



TELEKOM MALAYSIA BERHAD
(Company No. 128740-P)
(Incorporated in Malaysia)

ERRATA TO INTEGRATED ANNUAL REPORT 2017

12 April 2018

To the Shareholders of TELEKOM MALAYSIA BERHAD

With reference to our Integrated Annual Report (IAR) 2017 which was submitted to Bursa Malaysia Securities Berhad and dispatched to the Shareholders of the Company on 28 March 2018.

The following parts of the IAR 2017 shall be amended by this Errata, corrected and taken to read as shown herein.

1) Page 136 of the Corporate Overview Book, in relation to disclosure on Non-Audit Fees.

To amend the table summarising the Non-Audit Services Fee and the accompanying notes as follows:

Non-audit service fees paid or payable to the external auditors, or a firm or corporation affiliated to the auditors' firm, on services rendered during the year and its value relative to the statutory audit fees are as follows:

	RM (million)	
2017 Statutory Audit Fees	Company	Group
Statutory Audit	1.38	2.73
Other Audit Related Services	0.48	0.82
Total Audit and Audit Related Services	1.86	3.55

2017 Non-Audit Fees	Company	Group
Tax Services	0.63	0.82
Other Services	<u>3.77</u>	<u>3.77</u>
Total Non-Audit Fees	<u>4.40</u>	<u>4.59</u>
Percentage of Non-Audit Fees over Statutory Audit & Other Audit Related Services & Fees	<u>236.56%</u>	<u>129.30%</u>

The Company engaged the external auditors or a firm or corporation affiliated to the auditors' firm for the following non-audit works:

- Taxation matters involving amongst others consultation on land disposal, post tax incentives, tax assessment, special tax audit and country by country and transfer pricing reporting requirement.
- Continuation from year 2016 the Service Culture Consultation work for Customer Experience division, sourced via due tender process.
- Implementation assistance and maintenance support of TM Group Human Capital Management system for employee performance and compensation, sourced via due tender process. Total contract value is RM7.37 million for a period of 5 years, of which RM4.02 million represents software application license fee from a third party. For 2017, RM2.77 million of services were rendered, of which RM0.80 million is in respect of the recurring software application license fee from a third party.

2) Page 58 of the Financial Statements Book (Note 6(b) to the Financial Statements, Other Operating Costs).

To amend the disclosure on tax and other non-audit fees as follows:

All amounts are in million unless otherwise stated

	The Group		The Company	
	2017 RM	2016 RM	2017 RM	2016 RM
Others include:				
-statutory audit fees				
- PricewaterhouseCoopers Malaysia	2.5	2.8	1.4	1.6
- Member firms of PricewaterhouseCoopers International Limited	0.2	0.2	-	-
-audit related fees	0.8	1.1	0.5	0.7
-tax and other non-audit fees*	<u>4.6</u>	1.7	<u>4.4</u>	1.7

* Primarily includes implementation assistance and maintenance support of the TM Group Human Capital Management system of RM2.8 million. Included in the amount charged is RM0.8 million worth of recurring annual user license fee of a third party software application.

We sincerely apologise for the error and any inconvenience caused.

Yours faithfully
For and on behalf of the Board of
TELEKOM MALAYSIA BERHAD

Tan Sri Dato' Seri Dr Sulaiman Mahbob
Chairman
Non-Independent Non-Executive Director