourage downstream activities to flourish, thus creating a more robust market environment, one that is able to offer consumers more choice and value-for-money services.

Under the CMA, the Commission has the power to determine that a network facility, a network service or any other facility or service which facilitates the provision of network services or applications services be included or removed from the Access List. A licensee whose facilities or services are listed in the Access List is under an obligation to provide access to any other network facilities provider, network services provider, applications services provider or content applications services provider who makes a written request for access on reasonable terms and conditions. Such access must be provided on an equitable and non-discriminatory basis.

The Commission first published a determination on Access List which came into effect in 2001. The current Access List (Determination No. 1 of 2009) registered on 15 January 2009 and varies the previous Determination on Access List issued in 2005.

6.5 Spectrum

Spectrum refers to electromagnetic spectrum corresponding to radio frequencies. The Commission undertakes the responsibility to regulate spectrum and enforce compliance in accordance to the CMA.

Spectrum management involves providing a responsive and flexible approach to meet the need of spectrum users, making adequate provision of spectrum for public and community services, maximizing the overall public benefit derived from use of the spectrum by ensuring its efficient allocation, encouraging the use of efficient wireless technologies and practices to enable operation of a wide range of services with an adequate quality of service, supporting the CMA policy objectives of the Government of Malaysia and providing Malaysia's views in the development of international agreements in Radio-communications.

The Commission is responsible for the following:-

- (a) Planning, coordinating, regulating and administering the use of the spectrum within the country;
- (b) Establishing regulations, technical parameters and standards governing the use of each frequency band or specific frequency by stations of different services, having regard to current international regulations and agreement;

- (c) Optimizing the use of spectrum, space and geo-stationary satellite orbit, ensuring the harmonious operation of different services which use them;
- (d) Allocating frequency bands in accordance with international regulations and the national priorities and assigning specific frequencies as appropriate.

The Communications and Multimedia (Spectrum) Regulations 2000 governs, inter alia, the establishment of a spectrum plan, the issuance of assignments and the compulsory acquisition of spectrum.

The Commission issues three types of assignments:

- (i) Spectrum Assignment, which confers rights on a person to use one or more specified frequency bands for any purpose consistent with the assignment conditions;
- (ii) Apparatus Assignment, which confers rights to a person or company with an operating licence to use or operate telecommunication apparatus in a specific frequency band; and
- (iii) Class Assignment, which confers rights on a person to use a frequency band or bands for a specified purpose.

6.6 Rate Setting

The Communications and Multimedia (Rates) Rules 2002 sets out the prescribed level of rates to be charged for the following applications services: local calls, national calls, payphone, operator assistance, internet access service, audiotext hosting service, rental on exchange line, connection fee and reconnection fees for the fixed telephony services.

6.7 Universal Service Provision

Pursuant to Section 202(1) of the CMA, the Minister may direct the Commission to determine a system to promote the widespread availability and use of network services and/or applications services throughout Malaysia by encouraging the installation of network facilities and the provision of services in underserved areas or for underserved groups within the community.

"Underserved areas" are defined as "areas where the penetration rate for Public Switch Telephony Network (PSTN) subscribers is 20% below the national penetration rate or any locality where, in the opinion of the Commission, applications services are not sufficiently available to the community at large, while underserved groups are groups of people who by similar characteristics do not have access to basic communication services."

The Commission has issued the Commission Determination on Universal Service Provision, Determination No.2 of 2001 and Commission Determination on Universal Service Provision, Determination No.6 of 2002 which focus, among others, on provision of services to universal service targets and requirement for contribution to USP fund ("USP Fund"). On 30 October 2003, the Commission issued the Variation to Commission Determination of Universal Service Provision (Determination No.6 of 2002), Variation No.1 of 2003 to reflect the

amendments in the Commission Determination on Universal Service Provision, Determination No.6 of 2002.

The CMA provides for the establishment of a USP Fund to enable roll out of services in areas identified for Universal Service Provision.

