

CIRCULAR DATED 12 MARCH 2007

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

If you are in any doubt as to the course of action you should take, you should consult your stockbroker, bank manager, solicitor, accountant or other professional adviser immediately.

If you have sold your ordinary shares in the capital of MobileOne Ltd, you should immediately forward this Circular and the Proxy Form enclosed with this Circular to the purchaser or to the stockbroker or other agent through whom the sale was effected for onward transmission to the purchaser.

The Singapore Exchange Securities Trading Limited assumes no responsibility for the correctness of any of the statements made, reports contained or opinions expressed in this Circular.



MOBILEONE LTD

(incorporated in the Republic of Singapore)
(Company Registration No. 199206031W)

CIRCULAR TO SHAREHOLDERS

in relation to

the proposed Capital Reduction and Cash Distribution

IMPORTANT DATES AND TIMES:

- | | | |
|--|---|--|
| Last date and time for lodgement of Proxy Form | : | 1 April 2007 at 4:00 p.m. |
| Date and time of Extraordinary General Meeting | : | 3 April 2007 at 4:00 p.m. (or as soon thereafter following the conclusion or adjournment of the 5th Annual General Meeting of the Company to be held at 3:30 p.m. on the same day and at the same place) |
| Place of Extraordinary General Meeting | : | Intercontinental Singapore
Ballrooms 2 & 3
80 Middle Road
Singapore 188966 |

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DEFINITIONS

In this Circular, the following definitions apply throughout except where the context otherwise requires:

“ACRA”	:	The Accounting and Corporate Regulatory Authority of Singapore.
“Books Closure Date”	:	A date to be announced on which the Transfer Books and the Register of Members of the Company will be closed in order to determine the entitlements of Shareholders under the Capital Reduction.
“Capital Reduction”	:	The proposed capital reduction exercise to be carried out by the Company pursuant to Section 78G of the Companies Act to return part of the issued and paid-up share capital of the Company which is in excess of the needs of the Company, details of which are set out on pages 7 to 13 of this Circular.
“Cash Distribution”	:	The proposed cash distribution by the Company to Shareholders of S\$2.22 in cash for each Share cancelled by way of the Capital Reduction, provided that the resultant aggregate cash distribution payable to a Shareholder pursuant to the Capital Reduction shall be adjusted by rounding any fractions of a cent to the nearest cent, if applicable.
“CDP”	:	The Central Depository (Pte) Limited.
“Committee”	:	The committee appointed by the Directors to administer the Share Option Scheme.
“Companies Act”	:	The Companies Act, Chapter 50 of Singapore.
“Company” or “MobileOne”	:	MobileOne Ltd.
“Court”	:	The High Court of the Republic of Singapore.
“CPF”	:	The Central Provident Fund Board.
“Directors”	:	The directors of the Company as at the date of this Circular.
“Effective Date”	:	The date on which the Capital Reduction becomes effective.
“EGM”	:	The extraordinary general meeting of the Company, notice of which is set out on pages 25 to 26 of this Circular.
“EPS”	:	Earnings per Share.
“FY”	:	Financial year ended or ending on 31 December of the relevant year.
“Group” or “M1 Group”	:	The Company and its subsidiaries.
“Income Tax Act”	:	The Income Tax Act, Chapter 134 of Singapore.
“Latest Practicable Date”	:	26 February 2007, being the latest practicable date prior to the printing of this Circular.

DEFINITIONS

“Listing Manual”	:	The Listing Manual of the SGX-ST, as amended up to the Latest Practicable Date.
“Market Day”	:	A day on which the SGX-ST is open for trading in securities.
“Reduction Proportion”	:	The proportion to be applied for the cancellation of such number of Shares equal to one Share cancelled for every 10 Shares held by or on behalf of each Shareholder as at the Books Closure Date.
“ROE”	:	Return on equity.
“Securities Accounts”	:	Securities accounts maintained by a Depositor with CDP, but not including securities sub-accounts maintained with a Depository Agent.
“SGX-ST”	:	Singapore Exchange Securities Trading Limited.
“Share Buy-Back”	:	Buy-back of Shares by the Company pursuant to the Share Buy-Back Mandate.
“Share Buy-Back Mandate”	:	A general mandate given by Shareholders (including the subsequent renewal thereof if approved by Shareholders) that authorises the Company to purchase Shares in accordance with its terms, the Companies Act and the Listing Manual.
“Share Option Scheme”	:	The MobileOne Share Option Scheme.
“Share Options”	:	Options to subscribe for new Shares granted pursuant to the Share Option Scheme.
“Shareholders”	:	Persons who are registered as holders of Shares in the Register of Members of the Company except that where the registered holder is CDP, the term “Shareholders” shall mean the Depositors who have Shares credited to their Securities Accounts.
“Shares”	:	Ordinary shares in the issued and paid-up share capital of the Company.
“S\$” and “cents”	:	Singapore dollars and cents, respectively.
“Unit Share Market”	:	The unit share market of SGX-ST allowing for the trading of odd-lots of shares.
“%”	:	Per centum or percentage.

The expressions “Depositor”, “Depository Agent” and “Depository Register” shall have the respective meanings ascribed to them in Section 130A of the Companies Act.

Words importing the singular shall, where applicable, include the plural and *vice versa*, and words importing the masculine gender shall, where applicable, include the feminine and neuter genders and *vice versa*. Words importing persons shall include corporations.

DEFINITIONS

The headings in this Circular are inserted for convenience only and shall be ignored in construing this Circular.

Any reference in this Circular to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any word defined under the Companies Act or the Listing Manual or any modification thereof and used in this Circular shall, where applicable, have the meaning assigned to it under the Companies Act or the Listing Manual or any modification thereof, as the case may be.

Any reference to a time of day in this Circular shall be a reference to Singapore time unless otherwise stated.

Any discrepancy with the tables in this Circular between the listed amounts and the totals thereof is due to rounding.

INDICATIVE TIMETABLE

The following are the indicative dates and times for the Capital Reduction⁽¹⁾.

Last date and time for lodgement of Proxy Forms for the EGM ⁽²⁾	:	1 April 2007, 4:00 p.m.
Date and time of the EGM	:	3 April 2007, 4:00 p.m. (or as soon thereafter following the conclusion or adjournment of the 5th Annual General Meeting of the Company to be held at 3:30 p.m. on the same day and at the same place)
Expected date for Court approval of the Capital Reduction	:	19 April 2007
Expected last date and time of "cum" trading of the Shares on the SGX-ST	:	9 May 2007, 5:00 p.m.
Expected commencement date and time of "ex" trading of the Shares on the SGX-ST	:	10 May 2007, 9:00 a.m.
Expected Books Closure Date for the Capital Reduction	:	14 May 2007, 5:00 p.m.
Expected Payment Date for the Cash Distribution	:	1 June 2007

Notes:

- (1) The above timetable is indicative only and the actual dates of the above events will be announced in due course by way of an SGXNET announcement released on the SGX-ST website.
- (2) All Proxy Forms must be lodged at the registered office of the Company at 10 International Business Park, Singapore 609928 not less than 48 hours before the time of the EGM. Completion and return of a Proxy Form will not preclude a Shareholder from attending and voting in person at the EGM.

