

CHAIRMAN'S STATEMENT

80 YEARS OF PURPOSE, PROGRESS AND POSSIBILITIES

As TM marks its 80th anniversary, we are humbled and proud to have been part of Malaysia's story of progress across generations.

Established as the Telecommunications Department of Malaya in 1946 with the mission of rebuilding national communications infrastructure after the war, TM has evolved alongside Malaysia's ambitions. From telephony to broadband and now to digital platforms, data centres and artificial intelligence (AI), the organisation has continually adapted to meet the nation's changing needs. This evolution reinforces our resolve to operate as a world-class organisation, grounded in long-term stewardship with a clear commitment to value creation and customer experience.

Against this backdrop, the Board maintained close oversight of the Group's strategic execution in 2025. Reflecting the Group's performance and strong fundamentals, the Board declared a total dividend of 31.0 sen per share for FY2025, representing a 69% payout ratio – the highest since 2018. Market confidence also strengthened, with TM's share price appreciating approximately 21% over the year. These outcomes underscore our commitment to sustainable shareholder returns while safeguarding future growth.

As TM enters its ninth decade, the Board remains steadfast in its stewardship to guide the organisation towards its aspiration of becoming a Digital Powerhouse by 2030, advancing our greater purpose of ensuring inclusive digital progress, while creating enduring value for generations to come.

DATO' ZAINAL ABIDIN PUTIH

Chairman



Q How did the Board assess the macroeconomic and policy landscape in 2025 and what were the key implications for TM?

A The Board approached 2025 with the understanding that the global and national environment was evolving rapidly. Accordingly, we maintained close oversight of economic developments, policy direction and industry trends to ensure TM remained resilient and well-positioned for long-term growth.

Globally, geopolitical tensions, evolving trade dynamics and technology-related export restrictions continued to create uncertainty. Nevertheless, according to Bank Negara Malaysia, Malaysia's economy grew by 5.2% in 2025, on account of strong domestic demand and favourable exports. Malaysia's ASEAN Chairmanship further strengthened the regional digital agenda, with TM leading the way as a Strategic Technology Partner.

Domestically, initiatives under Ekonomi MADANI and the 13th Malaysia Plan highlighted the importance of trusted digital infrastructure, AI adoption and innovation-led industries – areas where TM plays an important role. At the industry level, the shift towards a dual 5G network model continued to shape collaboration and infrastructure partnerships. At the same time, demand for connectivity and digital solutions remained strong across consumer and enterprise segments as digital adoption accelerated across the economy.

“ These developments underscored a key insight for the Board; TM's future will be shaped not only by market competition, but also by its ability to enable Malaysia's digital ambitions. This perspective guided the Board's strategic priorities throughout the year. ”

Q Reflecting on 2025, what were the most significant Board-level discussions that shaped TM's strategic direction?

A In 2025, the Board's discussions focused on how TM can continue strengthening its position in Malaysia's evolving digital landscape, particularly as AI and digital technologies gain momentum.

“ A key area of focus was reinforcing TM's role as a trusted digital infrastructure provider, supporting Malaysia's digital ambitions and regional connectivity. As demand for data-intensive services and cross-border connectivity continued to grow, the Board carefully evaluated strategic investments in international submarine cable systems and data centres. ”

The Board also discussed the importance of ecosystem collaboration, recognising that partnerships are increasingly essential in delivering integrated digital solutions. At the same time, attention was given to initiatives aimed at improving customer experience, ensuring TM continues to evolve alongside changing customer expectations.

Another important theme was organisational readiness to support this transformation. Discussions therefore covered leadership development, succession planning and strengthening organisational agility. Recognising that talent development must extend beyond the organisation itself, the Board viewed initiatives such as TM Future Skills and the establishment of the Faculty of Artificial Intelligence and Engineering (FAIE) at MMU, TM's education arm, as important steps in strengthening Malaysia's AI talent ecosystem.



Prime Minister Dato' Seri Anwar Ibrahim officiating the launch of the Faculty of Artificial Intelligence and Engineering (FAIE) at TM's education arm, Multimedia University (MMU) — Malaysia's first private university — marking a significant milestone in strengthening the nation's AI talent pipeline and digital ecosystem.

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Q Strong governance remains a cornerstone of TM's long-term success. What governance priorities did the Board focus on most in 2025?