6.8 Restrictions on Anti-Competitive Behaviour

The CMA prohibits a licensee from engaging in conduct which has the purpose of substantially lessening competition in any communications market in Malaysia. The CMA also prohibits certain collusive arrangements for rate fixing, market sharing or boycotts. Furthermore, if the Commission determines that a licensee is in a dominant position, it may direct the licensee to cease conduct which has or may have the effect of substantially lessening competition in any Malaysian communications market, and to implement appropriate remedies. The Commission has formulated and published guidelines on “Dominant Position in a Communications Market” in order to clarify how the Commission will apply the test of ‘dominant position in a communications market’ and the guidelines on “Substantial Lessening of Competition” in order to clarify how the Commission will apply the test of “substantial lessening of competition’ to a licensee in the communications market for purposes of administering the CMA.

[the rest of this page has been left blank intentionally]

7. BUSINESS OVERVIEW OF MAXIS

Please refer to Appendix 3 hereof for the extract of the section entitled “Our Business in Action” from Maxis’ Annual Report 2012.

[the rest of this page has been left blank intentionally]

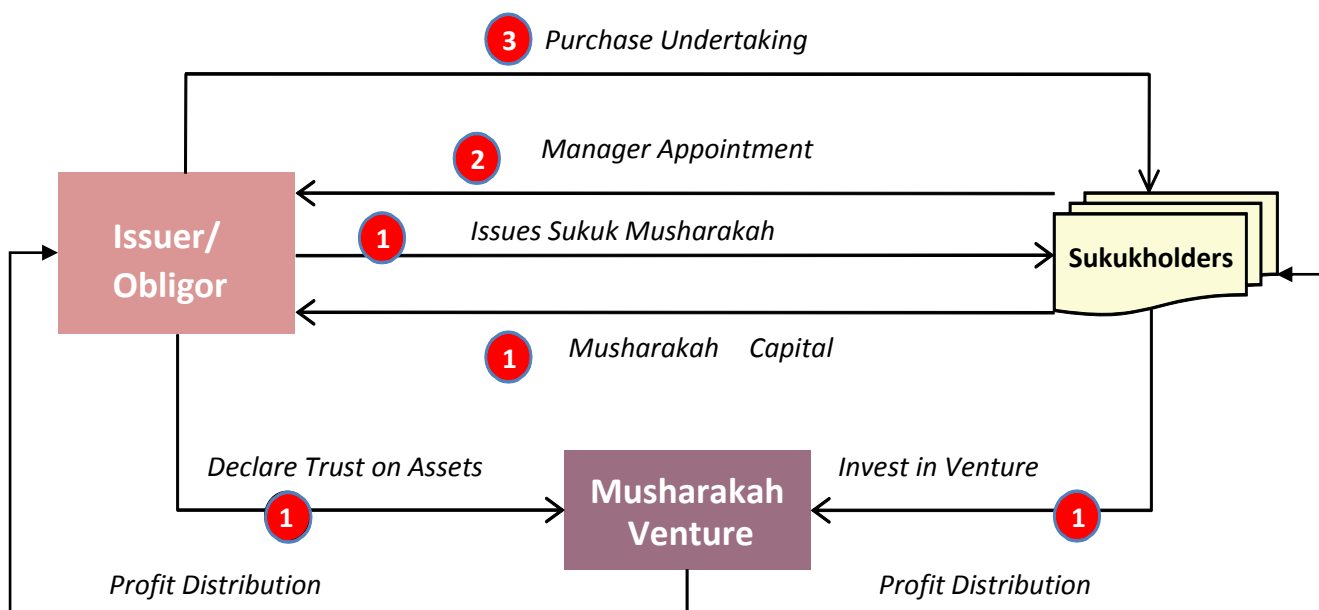
8. PRINCIPAL TERMS AND CONDITIONS

8.1 Background Information and Principal Terms and Conditions

Please refer to Appendix 4 hereof for the Principal Terms and Conditions.

[the rest of this page has been left blank intentionally]

8.2 Musharakah Diagramme



Step 1 : Musharakah is a form of partnership arrangement between two or more parties to finance a business venture whereby all parties will provide capital either in the form of cash or in kind for the purpose of the venture. Any profit derived from the venture will be distributed based on a pre-agreed profit sharing ratio, but a loss will be shared on the basis of capital contribution.