LETTER TO SHAREHOLDERS

MOBILEONE LTD

(Incorporated in the Republic of Singapore)
(Company Registration No. 199206031W)

Directors:

Lim Chee Onn (*Chairman*)
Roger Barlow
Low Huan Ping
Neil Montefiore
Hsuan Owyang
Ganen Sarvananthan
Teo Soon Hoe
Reggie Thein
Thio Su Mien
Yusof Annuar Yaacob
Patrick Yeoh Khwai Hoh

Registered Office:

10 International Business Park
Singapore 609928

12 March 2007

To: The Shareholders of
MobileOne Ltd

Dear Sir/Madam

1. INTRODUCTION

1.1 Announcement

On 22 January 2007, the Directors announced that the Company was proposing to return capital of an amount of up to a maximum of S\$221.6 million on the basis of S\$2.22 for each Share held by a Shareholder as at the Books Closure Date which is cancelled by way of the Capital Reduction. Pursuant to the Capital Reduction, one Share for every 10 Shares held by or on behalf of each Shareholder as at the Books Closure Date will be cancelled, subject to the Rounding-Up (as defined in paragraph 2.1(c) below). The price of S\$2.22 per Share so cancelled is based on the average of the last transacted prices of the Shares traded on the SGX-ST for the five market days from (and including) 11 January 2007 to (and including) 17 January 2007.

By way of illustration, a Shareholder holding 1,000 Shares as at the Books Closure Date will therefore have 100 Shares cancelled and will receive S\$222.00 in return. Further illustrations of the effects of the Capital Reduction on Shareholders are set out in paragraph 2.4 below.

A copy of the Company's announcement, together with illustrations of the effects of the Capital Reduction on Shareholders, is available on the website of the SGX-ST at www.sgx.com.

1.2 EGM

The Directors are convening the EGM to be held at Intercontinental Singapore, Ballrooms 2 & 3, 80 Middle Road, Singapore 188966 on 3 April 2007 at 4:00 p.m. (or as soon thereafter following the conclusion or adjournment of the 5th Annual General Meeting of the Company to be held at 3:30 p.m. on the same day and at the same place) to seek the approval of Shareholders for the Capital Reduction.

LETTER TO SHAREHOLDERS

1.3 Circular

The purpose of this Circular is to explain the reasons for, and to provide the Shareholders with information relating to, the proposal to be tabled at the EGM.

1.4 SGX-ST

The SGX-ST assumes no responsibility for the correctness of any of the statements made or opinions expressed in this Circular.

2. CAPITAL REDUCTION

2.1 Capital Reduction

The Capital Reduction will involve the following:

(a) Capitalisation of the Company's Retained Profits

Up to a maximum of S\$160 million forming part of the retained profits of the Company will be capitalised and applied in paying up for the allotment and issuance of a maximum of 99.8 million new Shares ("**Additional Shares**") at the price of S\$1.6026 per Additional Share. Such Additional Shares shall be allotted and issued credited as fully paid-up to the Shareholders in the proportion of one Additional Share to one Share held by a Shareholder which is cancelled as described in paragraph 2.1(b) below, disregarding any fractional interests.

Forthwith upon the allotment and issue of the Additional Shares, the Additional Shares will be immediately cancelled in their entirety without any distribution to the Shareholders. The maximum sum of S\$160 million created in the issued and paid-up share capital of the Company shall be utilised for distribution to Shareholders pursuant to the cancellation of Shares as described in paragraph 2.1(b) below.

(b) Cancellation of Shares based on the Reduction Proportion

Separately and contingent upon the capitalisation and cancellation of Additional Shares as described in paragraph 2.1(a) above, the Company will, subject to the Rounding-Up (as defined in paragraph 2.1(c) below), cancel one Share for every 10 Shares held by or on behalf of each Shareholder as at the Books Closure Date. Any fraction of a Share to be cancelled from the shareholding of each Shareholder arising from the application of the Reduction Proportion shall be disregarded for the purposes of the Capital Reduction. Forthwith upon such cancellation taking effect, up to a maximum sum of S\$221.6 million arising from such cancellation of the issued and paid-up share capital of the Company shall be returned to the Shareholders on the basis of S\$2.22 for each Share held by or on behalf of such Shareholder as at the Books Closure Date and so cancelled. A maximum of 99.8 million Shares representing approximately 10.0% of the issued and paid-up Shares of the Company as at the Books Closure Date will therefore be cancelled.

Shareholders who hold less than 10 Shares as at the Books Closure Date will not be subject to, and their Shares will not be cancelled pursuant to, the Capital Reduction.

LETTER TO SHAREHOLDERS

(c) Rounding-Up

The Capital Reduction is proposed to be effected such that the resultant number of Shares which would have been held by or on behalf of each Shareholder following the proposed cancellation of Shares based on the Reduction Proportion shall be rounded up (where applicable) to the nearest multiple of 10 Shares (the “**Rounding-Up**”). Consequently, the number of Shares proposed to be cancelled from such Shareholder may be reduced accordingly (please refer to Illustration B in paragraph 2.4 below).

However, in the event that the resultant number of Shares arising from the Rounding-Up:

- (i) is greater than that held by or on behalf of such Shareholder as at the Books Closure Date, no Rounding-Up will be applied and the number of Shares proposed to be cancelled from such Shareholder shall be the number of Shares cancelled based solely on the Reduction Proportion, disregarding any fractional interests in a Share (please refer to Illustration C in paragraph 2.4 below); or
- (ii) is equal to that held by or on behalf of such Shareholder as at the Books Closure Date, no Shares shall be cancelled from such Shareholder (please refer to Illustration D in paragraph 2.4 below).

The Rounding-Up is intended to minimise (as far as possible) the number of Shareholders who, following the Capital Reduction, will not hold Shares in multiples of 10 Shares. The Rounding-Up is applicable also to (i) holders of securities sub-accounts maintained directly with Depository Agents, (ii) CPF members whose Shares are held on their behalf by CPF agent banks, and (iii) persons whose Shares are held on their behalf by financial institutions under the Supplementary Retirement Scheme. Any person not falling within these categories shall not be subject to the Rounding-Up.

(d) Cash Distribution

The Company will make a total cash distribution of S\$2.22 for each Share held by or on behalf of each Shareholder as at the Books Closure Date which is cancelled pursuant to the Capital Reduction, provided that the resultant aggregate cash distribution payable to a Shareholder pursuant to the Capital Reduction shall be adjusted by rounding any fractions of a cent to the nearest cent, where applicable. The price of S\$2.22 for each Share so cancelled is based on the average of the last transacted prices of the Shares traded on the SGX-ST for the five Market Days from (and including) 11 January 2007 to (and including) 17 January 2007.

Based on the issued and paid-up share capital of the Company of approximately S\$226.8 million comprising approximately 998.4 million Shares as at the Latest Practicable Date which takes into account the issue of approximately 8.3 million new Shares, assuming all exercisable Share Options are exercised prior to the Latest Practicable Date:

- (1) an aggregate amount of approximately S\$221.6 million will be returned to the Shareholders pursuant to the Capital Reduction; and
- (2) approximately 99.8 million Shares and approximately 99.8 million Additional Shares will be cancelled under the Capital Reduction.