A The Board remains committed to ensuring TM continues to be guided by strong governance while remaining prepared for the future of the digital economy.

A significant development during the year was the appointment of two (2) new women Directors, bringing the total number of women on the Board to four. This reflects our continued commitment to diversity, balanced representation and inclusive leadership. The Board also held structured discussions to ensure leadership continuity and organisational stability, recognising that strong leadership is essential to sustaining TM's long-term growth.

In parallel, the Board continued strengthening its collective expertise, particularly in areas such as digital innovation, emerging technologies and sustainability, enabling the Directors to exercise more informed oversight and forward-looking guidance.

Q Sustainability continues to shape the expectations of leading organisations. How does the Board view sustainability in guiding TM's long-term value creation?

A The Board views sustainability as fundamental to TM's long-term resilience and value creation. Guided by the Triple Bottom Line of Prosperity, Planet and People (3Ps), sustainability is embedded into how the Board evaluates strategy, risk and investment decisions.

Under Prosperity, the Board ensures that growth initiatives such as network modernisation and digital infrastructure investments are pursued with financial discipline and a clear focus on long-term competitiveness.

Under Planet, environmental considerations are integrated into infrastructure design, capital allocation and risk oversight. TM's commitment to reducing Scope 1 and Scope 2 emissions by 62% by 2030 reflects a structured approach to managing climate-related risks while contributing to Malaysia's broader Net Zero 2050 ambition.

Under People, the Board emphasises inclusive digital progress that strengthens communities and develops future talent. Initiatives such as *Jangkau Digital TM*, TM Future Skills, support for the neurodivergent community and national sports development reflect this broader responsibility and our greater purpose as a nation builder.

Through this approach, the Board remains committed to ensuring that TM's progress advances hand in hand with sustainability, strengthening both the organisation and the nation it serves.

Q As TM marks its 80th year, how does the Board envision the next chapter of TM's journey?

A **“As we mark eight decades of service to the nation, the Board reflects with deep appreciation on the legacy built by generations who shaped the country's journey.”**

Looking ahead, the digital landscape will continue to evolve at a pace never seen before, bringing new challenges and new opportunities to create value for society. Yet, even as technology advances, the principles that have sustained TM remain unchanged – stewardship, integrity and nation-building. The Board remains confident that by staying grounded in these values, TM will continue to navigate transformation with resilience and clarity.



TM AI Park at the ASEAN AI Summit 2025, showcasing TM's digital infrastructure and real-world AI solutions powering Malaysia's digital future

MAJLIS ANUGERAH BIASISWA FUTURE LEADERS YAYASAN TM 2025



In 2025, Yayasan TM awarded RM25 million in scholarships, supporting students across Malaysia while nurturing the next generation of talent for the nation's digital future.



Closing and Appreciation

On behalf of the Board, I extend our sincere appreciation to the Ministry of Communications and the Malaysian Communications and Multimedia Commission (MCMC), as well as our stakeholders and partners, for their continued support and collaboration in advancing Malaysia's digital agenda.

In 2025, we were pleased to welcome Dr. Tunku Alina Raja Muhd Alias and Cik Shahnaz Al-Sadat Abdul Mohsein, who joined the Board as Independent Non-Executive Directors on 3 June 2025. Meanwhile, Encik Iszad Jeffri Ismail concluded his role as Alternate Director to Datuk Dr. Shahrazat Hj Ahmad on 6 August 2025, and the Board records its appreciation for his contributions and service. Encik Syaiful Hafiz Moamat Mastam was subsequently appointed as Alternate Director to Datuk Dr. Shahrazat Hj Ahmad on the same date.

Datuk Siti Zauyah Md Desa, who has diligently served on the Board since 10 June 2020, will not be seeking re-election at the upcoming 41st Annual General Meeting and will retire upon the conclusion of the meeting. The Board expresses its sincere gratitude for her service and valuable contributions to TM.

Finally, to our customers and *Warga TM*, your trust, dedication and commitment remain the foundation of our progress. As we enter the next chapter, we do so with humility for the past, confidence in the present and optimism for the future, committed to shaping a digital Malaysia that is inclusive, sustainable and built to endure for generations to come.

DATO' ZAINAL ABIDIN PUTIH
Chairman