The investors of each tranche of Sukuk Musharakah shall, from time to time, form a Musharakah arrangement with the Issuer to invest into a venture (“**Venture**”) by entering into a Musharakah Agreement as partners (each as “**Partner**” and collectively as “**Musharakah Partners**”). The holders of the Sukuk Musharakah issued under the Sukuk Programme (“**Sukukholders**”) will contribute capital in the form of cash while the Issuer will contribute the Trust Assets (as defined in the Principal Terms and Conditions) as capital in kind for the purpose of the Venture. The Venture in this case refers to investments in certain Trust Assets. The Issuer will also act as the asset trustee where it holds the Trust Assets for the benefit of the Sukukholders and itself via a declaration of trust.

The Sukukholders and the Issuer shall share the profits generated from the Venture based on a fixed pre-agreed profit sharing ratio of 85%: 15% respectively.

The Issuer shall issue the Sukuk Musharakah to the Sukukholders and the proceeds from each tranche of Sukuk Musharakah issued will constitute the capital contribution (“**Musharakah Capital**”) of the respective Sukukholders to the Venture related to its particular tranche of Sukuk Musharakah. The Sukuk Musharakah for a particular tranche will therefore represent the Sukukholders’ undivided proportionate interest in the relevant Venture (the quantum of which is evidenced by the respective amount of Sukuk Musharakah held by them in relation to the relevant Sukuk Musharakah tranche). The

Musharakah Partners pertaining to a particular Sukuk Musharakah tranche will be entitled to the income generated from the respective Venture throughout the tenure of the Sukuk Musharakah tranche and/or proceeds from the sale of the Trust Assets of the relevant Sukuk Musharakah tranche pursuant to the relevant Purchase Undertaking.

Step 2 : The Trustee, on behalf of the Sukukholders, shall appoint the Issuer as the manager (**“Manager”**) of the Venture.

The distributable profits generated from the Venture shall be shared and distributed to the Musharakah Partners on the Periodic Payment Dates and the relevant Dissolution Declaration Date (as defined below). The Sukukholders in respect of a tranche of Sukuk Musharakah shall share the profits generated from the Venture related to the particular tranche based on their respective undivided proportionate interest in the Venture.

The losses from the Venture shall be borne amongst the Sukukholders and the Issuer in proportion to their respective interest in the Venture and limited to each Sukukholders’ and the Issuer’s respective capital contribution to the Venture.

- (i) Whenever an Expected Periodic Payment in relation to each tranche of Sukuk Musharakah is to be paid on a particular scheduled Periodic Payment Date, such payment shall be made from: distributable profits generated from the respective Venture during the tenure of each tranche of Sukuk Musharakah (**“Periodic Distributions”**); and
- (ii) Top-up payments (if any) made during the tenure of each tranche of Sukuk Musharakah.

If the distributable profits generated from a Venture is more than the relevant Expected Periodic Payment to be made in respect of a particular scheduled Periodic Payment Date, the excess will be retained by the Manager as incentive fee (**“Incentive Fee”**) for managing the Venture.

In the event that the distributable profits generated from a Venture is insufficient to make Periodic Distributions up to the relevant Expected Periodic Payment due on a particular scheduled Periodic Payment Date, the Issuer in its capacity as the obligor (**“Obligor”**) shall make top-up payments (**“Top-up Payments”**) equal to such deficiency.

Such Top-up Payments shall be set-off against the Exercise Price.

Step 3 : The Issuer as the Obligor shall give an undertaking to the Trustee pursuant to which the Obligor shall purchase the Sukukholders’ undivided proportionate interest in the Trust Assets from the relevant Sukukholders (**“Purchase Undertaking”**) at the price determined in the manner as provided in the Purchase Undertaking (**“Exercise Price”**) on the earlier of (i) maturity date of the respective outstanding Sukuk Musharakah (**“Scheduled Dissolution Dates”**); or (ii) the date of declaration of an Event of Default / Dissolution Event (**“Dissolution Declaration Date”**); or (iii) the early redemption date of the respective Sukuk Musharakah (**“Early Redemption Date”**); or (iv) the mandatory redemption date of the Sukuk Musharakah (**“Mandatory Redemption Date”**).

