

**1<sup>st</sup> GRANT OFFER OF SHARES PURSUANT TO THE LONG TERM INCENTIVE PLAN OF UP TO TEN PERCENT (10%) OF THE ISSUED AND PAID-UP ORDINARY SHARE CAPITAL OF TELEKOM MALAYSIA BERHAD (TM) (EXCLUDING TREASURY SHARES) FOR THE ELIGIBLE EMPLOYEES AND EXECUTIVE DIRECTORS OF TM AND ITS SUBSIDIARIES ("LTIP")**

We refer to the announcements dated 9 March 2016, 18 March 2016, 30 March 2016, 12 April 2016, 13 April 2016, 28 April 2016 and 29 September 2016 in relation to the LTIP ("**Announcements**"). Unless otherwise stated, the definitions used herein shall have the same meanings as set out in the Announcements.

Following the implementation of the LTIP with effect from 29 September 2016, TM wishes to announce that it had on 1 December 2016 made the 1<sup>st</sup> Grant Offer of ordinary shares of RM0.70 each in TM ("TM shares") comprising of Restricted Share ("RS") Grant to eligible employees of TM and its subsidiaries.

The details of 1<sup>st</sup> Grant Offer are set out in the table below:

| No.   | Description of 1 <sup>st</sup> Grant Offer                                   | RS   |
|-------|--|--|
| 1.    | Date of 1 <sup>st</sup> Grant Offer  | 1 December 2016  |
| 2.    | Exercise Price   | Not Applicable as the TM shares will vest to the eligible employees without any cash consideration, upon achieving the applicable performance measurements and subject to the by-laws for the LTIP |
| 3.    | Number of TM shares offered to the eligible employees under the LTIP         |  |
| (i)   | Chief Executive Officer/Executive Directors                                  | N/A  |
| (ii)  | Person connected to a Director : Danial Bin Zamzamzairani                    | 400 shares   |
| (iii) | Other eligible employees   | Up to 9,815,200 TM shares  |
|       | Total  | Up to 9,815,600 TM shares  |
| 4.    | Closing market price of TM shares on the date of 1 <sup>st</sup> Grant offer | RM6.15   |
| 5.    | Vesting Period of 1 <sup>st</sup> Grant Offer                                | RS will be vested on 30 April 2019 subject to fulfilment of vesting conditions and subject to the by-laws for the LTIP   |

This announcement is dated 7 December 2016.