LETTER TO SHAREHOLDERS

The actual number of Shares and/or Additional Shares to be cancelled pursuant to the Capital Reduction may be adjusted, based on the issued and paid-up share capital of the Company as at the Books Closure Date.

2.2 Share Options

The Company has granted Share Options under the Share Option Scheme which are exercisable into Shares. The actual number of Shares and/or Additional Shares to be cancelled pursuant to the Capital Reduction will be based on the issued and paid-up share capital of the Company as at the Books Closure Date, taking into account the issue of new Shares arising from the exercise of any Share Options on or before the Books Closure Date.

2.3 Legal Steps

The Capital Reduction will involve the following legal steps (based, for illustrative purposes only, on an assumed issued and paid-up share capital of S\$226.8 million (or 998.4 million Shares), being the issued and paid-up share capital of the Company as at the Latest Practicable Date, which takes into account the issue of approximately 8.3 million new Shares, assuming all exercisable Share Options are exercised prior to the Latest Practicable Date):

- (a) up to a maximum of S\$160 million forming part of the retained profits of the Company shall be applied in paying up for the allotment and issue of a maximum of 99.8 million Additional Shares at the price of S\$1.6026 per Additional Share. Such Additional Shares shall be allotted and issued credited as fully paid-up to the Shareholders in the proportion of one Additional Share to one Share held by a Shareholder which is cancelled pursuant to paragraph 2.3(b) below, disregarding any fractional interests.

Forthwith upon the allotment and issue of the Additional Shares, the Additional Shares will be immediately cancelled in their entirety without any distribution to Shareholders;

- (b) separately and contingent upon the capitalisation and cancellation of the Additional Shares pursuant to paragraph 2.3(a) above, up to a maximum of 99.8 million Shares are proposed to be cancelled and up to a maximum sum of S\$221.6 million of capital will be returned to the Shareholders (on the basis of S\$2.22 for each Share held by a Shareholder as at the Books Closure Date and cancelled pursuant to this subparagraph); and
- (c) the number of Shares proposed to be cancelled from each Shareholder pursuant to the Reduction Proportion may be reduced by applying (where applicable) the Rounding-Up. In the event that the resultant number of Shares arising from the Rounding-Up:
 - (i) is greater than the number of Shares held or owned by each Shareholder as at the Books Closure Date, no Rounding-Up will be applied and the number of Shares proposed to be cancelled from such Shareholder shall be the number of Shares cancelled based solely on the Reduction Proportion, disregarding any fractional interests in a Share; or
 - (ii) is equal to the number of Shares held or owned by such Shareholder as at the Books Closure Date, no Shares shall be cancelled from such Shareholder.

LETTER TO SHAREHOLDERS

The result after completion of the above steps would be the reduction of approximately 10.0% of the issued and paid-up Shares of the Company as at the Books Closure Date and the return of capital to the Shareholders of S\$2.22 per Share in cash for every Share held by a Shareholder as at the Books Closure Date which is cancelled pursuant to the Capital Reduction, provided that the resultant aggregate cash distribution shall be adjusted by rounding any fractions of a cent to the nearest cent, where applicable.

2.4 Illustrations

The following illustrates the position of a Shareholder who owns 1,000 Shares, 930 Shares, 89 Shares or 70 Shares respectively as at the Books Closure Date:

Illustration A

	Shareholder with 1,000 Shares
(1) Shares held as at Books Closure Date	1,000
(2) Number of Additional Shares allotted and issued credited as fully paid-up and cancelled immediately thereafter (equal to (7)) (disregarding fractional interests)	100
(3) Cash proceeds received by Shareholder from the cancellation of Additional Shares	—
(4) Shares proposed for cancellation based on the Reduction Proportion alone	100
(5) Resultant number of Shares after proposed cancellation based on the Reduction Proportion alone ((1) — (4))	900
(6) Rounding-Up of resultant number of Shares held to the nearest multiple of 10	900
(7) Shares to be cancelled ((1) — (6))	100
(8) Cash proceeds received by Shareholder who owns 1,000 Shares ((7) x S\$2.22)	S\$222.00
(after rounding any fractions of a cent to the nearest cent, where applicable)	

Based on Illustration A above, a Shareholder who owns 1,000 Shares will, after the Capital Reduction is effected, own 900 Shares and receive a Cash Distribution of S\$222.00 while maintaining approximately the same proportionate shareholding in the Company.

LETTER TO SHAREHOLDERS

Illustration B

	Shareholder with 930 Shares
(1) Shares held as at Books Closure Date	930
(2) Number of Additional Shares allotted and issued credited as fully paid-up and cancelled immediately thereafter (equal to (7)) (disregarding fractional interests)	90
(3) Cash proceeds received by Shareholder from the cancellation of Additional Shares	—
(4) Shares proposed for cancellation based on the Reduction Proportion alone	93
(5) Resultant number of Shares after proposed cancellation based on the Reduction Proportion alone ((1) — (4))	837
(6) Rounding-Up of resultant number of Shares held to the nearest multiple of 10	840
(7) Shares to be cancelled ((1) — (6))	90
(8) Cash proceeds received by Shareholder who owns 930 Shares ((7) x S\$2.22)	S\$199.80
(after rounding any fractions of a cent to the nearest cent, where applicable)	

Based on Illustration B above, a Shareholder who owns 930 Shares will, after the Capital Reduction is effected, own 840 Shares and receive a Cash Distribution of S\$199.80 while maintaining approximately the same proportionate shareholding in the Company.

Illustration C

	Shareholder with 89 Shares
(1) Shares held as at Books Closure Date	89
(2) Number of Additional Shares allotted and issued credited as fully paid-up and cancelled immediately thereafter (equal to (7)) (disregarding fractional interests)	8
(3) Cash proceeds received by Shareholder from the cancellation of Additional Shares	—
(4) Shares proposed for cancellation based on the Reduction Proportion alone, disregarding any fractional interests	8
(5) Resultant number of Shares after proposed cancellation based on the Reduction Proportion alone ((1) — (4))	81
(6) Rounding-Up of resultant number of Shares held to the nearest multiple of 10	90
(7) Shares to be cancelled ((1) — (5)) (i.e. Rounding-Up is not applied as (6) is more than (1))	8

LETTER TO SHAREHOLDERS

	Shareholder with 89 Shares
(8) Cash proceeds received by Shareholder who owns 89 Shares ((7) x \$2.22) (after rounding any fractions of a cent to the nearest cent, where applicable)	\$17.76

Based on Illustration C above, a Shareholder who owns 89 Shares will, after the Capital Reduction is effected, own 81 Shares and receive a Cash Distribution of S\$17.76 while maintaining approximately the same proportionate shareholding in the Company.