8.3 Price Payable

The price payable by the Issuer in the event of Early Redemption or Mandatory Redemption (“**Price Payable**”) is as follows:

Price Payable = the higher of PB or ERP

Where:

PB = Aggregate Nominal value of the Sukuk Musharakah to be redeemed

ERP = Early Redemption Price to be calculated as follows:

$$\text{ERP} = \frac{(\text{PB} \times \text{ERF})}{100}$$

Where:

Early Date = the Early Redemption or Mandatory Redemption, as the case may be

ERF = Early Redemption Factor per RM100.00 (2 decimal places) subject to a minimum of RM100.00 based on the formula set out below.

For purposes of calculating the ERF, the following variables are used:

- (i) “**Reference MGS**” shall be the MGS rates for the tenure which is equal to the remaining tenure of the Sukuk Musharakah and shall be determined from:-
 - (a) the latest Consolidated Government Securities Rates (Conventional) published by BNM daily, two (2) business days prior to the Notice Date; or if such is unavailable;
 - (b) the arithmetic average of the mid-rates quoted by any five (5) principal dealers, two (2) business days prior to call notice date, and/or in the case where the rate for a particular tenure is not available directly, then such rate shall be extrapolated on linear basis using the available arithmetic average mid-rates;

PROVIDED THAT if the tenure of the Sukuk Musharakah is not an integer, the Reference MGS shall be arithmetic mean of the rates of the two nearest tenures derived from (a) or (b) above.

- (ii) “**PRR**” means the Periodic Payment Rate (the Coupon Rate) for the Sukuk Musharakah expressed as a percentage per annum.
- (iii) “**Spread**” shall be:

The rating of the Sukuk Musharakah at the time of Issuer’s notice for Early Redemption or Mandatory Redemption, as the case may be	Spread
--	--------

AAA or AA1 (positive outlook)	0.50%
AA1/AA2 (positive outlook)	0.60%
AA2 / AA3 (positive outlook)	0.70%
AA3 and lower	0.80%

[the rest of this page has been left blank intentionally]

For Sukuk Musharakah with Expected Periodic Payments:

$$ERF = \left[\frac{100}{[1 + (MktYTM / 2)]^{(N-1)+(T/E)}} \right] + \left[\sum_{k=1}^N \frac{[100x(PPR / 2)]}{[1 + (MktYTM / 2)]^{(k-1)+(T/E)}} \right] - \left[\frac{S}{E} X \frac{100xPPR}{2} \right]$$

N = number of Periodic Payment Dates between the Early Date and the Maturity Date, inclusive of both the Early Date and the Maturity Date.

T = number of days from the date of Early Date to the immediate next Periodic Payment Date

E = number of days between the immediate preceding Periodic Payment Date to the immediate next Periodic Payment Date following the Early Date

Mkt YTM = Reference MGS plus Spread

S = number of days from the immediate preceding Periodic Payment Date to the Early Date.

For Sukuk Musharakah without Expected Periodic Payments:

$$ERF = \left[\frac{100}{[1 + (MktYTM / 2)]^{(M-1)+(U/V)}} \right]$$

M = number of Relevant Dates between the Early Date and the Maturity Date, inclusive of both the Early Date and the Maturity Date

“**Relevant Date(s)**” means the date(s) which shall fall on the last day of the successive six (6) month periods (“**Relevant Period**”), the first period of which shall commence on the Issue Date

U = number of days from the Early Date to the immediate next Relevant Date

V = number of days in the Relevant Period within which the Early Date falls

Mkt YTM = Reference MGS plus Spread

8.4 Shariah Adviser Endorsement

The Shariah Adviser was requested to provide an opinion and conduct a review on the structure and mechanism of the Sukuk Musharakah to ensure compliance with Shariah principles.

A copy of the opinion is attached together with this Information Memorandum as Appendix 2.

[the rest of this page has been left blank intentionally]

9. INVESTMENT CONSIDERATIONS

9.1 Considerations Relating to the Group

9.1.1 Reliance on the Group

The Issuer relies mainly on its investment income, including dividends and other receipts from its subsidiary companies to meet its obligations including the obligations under the Sukuk Musharakah. Its subsidiary companies are separate legal entities and have no obligations with respect to the Sukuk Musharakah.

