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| Type: | Announcement |
| Subject | TRANSACTIONS (CHAPTER 10 OF LISTING REQUIREMENTS) RECURRENT RELATED PARTY TRANSACTIONS (RRPT). |
| Description | DEFINITIVE AGREEMENTS BETWEEN TELEKOM MALAYSIA BERHAD (TM) AND MEASAT BROADCAST NETWORK SYSTEMS SDN. BHD. (MBNS), A WHOLLY-OWNED SUBSIDIARY OF ASTRO MALAYSIA HOLDINGS BERHAD (AMH). |

Announcement Details

1. INTRODUCTION

TM wishes to announce that it has entered into definitive agreements stated below with MBNS, a wholly-owned subsidiary of AMH:

- 1.1 Access Agreement and Supplemental Agreement No. 1 (to the Access Agreement) dated 17 September 2021 in which MBNS intend to subscribe for Layer 3 High Speed Broadband (HSBB) Network Service for the provision of last mile connectivity that will enable MBNS to provide broadband service to their end customers;
- 1.2 Wholesale Service Agreement entered into on 29 September 2021 for the following services:
 - a) Optical Bandwidth (OBW) for backhaul connectivity for High Speed Broadband Access (HSBA) service between TM's network and MBNS's network;
 - b) IP Transit (IPT) for internet access connectivity for MBNS to provide Internet services to their end customers;
 - c) Wholesale Ethernet (WSE) for connectivity to MBNS's test bed for the purpose of testing MBNS's broadband service; and
 - d) Content Delivery Network (CDN) for platform to deliver MBNS's content to their end user,

(to be collectively known as "Agreements").

2. SALIENT POINTS OF THE AGREEMENTS

The scope of Agreements covers two (2) types of services which are categorised as regulated and commercial services.

The Access Agreement is an agreement that provides terms governing access to regulated services, which include the Layer 3 HSBB Network Service that MBNS intend to subscribe. The effective date of the Access Agreement is the date on which it is duly registered with the Malaysian Communications and Multimedia Commission (MCMC) in accordance to Section 150 of the Communications and Multimedia Act 1998 (CMA). The

parties will enter into another arrangement, if necessary, if the services are required to be rendered prior to the registration of the agreement.

The Wholesale Service Agreement is an umbrella agreement that provides general terms and conditions for all commercial services. The Wholesale Service Agreement shall commence from 29 September 2021 and shall be in force until terminated by either Party.

Pursuant to the Agreements, TM will provide the required services to enable connectivity for MBNS to conduct a Proof of Concept (POC), end user testing and commercial trial prior to official launching of the broadband services to the public.

In addition, the Agreements set out all negotiated and agreed terms and conditions for the respective services in accordance to its contract period with minimum subscription period of two (2) years up to five (5) years. The charges of each services vary based on technical requirements, service design, capacity, volume as well as contract period.

3. RATIONALE FOR THE AGREEMENTS

The Agreements demonstrate TM's shared commitment of ensuring seamless, stable and always-on connectivity for Malaysians, and this remains essential to revive Malaysia's economy post-pandemic and beyond.

As the national telecommunications and digital infrastructure provider to drive the nation's Digital aspirations, TM has always been a strong advocate of infrastructure sharing particularly the HSBA service and the Agreements provide complete suite of services to enable the roll-out of broadband services by MBNS to its existing and potential end customers.

4. RISK OF THE AGREEMENTS

Apart from the operational and execution risks associated with the business arrangement, there are no other foreseeable significant risks associated with the business arrangement from the Agreements. TM has put in place appropriate control measures to reduce and mitigate the aforesaid risk factors.

5. BRIEF INFORMATION ON THE PARTIES

5.1. TM

TM is a public listed company duly incorporated in Malaysia on 12 October 1984 with an issued and fully paid share capital of RM3,729,064,295 comprising 3,777,700,923 ordinary shares and 1 special rights redeemable preference share.

The principal activities of TM are the establishment, maintenance and provision of telecommunications and related services.

5.2. MBNS

MBNS was duly incorporated on 12 May 1992, and is a 100% owned subsidiary of AMH. The issued and paid-up share capital of MBNS is RM701,630,557 comprising 260,217,142 ordinary shares.

The principal activity of MBNS is the provision of television services.

6. FINANCIAL EFFECT

6.1. Share Capital and substantial shareholders' shareholdings

The Agreements will not have any effect on the issued and paid-up share capital of TM as well as the substantial shareholders' shareholdings in TM.

6.2. Earnings and Net Assets

The Agreements are not expected to have any material effect to the earnings and net asset of the TM Group for the financial year ending 31 December 2021. However, the Agreements are expected to contribute positively to the future earnings of TM Group.

7. APPROVALS REQUIRED

The Agreements are not subject to shareholders or any government authorities' approval.

Subject to the provisions of Paragraph 10.09(2) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, TM will seek a new shareholders' mandate on the RRPT with MBNS at the next annual general meeting in 2022.

8. DIRECTORS' AND MAJOR SHAREHOLDERS' INTEREST

Save as disclosed below, none of our directors, major shareholders and/or persons connected to them have any interest, direct or indirect, in the Agreements:

- a) Khazanah Nasional Berhad (Khazanah), a major shareholder of TM, is also a major shareholder of AMH, with an effective interest of 20.67% held via Pantai Cahaya Bulan Venture Sdn Bhd, a wholly-owned subsidiary of Khazanah;
- b) Minister of Finance (Incorporated), a body corporate established under the Minister of Finance (Incorporation) Act, 1957 (MoF Inc.), is a person connected to Khazanah;
- c) Dato' Mohamed Nasri Salehuddin is a nominee Director of Khazanah on TM Board; and
- d) Dato' Mohammed Azlan Hashim (also by virtue of him being a Director of Khazanah), Shazril Imri Mokhtar, Anis Rizana Mohd Zainudin @ Mohd Zainuddin and her alternate director, Iszad Jeffri Ismail are nominee directors of MoF Inc on TM Board.

9. BOARD AUDIT COMMITTEE STATEMENT

The Board Audit Committee, having considered the proposed services with MBNS, the basis and considerations in arriving at the commercial terms and the expected positive contribution to TM's future performance is of the view that the Agreements are in the best interest of TM, fair and reasonable and on normal commercial terms and not detrimental to the interests of the minority shareholders of TM.

10. BOARD OF DIRECTORS' STATEMENT

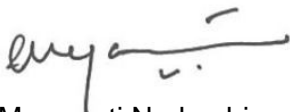
TM Board, save for the aforesaid Interested Directors enumerated in paragraph 8, having considered the recommendations of the Board Audit Committee and the rationale of the Agreements, is of the view that the Agreements are in the best interest of TM.

11. TOTAL AMOUNT TRANSACTED WITH THE SAME RELATED PARTY FOR THE PRECEDING 12 MONTHS

In the preceding 12 months, apart from the provision of telecommunication related services amounting to RM18 Million, there were no other transactions with AMH.

This announcement is dated 29 September 2021.

Prepared by:



Megawati Norhashim
VP Malaysia Carrier Sales, TM Wholesale

Date: 28 September 2021

Reviewed by:



Amar Huzaimi Md Deris
EVP, TM Wholesale

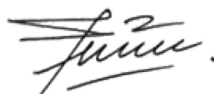
Date: 28 September 2021



Hamizan Abidin
Group Company Secretary

Date: 28 Sept 2021

Approved / ~~Not Approved For Release~~



Imri Mokhtar
Group CEO, TM

Date: 28/9/2021