Illustration D

	Shareholder with 70 Shares
(1) Shares held as at Books Closure Date	70
(2) Number of Additional Shares allotted and issued credited as fully paid-up and cancelled immediately thereafter (equal to (7)) (disregarding fractional interests)	Nil
(3) Cash proceeds received by Shareholder from the cancellation of Additional Shares	—
(4) Shares proposed for cancellation based on the Reduction Proportion alone	7
(5) Resultant number of Shares after proposed cancellation based on the Reduction Proportion alone ((1) — (4))	63
(6) Rounding-Up of resultant number of Shares held to the nearest multiple of 10	70
(7) Shares to be cancelled ((1) — (6))	Nil
(8) Cash proceeds received by Shareholder who owns 70 Shares ((7) x \$2.22) (after rounding any fractions of a cent to the nearest cent, where applicable)	\$0.00

Based on Illustration D above, none of the Shares of a Shareholder who owns 70 Shares will be cancelled and accordingly, such Shareholder will, after the Capital Reduction is effected, still own 70 Shares and will not receive the Cash Distribution. Nonetheless, he will still maintain approximately the same proportionate shareholding in the Company after the Capital Reduction is effected.

LETTER TO SHAREHOLDERS

2.5 Funds for the Capital Reduction

The Capital Reduction will be financed from cash generated from the operations of the Company. The Directors of the Company are of the opinion that the cash distribution of up to a maximum sum of approximately S\$221.6 million to be returned to the Shareholders pursuant to the Capital Reduction is in excess of the needs of the Company and that the financial resources available following the Capital Reduction will be sufficient for the foreseeable near-term operating and investment needs of the Company.

3. RATIONALE

3.1 The Directors are of the view that the Capital Reduction is in the best interests of the Company and the Group as it will allow the Company to achieve a more efficient capital structure and enables a return of surplus capital to the Shareholders. It will also enable each Shareholder to maintain approximately the same proportionate shareholding in the Company.

3.2 The Capital Reduction achieves a permanent improvement in the capital structure of the Company when Shares are cancelled. On a *proforma* basis for the financial year ended 31 December 2006, the Capital Reduction would have the effect of improving the ROE of the Group from 38.9% to 51.5% and increasing the EPS of the Group by 10.2% from 16.6 cents to 18.3 cents. After the Capital Reduction, the Group's financial position is expected to remain strong, and the continued cash flow generated from its operations and the financial resources available following the Capital Reduction are expected to support a sustainable dividend policy, debt repayment and the foreseeable near-term investment and operational needs of the Group.

4. TAXATION

4.1 General

Shareholders should note that the following statements are not to be regarded as advice on the tax position of any Shareholder or on any tax implications arising from the Capital Reduction. Shareholders who are in doubt as to their respective tax positions or any such tax implications or who may be subject to tax in a jurisdiction other than Singapore should consult their own professional advisers.

4.2 Tax Implications under Singapore Law

Section 10I of the Income Tax Act provides that where a Singapore resident company makes a payment to its shareholders upon a reduction of its share capital and such a capital reduction is made out of the "contributed capital" of the company, the payment to the shareholders will be treated as a return of capital and not as a payment of dividend. For Singapore income tax purposes, a return of capital would generally be treated as capital in nature and would not be taxable to the shareholders in Singapore, except in certain cases, such as shareholders who are traders in securities or who have classified their investments as trading stocks, marketable securities or short-term investments.

In relation to the Cash Distribution of a maximum of S\$221.6 million to be made to Shareholders pursuant to the Capital Reduction, the sum of a maximum of S\$160 million (which is capitalised as described in paragraph 2.1(a) above) will be deemed to be tax

LETTER TO SHAREHOLDERS

exempt (one-tier) dividends and the balance of approximately S\$61.6 million, being S\$221.6 million less S\$160 million, will be regarded as a return of capital for purposes of Singapore income tax.

Shareholders are advised to consult their own tax advisors as to the precise tax consequences of the cash distributions.

5. CONDITIONS

5.1 Conditions

The Capital Reduction is subject to, *inter alia*:

- (a) the approval of the Shareholders by way of a special resolution for the Capital Reduction at the EGM;
- (b) the approval of the Court for the Capital Reduction; and
- (c) all other relevant approvals and consents being obtained.

An office copy of the Order of Court approving the Capital Reduction and other documents prescribed by the Companies Act will subsequently be lodged with ACRA.

5.2 Payment Date

On the lodgement of the office copy of the Order of Court confirming the Capital Reduction together with the other documents prescribed under the Companies Act with ACRA, the special resolution for the Capital Reduction will take effect, and the Cash Distribution will be made thereafter. Subject to the conditions in paragraph 5.1 above being satisfied, it is currently expected that the Cash Distribution will be paid to the Shareholders tentatively in June 2007.

6. SHARE OPTIONS AND BUY-BACK

6.1 Suspension

As stated in paragraph 5.1(b) above, the Capital Reduction is conditional upon, *inter alia*, the Court's approval of the Capital Reduction. At the final hearing of the Court, the Company is required to determine the exact amount of paid-up capital that will be reduced and cancelled pursuant to the Capital Reduction. As the amount of paid-up capital to be reduced and cancelled is determined by reference to the number of issued Shares, this must be fixed immediately prior to the final hearing of the Court.

In order to do so, the exercise of Share Options will be suspended for a period (the "**Period**") to be determined by the Directors up to and including the Books Closure Date (both days inclusive). The Company will also not undertake any Share Buy-Back during the Period.

LETTER TO SHAREHOLDERS

6.2 No Adjustments to the Share Options

Under the rules of the Share Option Scheme, the Committee has determined that pursuant to the Capital Reduction, no adjustments are required to be made to the terms of the outstanding Share Options.

Ernst & Young, the auditors of the Company, has confirmed in writing that the Committee's decision not to adjust the terms of the outstanding Share Options pursuant to the Capital Reduction is fair and reasonable.

7. FINANCIAL EFFECTS

7.1 Financial Effects

For illustrative purposes only and assuming that:

- (a) the Capital Reduction had been effected on 1 January 2006; and
- (b) adjustments have been made for the exercise of all exercisable Share Options prior to the Latest Practicable Date,

the financial effects of the Capital Reduction on the audited financial statements of the Group and the Company for the year ended 31 December 2006 are set out in paragraphs 7.2 to 7.6 below.

7.2 Share Capital

The effects of the Capital Reduction on the share capital of the Company based on the audited financial statements of the Company as at 31 December 2006, adjusted for approximately 8.3 million new Shares issued pursuant to the full exercise of exercisable Share Options prior to the Latest Practicable Date, are as follows:

	Number of Shares (million)	Share Capital (S\$ million)
Issued and Paid-Up Capital		
As at 31 December 2006	990.1	212.0
Shares issued pursuant to the full exercise of Share Options between 1 January 2007 and the Latest Practicable Date	8.3	14.8
As at the Latest Practicable Date	998.4	226.8
Additional Shares (issued pursuant to the capitalisation of retained profits)	99.8	160.0
Cancellation of Additional Shares	(99.8)	—
Shares to be cancelled under the Capital Reduction	(99.8)	(221.6)
Adjusted issued and paid-up capital after the Capital Reduction	898.6	165.2

LETTER TO SHAREHOLDERS

7.3 Shareholders' Funds

The effects of the Capital Reduction on the shareholders' funds of the Group and the Company as at 31 December 2006 based on the audited financial statements of the Group and the Company as at 31 December 2006, adjusted for approximately 8.3 million new Shares issued pursuant to the full exercise of exercisable Share Options prior to the Latest Practicable Date, are as follows:

	GROUP			COMPANY		
	Per audited financial statements (S\$ million)	Adjusted before the Capital Reduction (S\$ million)	Proforma after the Capital Reduction (S\$ million)	Per audited financial statements (S\$ million)	Adjusted before the Capital Reduction (S\$ million)	Proforma after the Capital Reduction (S\$ million)
Share capital	212.0	226.8	165.2	212.0	226.8	165.2
Retained profits	166.6	166.6	6.6	168.0	168.0	8.0
Other reserves	3.4	3.4	3.4	3.4	3.4	3.4
Total shareholders' funds	382.0	396.8	175.2	383.4	398.2	176.6

7.4 Net Assets

The effects of the Capital Reduction on the net assets of the Group and the Company as at 31 December 2006 based on the audited financial statements of the Group and the Company as at 31 December 2006, adjusted for approximately 8.3 million new Shares issued pursuant to the full exercise of exercisable Share Options prior to the Latest Practicable Date, are as follows:

	GROUP			COMPANY		
	Per audited financial statements (S\$ million)	Adjusted before the Capital Reduction (S\$ million)	Proforma after the Capital Reduction (S\$ million)	Per audited financial statements (S\$ million)	Adjusted before the Capital Reduction (S\$ million)	Proforma after the Capital Reduction (S\$ million)
Net assets	382.0	396.8	175.2	383.4	398.2	176.6
Number of issued and paid-up Shares (million)	990.1	998.4	898.6	990.1	998.4	898.6
Net assets per Share (cents)	38.6	39.7	19.5	38.7	39.9	19.7

LETTER TO SHAREHOLDERS

7.5 Earnings

The effects of the Capital Reduction on the earnings of the Group based on the audited financial statements of the Group for the year ended 31 December 2006, adjusted for approximately 8.3 million new Shares issued pursuant to the full exercise of exercisable Share Options prior to the Latest Practicable Date, are as follows:

	GROUP		
	Per audited financial statements (S\$ million)	Adjusted before the Capital Reduction (S\$ million)	Proforma after the Capital Reduction (S\$ million)
Profit attributable to Shareholders	164.6	164.6	164.6
Weighted average number of issued and paid-up Shares (million)	988.9	997.3	897.4
Earnings per Share (cents)	16.6	16.5	18.3

7.6 Net Gearing⁽¹⁾

The effects of the Capital Reduction on the net gearing of the Group and the Company as at 31 December 2006 based on the audited financial statements of the Group and the Company as at 31 December 2006, adjusted for approximately 8.3 million new Shares issued pursuant to the full exercise of exercisable Share Options prior to the Latest Practicable Date, are as follows:

	GROUP			COMPANY		
	Per audited financial statements (S\$ million)	Adjusted before the Capital Reduction (S\$ million)	Proforma after the Capital Reduction (S\$ million)	Per audited financial statements (S\$ million)	Adjusted before the Capital Reduction (S\$ million)	Proforma after the Capital Reduction (S\$ million)
Net borrowing ⁽²⁾	81.4	66.6	288.2	82.0	67.2	288.8
Shareholders' funds	382.0	396.8	175.2	383.4	398.2	176.6
Net Gearing (%)	21.3	16.8	164.5	21.4	16.9	163.5

Notes:

(1) "Net Gearing" means the ratio of net borrowing to shareholders' funds.

(2) "Net borrowing" means total borrowing less cash and cash equivalents.

7.7 The Appendix

The *proforma* consolidated balance sheets of the Group and the Company before and after the Capital Reduction, based on the audited balanced sheets as at 31 December 2006, are set out in the Appendix to this Circular.

LETTER TO SHAREHOLDERS

8. ADMINISTRATIVE PROCEDURES

8.1 Books Closure Date

Shareholders who are registered in the Register of Members of the Company and Depositors whose Securities Accounts are credited with Shares as at the Books Closure Date will be entitled to receive the Cash Distribution, based on the Shares held as at the Books Closure Date.

The Shareholders described above will be considered for purposes of the Capital Reduction on the basis of the number of Shares registered in their names or standing to the credit of their Securities Accounts as at the Books Closure Date.

The number of Shares which will be cancelled pursuant to the Capital Reduction will be based on the Reduction Proportion as described in paragraph 2.1(b) above, subject to the Rounding-Up as described in paragraph 2.1(c) above.

The Company will announce the Books Closure Date as soon as practicable after the EGM.

8.2 Transfer of Shares to CDP by Shareholders holding Scrip Shares

Shareholders who hold Shares registered in their own name in the Register of Members of the Company and who wish to deposit their Shares with CDP prior to the Books Closure Date must deliver their existing share certificates in respect of their Shares, together with the duly executed instruments of transfer in favour of CDP, tentatively by 27 April 2007, in order for their Securities Accounts maintained with CDP to be credited with the relevant Shares prior to the Books Closure Date. CDP will not accept any further deposit of share certificates in respect of Shares from 28 April 2007 to the Books Closure Date (both dates inclusive) for the purpose of the Capital Reduction.

8.3 Issue of New Share Certificates

The following sets out the administrative procedures which the Company proposes to adopt to facilitate the issue of new share certificates arising from the Capital Reduction:

- (a) The Company will cancel all old share certificates relating to the Shares in issue as at the Books Closure Date. The cancellation of the old share certificates will be made on the date on which the Capital Reduction takes effect.
- (b) Upon the cancellation of the old share certificates as described in sub-paragraph (a) above, the Company will issue to Shareholders with Shares registered in their names in the Register of Members of the Company new share certificates in respect of the number of Shares to be held by such Shareholders consequent upon the Capital Reduction.
- (c) In respect of Shareholders who have deposited their old share certificates with CDP by 27 April 2007, arrangements will be made with CDP for the new share certificates in respect of the Shares attributable to such Shareholders consequent upon the Capital Reduction to be issued to CDP.
- (d) In respect of Shareholders with Shares standing to the credit of their Securities Accounts at the Books Closure Date, no further action needs to be taken as arrangements will be made by the Company with CDP for all the old share certificates issued in the name of CDP or its nominee as at the Books Closure Date to be cancelled and for the new share certificates in respect of the Shares attributable to such Shareholders consequent upon the Capital Reduction be issued to CDP or its nominee and deposited with CDP.

LETTER TO SHAREHOLDERS

- (e) Upon cancellation, the old share certificates shall be void and will cease to have any effect or be valid for any purpose.
- (f) To facilitate the destruction of the old share certificates, Shareholders with Shares registered in their names in the Register of Members of the Company as at the Books Closure Date are encouraged to return to the share registration office of the Company, Lim Associates (Pte) Ltd at 3 Church Street, #08-01 Samsung Hub, Singapore 049483 (the “**Share Registration Office**”) their old share certificates in respect of such Shares.