The ability of the Issuer's subsidiary companies to pay dividends and other receipts and, to the extent that the Issuer relies on such dividends and other receipts to meet its obligations under the Sukuk Musharakah, are subject to all applicable laws and restrictions on the payment of dividends and such other restrictions contained in the articles of association of the relevant subsidiary companies and in certain cases, their financing or other agreements.

9.1.2 Political, economic and regulatory considerations

Like all businesses, changes in political, economic and regulatory conditions domestically and internationally could materially or adversely affect the operational conditions, business and financial prospects of the Group. Amongst the political, economic and regulatory uncertainties are risks of war, terrorist attack, implementation of unfavourable industry regulations and laws by statutory authorities, changes in interest rates and taxation legislation, currency exchange rules and controls and adverse foreign currency fluctuations.

No assurance can be given that any changes in these factors will not have an adverse effect on the operating results, business and financial conditions of the Group.

The Group seeks to minimize the effect of these risks by keeping themselves abreast with current political, economic and regulatory conditions and optimally adapting its business operations in response to any change in the said conditions.

9.1.3 The Group is exposed to competition in the Malaysian telecommunications industry

The market for telecommunications services in Malaysia is highly competitive. Increasing competition in the Malaysian telecommunications industry has had, and is expected to continue to have, a significant impact on the Group's financial condition and results of operations. Telecommunications service providers compete for customers in a number of different areas including the services and features offered, customer service and price, while in the mobile telecommunications sector, service providers also compete for customers in the areas of the technical quality of the wireless system, network coverage and capacity. In addition, the telecommunications industry in Malaysia is experiencing technological changes, evolving industry standards, liberalisation and changes in customers' preferences. Competition in the telecommunications industry in Malaysia may increase as a result of industry consolidation, the entry of new competitors, regulations, foreign investment in existing competitors, and the development of new technologies, products and services.

9.1.4 The telecommunications industry is subject to rapid technological change

The telecommunications industry is subject to rapid and ongoing technological changes. Wireless technology, satellite-based personal communications services, private and shared radio networks, internet telephony, fixed line broadband and other communications services that have the technical capability to handle voice, data and content access services compete with the Group's businesses. Emerging and future technological changes may adversely

affect the viability or competitiveness of the Group's businesses. There can be no assurance that the Group will be successful in responding in a timely and cost-effective way to these developments. Furthermore, changing market demand and future high bandwidth requirements may require the Group to adopt new wireless or fixed line technologies that could render many of the technologies that it is currently implementing or has implemented less competitive or obsolete. In addition, the Group may need to incur substantial capital expenditure to explore and test emerging industry standards (such as Long Term Evolution (LTE) or Enhanced High Speed Packet Access (HSPA+)) or implement technological advances to integrate the new technologies with existing technology. The Group may not be awarded any licences or spectrum that may be required or necessary to make use of such technologies and may not be able to obtain financing that may be required to implement such new technologies on terms that are favourable to the Group or at all.

9.2 Considerations relating to the Sukuk Musharakah

9.2.1 Risks specific to the Musharakah structure

The Musharakah structure is based on the concept of a partnership. Therefore, the Sukukholders as partners in a Musharakah structure will be exposed to both the risk of loss as well as the gain of profit. Any profit derived from the partnership will be distributed to each Sukukholder based on an agreed profit sharing ratio and loss will be borne in proportion to each Sukukholder's respective undivided share of beneficial interest in the partnership. The risk of loss is mitigated by the purchase undertakings given by the Issuer to the Trustee, pursuant to which the Issuer shall purchase the Sukukholders' interest in the Musharakah venture upon the maturity date of each series of the Sukuk Musharakah, upon the occurrence of an event of default or under such other circumstances as may be specified in the purchase undertaking.

9.2.2 Rating of the Sukuk Musharakah

RAM has assigned a preliminary rating of AA₃ to the Sukuk Musharakah.

A rating is not a recommendation to purchase, hold or sell the Sukuk Musharakah. There is no assurance that a rating will remain in effect for any given period of time or that a rating will not be downgraded, suspended or withdrawn entirely by a rating agency in the future, if, in its judgment, circumstances in the future so warrant. Further, such a rating is not a guarantee of repayment or that there will be no default by the Issuer under the Sukuk Musharakah. In the event that the rating initially assigned to the Sukuk Musharakah is subsequently downgraded, suspended or withdrawn for any reason, no person or entity will be obliged to provide any additional credit enhancement with respect to the Sukuk Musharakah. Any downgrading, suspension or withdrawal of a rating may have an adverse effect on the liquidity and market price of the Sukuk Musharakah. Any downgrading, suspension or withdrawal of a rating will not constitute an event of default with respect to the Sukuk Musharakah or an event by itself obliging the Issuer to repay the Sukuk Musharakah.

9.2.3 No prior market in the Sukuk Musharakah

The Sukuk Musharakah comprises a new issue of securities for which there is currently no public market. There can be no assurance that any such market will develop or, if it does develop, that it will provide the Sukukholders with the liquidity of investments or will continue for the tenor of the Sukuk Musharakah (as the case may be). If a market develops, the market value of the Sukuk Musharakah (as the case may be) may fluctuate. Any sale of

the Sukuk Musharakah by the Sukukholders in any secondary market which may develop may be at a discount from the original issue price of the Sukuk Musharakah.

9.2.4 Issuer's ability to meet its obligations under the Sukuk Musharakah

The ability of the Issuer to meet its obligations to the Sukukholders in terms of payment of amounts due under the Sukuk Musharakah will depend on the Issuer's income and revenue which in turn is dependent on the financial performance of its subsidiaries. Repayment of the Sukuk Musharakah however, will be the Issuer's obligation alone. In particular, the Sukuk Musharakah will not be obligations or responsibilities of, or guaranteed by, any company within the Group, the Lead Arranger, the Trustee or any subsidiary or affiliate thereof, and any other person involved or interested in the transactions. None of such persons will accept any liability whatsoever to the Sukukholders in respect of any failure of the Issuer to pay any amount due under the Sukuk Musharakah.

9.2.5 The Sukuk Musharakah may be subject to optional early redemption and mandatory redemption

The Issuer may at its option, purchase the Sukuk Musharakah prior to their maturity provided the following conditions are fulfilled:

- (i) notice period of not less than fourteen (14) days is given to the Trustee;
- (ii) the early redemption will be in the inverse order of maturity among such series of the Sukuk Musharakah.

Early redemption of the Sukuk Musharakah shall be subject to the price based on the formula set out in the Principal Terms and Conditions as set out in Section 8 of this Information Memorandum.

However, in the event of any disposal of shares in Maxis by BGSM Equity, subject to the condition that the Issuer shall have given a written notice of its intention to purchase the Sukuk Musharakah or such part thereof for a period of not less than ten (10) days, it is mandatory for the Issuer to utilise an amount equivalent to 50% of the proceeds arising from such disposal to redeem (i) in whole or in part all outstanding Sukuk Musharakah and (ii) the Loan on a proportionate basis within thirty (30) days from the completion of such disposal.

Such optional early redemption and mandatory redemption referred to above will result in the acceleration of payment under the Sukuk Musharakah or such part thereof, whereby upon exercise and payment by the Issuer in respect of such Sukuk Musharakah or any part thereof, the Sukuk Musharakah or such part thereof will expire and will be cancelled accordingly.

9.2.6 The Sukuk Musharakah is subject to selling restrictions

The issue, subscription, and transferability of the Sukuk Musharakah is subject to selling restrictions as more particularly set out in the Principal Terms and Conditions as set out in Section 8 of this Information Memorandum.

[the rest of this page has been left blank intentionally]

10. GENERAL INFORMATION

10.1 Material Litigation and Material Contracts

10.1.1 Material Litigation

As at 27 November 2013, neither the Issuer nor BGSM Equity is engaged in any litigation, either as plaintiff or defendant in any legal action, proceeding, arbitration or prosecution for any criminal offence which has material effect on the financial position of the Issuer and/or BGSM Equity. The directors of the Issuer and the directors of BGSM Equity are not aware of any proceedings pending or threatened or of any fact likely to give rise to any proceedings which may materially and adversely affect the financial position and/or business of the Issuer and/or BGSM Equity.