However, whether or not the old share certificates in respect of such Shares are delivered to the Share Registration Office, the old share certificates will be cancelled and new share certificates will be issued to such Shareholders in respect of the Shares attributable to such Shareholders consequent upon the Capital Reduction. The new share certificates will be sent to them at their own risk by ordinary post within 10 Market Days from the Books Closure Date.
- (g) Where the Shares are registered jointly in the names of several persons, the new share certificates in respect of the Shares attributable to such persons consequent upon the Capital Reduction will be sent to the person whose name stands first in the Register of Members of the Company. Shareholders who wish to record any change in their registered address should notify the Share Registration Office of such change before the Books Closure Date.

8.4 Payment of the Cash Distribution

Payment of the Cash Distribution pursuant to the Capital Reduction will be made in the following manner:

(a) Shareholders holding Scrip Shares

Shareholders whose Shares are registered in the Register of Members of the Company as at the Books Closure Date will have the cheques for payment of their entitlements to the Cash Distribution under the Capital Reduction despatched to them by ordinary post at their own risk tentatively in June 2007.

(b) Shareholders holding Scripless Shares

Shareholders who are Depositors and who have Shares standing to the credit of their Securities Accounts as at the Books Closure Date will have the cheques for payment of their respective entitlements to the Cash Distribution under the Capital Reduction despatched to them by CDP by ordinary post at their own risk tentatively in June 2007. Alternatively, such Shareholders will have payment of their respective entitlements to the Cash Distribution under the Capital Reduction made in such other manner as they may have agreed with CDP for the payment of dividends or other distributions tentatively in June 2007.

On or after the date on which the Capital Reduction takes effect, CDP will debit Shares from the Securities Accounts of the Depositors based on the Shares standing to the credit of the Securities Accounts of the Depositors as at the Books Closure Date. The number of Shares which will be debited from the Securities Account of each Depositor will be based on the Reduction Proportion as described in paragraph 2.1(b) above, subject to the Rounding-Up as described in paragraph 2.1(c) above.

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8.5 Odd-Lots

To minimise the problems arising from odd-lots as a result of the Capital Reduction, an application was made to the SGX-ST to include a new trading board lot size of 10 Shares per board lot. The SGX-ST has approved the listing and quotation for the Shares in board lots of 10 Shares per board lot for a period of one month starting from 9:00 a.m. on the first Market Day on which the Shares trade ex-entitlement to the Capital Reduction. After such period of one month, the Shares will trade in board lots of 1,000 Shares and odd-lots can be traded in the Unit Share Market. The approval of the SGX-ST referred to in this paragraph is not to be taken as an indication of the merits of the Capital Reduction.

8.6 Sub-Account Holders

Holders of securities sub-accounts maintained directly with Depository Agents, CPF members whose Shares are held on their behalf by CPF agent banks and persons whose Shares are held on their behalf by financial institutions under the Supplementary Retirement Scheme, intending to dispose of any Shares credited in their sub-accounts, on or after 9:00 a.m. on the first Market Day on which the Shares trade ex-entitlement to the Capital Reduction, should prior to such disposal verify the resultant number of Shares held on their behalf after the Capital Reduction, with their Depository Agent, CPF agent bank or financial institution under the Supplementary Retirement Scheme. If such a holder does not have sufficient Shares on settlement date following such disposal, then the holder will be subject to the usual buying procedures applied by the SGX-ST.

9. RECOMMENDATION

The Directors are of the opinion that the Capital Reduction is in the best interests of the Company. Accordingly, they recommend that Shareholders vote in favour of the special resolution relating to the Capital Reduction at the EGM.

10. DIRECTORS' AND SUBSTANTIAL SHAREHOLDERS' INTERESTS

10.1 Directors' Interests

The interests of the Directors in the Shares as recorded in the Register of Directors' Shareholdings as at the Latest Practicable Date are set out below:

Director	Number of Shares		Number of Shares comprised in unexercised Share Options
	Direct Interest	Deemed Interest	
Lim Chee Onn	46,500	—	—
Neil Montefiore	446,400	2,840,000 ⁽¹⁾	3,180,000
Teo Soon Hoe	46,500	—	—
Roger Barlow	—	—	—
Low Huan Ping	—	—	—
Hsuan Owyang	—	—	—
Ganen Sarvananthan	—	—	—
Reggie Thein	27,900	—	—
Patrick Yeoh Khwai Hoh	4,650	—	—

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Director	Number of Shares		Number of Shares comprised in unexercised Share Options
	Direct Interest	Deemed Interest	
Thio Su Mien	46,500	—	—
Yusof Annuar Yaacob	—	—	—

Note:

- (1) Neil Montefiore is deemed to be interested in the 2,840,000 Shares held by United Overseas Bank Nominees (Private) Limited pursuant to Section 7 of the Companies Act.

10.2 Substantial Shareholders' Interests

The interests of the substantial shareholders of the Company in the Shares as recorded in the Register of Substantial Shareholders as at the Latest Practicable Date are set out below:

Substantial Shareholder	Number of Shares		Total Percentage Interest (%)
	Direct Interest	Deemed Interest	
Sunshare Investments Ltd	294,899,160	—	29.76
Khazanah Nasional Berhad	—	294,899,160 ⁽¹⁾	29.76
TM International Sdn Bhd	—	294,899,160 ⁽¹⁾	29.76
Telekom Malaysia Berhad	—	294,899,160 ⁽¹⁾	29.76
Temasek Holdings (Pte) Ltd	—	169,575,490 ⁽²⁾	17.11
Keppel Telecoms Pte Ltd	168,394,110	—	16.99
Keppel Communications Pte Ltd	—	168,394,110 ⁽³⁾	16.99
DataOne (Asia) Pte Ltd	—	168,394,110 ⁽³⁾	16.99
Keppel Telecommunications & Transportation Ltd	—	168,394,110 ⁽³⁾	16.99
Keppel Corporation Limited	—	168,394,110 ⁽³⁾	16.99
SPH Multimedia Private Limited	138,281,110	—	13.95
Singapore Press Holdings Limited	—	138,281,110 ⁽⁴⁾	13.95

Notes:

- (1) Each of Khazanah Nasional Berhad, TM International Sdn Bhd and Telekom Malaysia Berhad are deemed to be interested in the 294,899,160 Shares held by SunShare Investments Ltd pursuant to Section 7 of the Companies Act.
- (2) Temasek Holdings (Pte) Ltd is deemed to be interested in the 169,575,490 Shares held by Keppel Corporation Limited and DBS Group Holdings Ltd pursuant to Section 7 of the Companies Act.
- (3) Keppel Communications Pte Ltd, DataOne (Asia) Pte Ltd, Keppel Telecommunications & Transportation Ltd and Keppel Corporation Limited are deemed to be interested in the 168,394,110 Shares held by Keppel Telecoms Pte Ltd pursuant to Section 7 of the Companies Act.
- (4) Singapore Press Holdings Limited is deemed to be interested in the 138,281,110 Shares held by SPH Multimedia Private Limited pursuant to Section 7 of the Companies Act.

LETTER TO SHAREHOLDERS

11. EXTRAORDINARY GENERAL MEETING

The EGM, notice of which is set out on pages 25 to 26 of this Circular, will be held at Intercontinental Singapore, Ballrooms 2 & 3, 80 Middle Road, Singapore 188966 on 3 April 2007 at 4:00 p.m. (or as soon thereafter following the conclusion or adjournment of the 5th Annual General Meeting of the Company to be held at 3:30 p.m. on the same day and at the same place) for the purpose of considering and, if thought fit, passing the special resolution set out in the Notice of the EGM.