10.1.2 Material Contracts

As at 20 December 2013:-

- (a) BGSM Equity and MCB have entered into a share purchase agreement dated 20 December 2013 (“**Share Purchase Agreement**”), whereby MCB has agreed to sell to BGSM Equity and BGSM Equity has agreed to purchase from MCB the 4,875,000,000 ordinary shares of RM0.10 each in Maxis (“**Shares**”), representing 64.97% of the issued and paid up share capital of Maxis as at the date of the Share Purchase Agreement (“**Sale Shares**”) held by MCB together with all rights attached thereto and dividends and distributions declared, paid or made in respect thereof on or after the Closing Date (as defined below) at the purchase price which is based on the lower of (i) RM7.00 per Sale Share, and (ii) the 5-day volume weighted average price of each Share, multiplied by the number of Shares comprising the Sale Shares (“**Purchase Price**”) upon the terms and subject to the conditions therein contained. The Share Purchase Agreement is subject to the following conditions precedent:-
 - (i) BGSM Equity obtaining from the SC, a waiver pursuant to paragraph 21.1(c) of the Practice Note 9 of the Malaysian Code on Take-overs and Mergers, 2010 (“**Code**”) from having to undertake a mandatory offer under Part III of the Code to purchase all the remaining shares in Maxis not already owned by BGSM Equity and persons acting in concert with BGSM Equity; and
 - (ii) the holders of the Outstanding BGSM IMTNs issued pursuant to the BGSM MTN Programme approving, via an extraordinary resolution, the refinancing by the Issuer of the Outstanding BGSM IMTNs issued pursuant to the BGSM MTN Programme prior to their respective maturity dates.

The Purchase Price shall be payable by BGSM Equity to MCB and/or its nominees on the closing date, being three (3) business days from the date of the fulfillment (and/or waiver, as the case maybe) of the said conditions precedent referred to above or such other date as the parties may agree.

- (b) All transaction documents pertaining to the Sukuk Programme have been executed by the Issuer and all other relevant parties thereto.

10.2 Material Contingent Liabilities and Material Commitment

10.2.1 Material Contingent Liabilities

As at 27 November 2013, neither the directors of the Issuer nor the directors of BGSM Equity are aware of any material contingent liability involving the Issuer and/or BGSM

Equity, which may materially and adversely affect the financial position and/or the business of the Issuer and/or BGSM Equity.

10.2.2 Material Commitments

As at 27 November 2013, neither the directors of the Issuer nor the directors of BGSM Equity are aware of any material commitments involving the Issuer and/or BGSM Equity, which may materially and adversely affect the financial and/or the business of the Issuer and/or BGSM Equity.

10.3 Conflict-of-Interest and Appropriate Mitigating Measures

The Issuer and its board of directors are fully aware of and acknowledge the following circumstances which may potentially give rise to a conflict-of-interest situation between the Issuer and the parties involved in setting up/or maintaining the Sukuk Programme and the Issuer is comfortable with and is prepared to proceed with the Sukuk Programme based on the present terms and conditions:

10.3.1 Conflict-of-Interest and Potential Conflict-of-Interest Situations

- (a) CIMB is one of the joint lead arrangers, joint lead managers and joint principal advisers in respect of the BGSM MTN Programme;
- (b) CIMB Islamic Bank Berhad and CIMB Bank Berhad, being related companies of CIMB, are each a holder of a portion of the Outstanding BGSM IMTNs issued pursuant to the BGSM MTN Programme; and
- (c) CIMB Bank Berhad, being a related company of CIMB, may make available to BGSM and/or the Issuer a bridging financing facility to (.1) redeem the Outstanding BGSM IMTNs issued pursuant to the BGSM MTN Programme, and/or (.2) refinance the Loan in part or in whole.

The proceeds from the issuances of the Sukuk Musharakah under the Sukuk Programme shall be utilised for the following Shariah compliant purposes:

In respect of the first issuance of the Sukuk Musharakah under the Sukuk Programme:-

- (i) to refinance the Outstanding BGSM IMTNs issued pursuant to the BGSM MTN Programme prior to their respective maturity dates; and/or
- (ii) to refinance any bridging financing facility incurred by BGSM and/or the Issuer to (.1) redeem the Outstanding BGSM IMTNs issued pursuant to the BGSM MTN Programme, and/or (.2) refinance the Loan in part or in whole; and/or
- (iii) to refinance the Loan in part or in whole.

In respect of subsequent issuances of the Sukuk Musharakah under the Sukuk Programme, inter alia, to refinance any bridging financing facility incurred by BGSM and/or the Issuer to (.1) redeem the Outstanding BGSM IMTNs issued pursuant to the BGSM MTN Programme, and/or (.2) refinance the Loan in part or in whole.

In view of the above, there may be a potential conflict-of-interest arising from CIMB, in its capacity as, amongst others, the Principal Adviser and the Lead Arranger in relation to the Sukuk Programme.

10.3.2 Appropriate Mitigating Measures

As a mitigating measure and to address the potential conflict-of-interest set out above, the following measures have been taken:

- (a) the potential conflicts-of-interest situations have been brought to the attention of the board of directors of the Issuer and hence they are aware of the same. Despite such potential conflict-of-interest situations, the board of directors of the Issuer is prepared to proceed with the implementation of the Sukuk Programme based on the present arrangement and terms. In this regard, the Issuer has issued a letter of awareness addressed to CIMB setting out the acknowledgment and agreement of the board of directors of the Issuer on the abovementioned potential conflict-of-interest situations;
- (b) CIMB is a licensed investment bank and its appointment as, amongst others, the Principal Adviser and the Lead Arranger in relation to the Sukuk Programme is in its ordinary course of business;
- (c) the roles of CIMB will be governed by the relevant agreements and documentation, which shall clearly set out the rights, duties and responsibilities of CIMB in its capacity as, amongst others, the Principal Adviser and the Lead Arranger in relation to the Sukuk Programme, and shall be carried out on an arms-length basis; and
- (d) due diligence review pursuant to the Sukuk Programme has been undertaken by the professional advisers.

10.3.3 BGSM MTN Programme

The BGSM MTN Programme refers to the existing Islamic medium term notes programme with an aggregate nominal value of up to RM19.0 billion based on the Shariah principle of Musharakah established by BGSM.

As at 27 November 2013, the outstanding nominal value of the Outstanding BGSM IMTNs under the BGSM MTN Programme is RM6,870,159,020.20.

APPENDIX 1

FINANCIAL HIGHLIGHTS OF MAXIS

APPENDIX 2

SHARIAH PRONOUNCEMENT

APPENDIX 3

BUSINESS OVERVIEW OF MAXIS

APPENDIX 4

PRINCIPAL TERMS AND CONDITIONS

THE ISSUER

BGSM MANAGEMENT SDN BHD

(Company No. 1070628-X)
(Incorporated in Malaysia under the Companies Act 1965)

Level 39, Menara Maxis
Kuala Lumpur City Centre
50088 Kuala Lumpur
Malaysia

PRINCIPAL ADVISER/LEAD ARRANGER

CIMB Investment Bank Berhad

Level 13, Menara CIMB
Jalan Stesen Sentral 2
Kuala Lumpur Sentral
50470 Kuala Lumpur
Malaysia

TRUSTEE / SECURITY TRUSTEE

CIMB Islamic Trustee Berhad

Level 13, Menara CIMB
Jalan Stesen Sentral 2
Kuala Lumpur Sentral
50470 Kuala Lumpur
Malaysia

FACILITY AGENT

CIMB Investment Bank Berhad

Level 13, Menara CIMB
Jalan Stesen Sentral 2
Kuala Lumpur Sentral
50470 Kuala Lumpur
Malaysia

**LEGAL COUNSEL TO
THE ISSUER**

Messrs Zul Rafique & partners

D3-3-8 Solaris Dutamas
No.1 Jalan Dutamas 1
50480 Kuala Lumpur
Malaysia

**LEGAL COUNSEL TO
THE PRINCIPAL ADVISER/LEAD
ARRANGER**

Messrs Albar & Partners

6th Floor, Faber Imperial Court
Jalan Sultan Ismail
50250 Kuala Lumpur
Malaysia