12. ACTION TO BE TAKEN BY SHAREHOLDERS

12.1 Appointment of Proxies

If a Shareholder is unable to attend the EGM and wishes to appoint a proxy to attend and vote on his behalf, he should complete, sign and return the Proxy Form enclosed with the Circular in accordance with the instructions printed thereon as soon as possible and, in any event, so as to reach the registered office of the Company at 10 International Business Park, Singapore 609928, by not later than 48 hours before the time appointed for the EGM. The completion and return of the Proxy Form by a Shareholder will not prevent him from attending and voting at the EGM in person if he so wishes.

12.2 When Depositor regarded as Shareholder

A Depositor shall not be regarded as a Shareholder entitled to attend and vote at the EGM unless he is shown to have Shares entered against his name in the Depository Register as at 48 hours before the time fixed for holding the EGM, as certified by CDP to the Company.

13. RESPONSIBILITY STATEMENT

This Circular has been reviewed and approved by all the Directors and they (including those who have delegated detailed supervision of this Circular) collectively and individually accept responsibility for the accuracy of the information contained in this Circular and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief, the facts stated and opinions expressed in this Circular are fair and accurate and that there are no material facts the omission of which would make any statement in this Circular misleading.

Where information has been extracted from published or otherwise publicly available sources, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in this Circular.

14. CONSENTS

Ernst & Young has given and has not withdrawn its written consent to the issue of this Circular with the inclusion herein of its name and all references thereto and to its confirmation referred to in paragraph 6.2 above in the form and context in which they are respectively included.

15. DOCUMENTS FOR INSPECTION

The following documents may be inspected at the registered office of the Company at 10 International Business Park, Singapore 609928 during normal business hours from the date hereof up to and including the date of the EGM:

- (a) the Memorandum and Articles of Association of the Company;

LETTER TO SHAREHOLDERS

- (b) the audited consolidated financial statements of the Company for FY 2006;
- (c) the rules of the Share Option Scheme;
- (d) the letter of confirmation dated 23 February 2007 from Ernst & Young to the Company that in their opinion, the decision of the Committee that no adjustments are required to be made to the outstanding Share Options pursuant to the Capital Reduction is fair and reasonable; and
- (e) the letter of consent referred to in paragraph 14 above.

Yours faithfully,
For and on behalf of the Board of Directors of
MOBILEONE LTD

Lim Chee Onn
Chairman

THE APPENDIX

PROFORMA BALANCE SHEETS BEFORE AND AFTER THE CAPITAL REDUCTION

For illustrative purposes only, assuming the Capital Reduction had been implemented on 1 January 2006, the effects of the Capital Reduction on the audited financial statements of the Group and the Company as at 31 December 2006, adjusted for approximately 8.3 million new Shares issued pursuant to the full exercise of exercisable Share Options between 1 January 2007 and the Latest Practicable Date are as follows:

Balance Sheet as at 31 December 2006

	GROUP			COMPANY		
	Per audited financial statements (S\$million)	Adjusted before the Capital Reduction (S\$million)	Proforma after the Capital Reduction (S\$million)	Per audited financial statements (S\$million)	Adjusted before the Capital Reduction (S\$million)	Proforma after the Capital Reduction (S\$million)
Non-current assets:						
Fixed assets	690.9	690.9	690.9	688.8	688.8	688.8
Licences and spectrum rights	88.6	88.6	88.6	88.6	88.6	88.6
Staff loans	0.7	0.7	0.7	0.7	0.7	0.7
Interests in subsidiaries	—	—	—	3.6	3.6	3.6
Current assets	275.8	290.7	107.2	261.7	276.5	93.7
Current liabilities	(545.2)	(545.3)	(583.4)	(531.4)	(531.4)	(570.2)
Net current liabilities	(269.4)	(254.6)	(476.2)	(269.7)	(254.9)	(476.5)
Non-current liabilities:						
Deferred tax liabilities	(128.8)	(128.8)	(128.8)	(128.6)	(128.6)	(128.6)
	382.0	396.8	175.2	383.4	398.2	176.6
Represented by:						
Share capital	212.0	226.8	165.2	212.0	226.8	165.2
Reserves	3.4	3.4	3.4	3.4	3.4	3.4
Retained profits	166.6	166.6	6.6	168.0	168.0	8.0
	382.0	396.8	175.2	383.4	398.2	176.6

NOTICE OF EXTRAORDINARY GENERAL MEETING

MOBILEONE LTD

(Incorporated in the Republic of Singapore)
(Company Registration No. 199206031W)

NOTICE OF EXTRAORDINARY GENERAL MEETING

On 22 January 2007, the Directors announced that MobileOne Ltd (the “**Company**”) was proposing to return an aggregate amount of a maximum of S\$221.6 million on the basis of S\$2.22 for each ordinary share in the issued and paid-up share capital of the Company (a “**Share**”) held by a shareholder of the Company (a “**Shareholder**”) as at a books closure date to be determined by the Company (the “**Books Closure Date**”), which is cancelled by way of a capital reduction exercise. Pursuant to the capital reduction exercise, one Share for every 10 Shares held by or on behalf of a Shareholder as at the Books Closure Date will be cancelled (subject to the Rounding-Up (as defined in paragraph 2(b) below)). The price of S\$2.22 per cancelled Share is based on the average of the last transacted prices of the Shares traded on the Singapore Exchange Securities Trading Limited for the five market days from 11 January 2007 to 17 January 2007 (both dates inclusive).

NOTICE IS HEREBY GIVEN that an EXTRAORDINARY GENERAL MEETING of the Company will be held at Intercontinental Singapore, Ballrooms 2 & 3, 80 Middle Road, Singapore 188966 on 3 April 2007 at 4:00 p.m. (or as soon thereafter following the conclusion or adjournment of the 5th Annual General Meeting of the Company to be held at 3:30 p.m. on the same day and at the same place) for the purpose of considering and, if thought fit, passing with or without amendment, the following Resolution which will be proposed as a Special Resolution.

Special Resolution

The Proposed Capital Reduction

That, pursuant to Article 10(A) of the Articles of Association of the Company and subject to the confirmation of the High Court of the Republic of Singapore:

(1) Capitalisation of Retained Profits

- (a) up to a maximum sum of S\$160 million forming part of the retained profits of the Company be capitalised and applied in paying up for the allotment and issuance of approximately 99.8 million new Shares (“**Additional Shares**”) at the price of S\$1.6026 per Additional Share. Such Additional Shares shall be allotted and issued credited as fully paid-up to the Shareholders in the proportion of one Additional Share to one Share held by a Shareholder which is cancelled pursuant to paragraph (2) below, disregarding any fractional interests.

Forthwith upon the allotment and issue of the Additional Shares, the Additional Shares will be immediately cancelled in their entirety without any distribution to Shareholders. The maximum sum of S\$160 million created in the issued and paid-up share capital of the Company shall be utilised for distribution to Shareholders pursuant to paragraph (2)(a) below; and

- (b) the aggregate number of Additional Shares representing fractional interests arising from the capitalisation of the retained profits pursuant to paragraph (1)(a) above be disposed of or dealt with by the Directors (and the Directors be and are hereby empowered to dispose of or deal with them) in such manner and for such purpose as they may deem fit in the interests of the Company, and the Directors be and are hereby empowered to give instructions for the disposal of or dealing with such ordinary shares and to authorise any person to execute any instrument of transfer in relation to such ordinary shares;

NOTICE OF EXTRAORDINARY GENERAL MEETING

(2) Reduction of Issued and Paid-Up Share Capital

- (a) separately and contingent upon the capitalisation and cancellation of Additional Shares contemplated in the preceding paragraph (1) taking effect, the issued and paid-up share capital of the Company be reduced by up to a maximum of S\$221.6 million (through the cancellation of up to a maximum of 99.8 million Shares, with such cancellation to be effected by cancelling, subject to the Rounding-Up (as defined below), one Share for every 10 Shares (the “**Reduction Proportion**”) held by or on behalf of each Shareholder as at the Books Closure Date, disregarding any fractional interests) (the “**Capital Reduction**”). Forthwith upon such cancellation taking effect, up to a maximum sum of S\$221.6 million arising from the Capital Reduction shall be returned to the Shareholders on the basis of S\$2.22 for each Share held by or on behalf of such Shareholder as at the Books Closure Date and so cancelled. Shareholders who hold less than 10 Shares as at the Books Closure Date will not be subject to such cancellation, and their Shares will not be so cancelled; and
- (b) the number of Shares proposed to be cancelled from each Shareholder under the preceding paragraph 2(a) pursuant to the Reduction Proportion be reduced by rounding-up (where applicable) to the nearest multiple of 10 Shares (the “**Rounding-Up**”) the resultant number of Shares that would have been held by or on behalf of each Shareholder following the proposed cancellation of Shares pursuant to the Reduction Proportion. In the event that the resultant number of Shares resulting from the Rounding-Up:
- (i) is greater than the number of Shares held by or on behalf of such Shareholder as at the Books Closure Date, no Rounding-Up will be applied and the number of Shares proposed to be cancelled from such Shareholder shall be the number of Shares cancelled based solely on the Reduction Proportion, disregarding any fractional interests in a Share; or
 - (ii) is equal to the number of Shares held by or behalf of such Shareholder as at the Books Closure Date, no Shares shall be cancelled from such Shareholder;

(3) Authority to Directors

the Directors and each of them be and are hereby authorised to do all acts and things and to execute all such documents as they or he may consider necessary or expedient to give effect to the preceding paragraphs (1) and (2), all other matters described in the circular to Shareholders dated 12 March 2007 and such other ancillary matters as the Directors deem fit (including but not limited to adjusting the resultant aggregate amount of the cash distribution to be paid to each Shareholder pursuant to the preceding paragraphs (1) and (2) by rounding any fractions of a cent to the nearest cent, where applicable).

By Order of the Board
Eunice Phua/Karen Teo
Company Secretaries

Dated: 12 March 2007

Notes:

- (1) A member of the Company entitled to attend and vote at the Extraordinary General Meeting is entitled to appoint not more than two proxies to attend and vote on his/her behalf. A proxy need not be a member of the Company.
- (2) The instrument appointing the proxy which has been executed by a member of the Company must be lodged at the registered office of the Company at 10 International Business Park, Singapore 609928, not less than 48 hours before the time appointed for the Extraordinary General Meeting.

MOBILEONE LTD

(Incorporated in the Republic of Singapore)
(Company Registration No. 199206031W)

IMPORTANT

- 1. For investors who have used their CPF monies to buy shares in the capital of MobileOne Ltd, this Circular is forwarded to them at the request of their CPF Approved Nominees and is sent FOR INFORMATION ONLY.
- 2. This Proxy Form is not valid for use by such CPF investors and shall be ineffective for all intents and purposes if used or purported to be used by them.

PROXY FORM

I/We _____ (Name)

of _____ (Address)

being a member/members of MobileOne Ltd (“**MobileOne**” or the “**Company**”) hereby appoint

Name	Address	NRIC/Passport Number	Proportion of Shareholdings (%)
and/or (delete as appropriate)			

as my/our proxy/proxies to attend and to vote for me/us on my/our behalf and, if necessary, to demand a poll, at the Extraordinary General Meeting of the Company to be held on 3 April 2007 at Intercontinental Singapore, Ballrooms 2 & 3, 80 Middle Road, Singapore 188966 at 4:00 p.m. (or as soon thereafter following the conclusion or adjournment of the 5th Annual General Meeting of the Company to be held at 3:30 p.m. on the same day and at the same place) and at any adjournment thereof.

(Please indicate with an “X” in the spaces provided whether you wish your vote(s) to be cast for or against the Special Resolution as set out in the Notice of Extraordinary General Meeting. In the absence of specific directions, the proxy/proxies will vote or abstain as he/they may think fit, as he/they will on any other matter arising at the Extraordinary General Meeting.)

	For	Against
Special Resolution To approve the proposed capital reduction of the Company		

Dated this 2007.

Total number of Shares held	
-----------------------------	--

Signature(s) of Member(s) or Common Seal

IMPORTANT: PLEASE READ NOTES ON THE REVERSE



NOTES:

1. Please insert the total number of Shares held by you. If you have Shares entered against your name in the Depository Register (as defined in Section 130A of the Companies Act, Chapter 50 of Singapore), you should insert that number of Shares. If you have Shares registered in your name in the Register of Members, you should insert that number of Shares. If you have Shares entered against your name in the Depository Register and Shares registered in your name in the Register of Members, you should insert the aggregate number of Shares entered against your name in the Depository Register and registered in your name in the Register of Members. If no number is inserted, the instrument appointing a proxy or proxies shall be deemed to relate to all the Shares held by you.
2. A member of the Company entitled to attend and vote at a meeting of the Company is entitled to appoint one or two proxies to attend and vote instead of him. A proxy need not be a member of the Company.
3. Where a member appoints two proxies, the appointments shall be invalid unless he specifies the proportion of his shareholding (expressed as a percentage of the whole) to be represented by each proxy.
4. The instrument appointing a proxy or proxies must be deposited at the registered office of the Company at 10 International Business Park, Singapore 609928 not less than 48 hours before the time appointed for the Extraordinary General Meeting.
5. The instrument appointing a proxy or proxies must be under the hand of the appointor or of his attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed either under its seal or under the hand of an officer or attorney duly authorised.
6. A corporation which is a member may authorise by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the Extraordinary General Meeting, in accordance with Section 179 of the Companies Act, Chapter 50 of Singapore.

General:

The Company shall be entitled to reject the instrument appointing a proxy or proxies if it is incomplete, improperly completed or illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing a proxy or proxies. In addition, in the case of Shares entered in the Depository Register, the Company may reject any instrument appointing a proxy or proxies lodged if the member, being the appointor, is not shown to have Shares entered against his name in the Depository Register as at 48 hours before the time appointed for holding the Extraordinary General Meeting, as certified by The Central Depository (Pte) Limited to the Company.

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