

GCEO'S STATEMENT



For eight decades, TM has grown alongside Malaysia's journey of nation-building. What began in 1946 as the nation's telecommunications service has evolved into a digital orchestrator connecting communities, businesses and institutions across the country. Today, as Malaysia enters a new phase of digital growth and transformation, TM continues to play a strategic role in strengthening the nation's connectivity foundations and enabling progress across the economy and society.

Built on these strong foundations, we are now accelerating our role in enabling new growth frontiers such as data centres, cloud, cybersecurity, GPU-as-a-Service (GPUaaS), artificial intelligence (AI) and smart solutions. Through these capabilities, we support Malaysia's transition to an AI-enabled digital economy while strengthening our position as a convergence champion and a leading digital infrastructure provider for the nation.

As we expand into these future-focused growth areas, we remain equally committed to delivering superior customer experiences while advancing our greater purpose of ensuring that digital progress is inclusive and meaningful for all Malaysians.

Our journey is guided by the Pioneer, Win and Revitalise (PWR 2030) strategy, anchored in our sustainability philosophy – Prosperity, Planet and People (3Ps). Together, they advance our aspiration to become a Digital Powerhouse by 2030, while positioning Malaysia as the digital hub for ASEAN.

AMAR HUZAIMI MD DERIS

*Managing Director/Group Chief Executive Officer
(MD/GCEO)*

Q How has TM advanced its PWR 2030 journey in 2025, and how is this impacting the growth of the company?

A We embarked on the PWR 2030 journey in 2024 as a long-term strategy to strengthen the Group's foundation, resilience and growth trajectory. The period from 2024 to 2026 represents the Defend and Build phase, focused on protecting our core business while advancing digital solutions and building platform ecosystems. This phase lays the groundwork for the next stage of the journey – Grow and Replicate – where successful ventures will be scaled across Malaysia and the region.

Under Defend, we continued strengthening Malaysia's digital backbone. Our fibre network now spans more than 750,000 km, complemented by 400,000 km of submarine cable systems that connect Malaysia to the world and the world to Malaysia. At the same time, we continued enhancing network resilience and security to ensure reliable and trusted connectivity that supports the growing demands of cloud adoption and AI-driven workloads.

In parallel, the Build agenda accelerated the expansion of digital solutions that extend TM's role beyond connectivity and open new avenues for growth. These include data centres, cloud, cybersecurity, GPUaaS, AI and smart solutions – capabilities developed on TM's infrastructure to serve businesses, enterprises, the public sector, hyperscalers and the broader digital ecosystem. These strategic initiatives uniquely position TM as a digital orchestrator for Malaysia, enabling the platforms and capabilities that power the nation's digital economy.

At the same time, we continued strengthening customer experience through proactive engagement, AI-enabled human-centric service and continuous operational improvements, reinforcing our commitment to delivering world-class experiences while raising service standards across the organisation.

By executing Defend and Build in tandem, we continue to protect our core business while laying the foundations for future growth. More importantly, it allows us to play a meaningful role in advancing Malaysia's digital ambitions, ensuring that our digital infrastructure, solutions and capabilities continue to support innovation, economic progress and opportunities for the nation.

“ We continued strengthening Malaysia's digital backbone. Our fibre network now spans more than 750,000 km, complemented by 400,000 km of submarine cable systems that connect Malaysia to the world and the world to Malaysia. ”

Q TM has continued to demonstrate financial discipline throughout the transformation journey. How has the Group sustained its financial resilience in 2025 and enhanced shareholder value?

A FY2025 was a year where we demonstrated our ability to grow while maintaining strong execution discipline in a competitive environment.

Group revenue for FY2025 increased 1.4% year-on-year to RM11.9 billion, supported by stronger contributions from the Carrier-to-Carrier (C2C) segment, an expanded Business-to-Consumer (B2C) customer base surpassing 3.2 million subscribers and improved quarterly performance in the Business-to-Business (B2B) segment. Across all these segments, we saw solid execution, reinforcing TM's market position in convergence, digital solutions and regional connectivity.

“ We remain focused on disciplined execution of our strategic priorities to accelerate growth while delivering sustainable returns for shareholders. ”

As we accelerate our transition to a more digital and technology-driven organisation, we remained attentive to the evolving aspirations of our workforce. During the year, we received a notable number of voluntary separation requests from employees who wished to pursue early retirement or embark on new personal and professional pathways. Through *Prihatin* initiative, TM provided a supportive pathway for employees with fair and attractive transition packages. This reflects our commitment to caring for our people in line with the social pillar of our sustainability framework, while progressively aligning the organisation with the capabilities required for a more digital and future-ready TM.

This has resulted in moderated reported EBIT year-on-year. However, adjusting for *Prihatin*, foreign exchange movements and selected non-recurring items, underlying earnings showed growth, reflecting our strong fundamentals. At the same time, we maintained disciplined investment, with CAPEX for 2025 at approximately RM1.9 billion, or 16.1% of revenue, well within our guidance as we continue to support key growth initiatives.

In line with the Group's performance and commitment to delivering sustainable returns to shareholders, the Board declared total dividend of 31.0 sen per share for FY2025. This amounts to approximately RM1.2 billion or 69% of reported PATAMI, the highest payout ratio since 2018.

As we look ahead, we will continue to focus on disciplined execution of our strategic priorities in accelerating the growth of the company while delivering sustainable returns to shareholders.

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Q What were the key achievements across TM's core business segments in 2025, and how did these contribute to the Group's overall progress of its **Defend and Build** agenda while ensuring superior customer experience?

A In 2025, TM's Lines of Business – B2C through Unifi, B2B through TM One and Credence as well as C2C through TM Global – delivered outcomes that directly improved how Malaysians connect, how businesses operate and how the nation participates in the digital ecosystem. Across all segments, the focus was not only on defending core businesses, but on translating new growth areas into new revenue generation for the company, while enhancing customer experiences.

B2C Unifi: Strengthening convergence leadership for consumers and MSMEs

How We Defend

In 2025, we remained focused on deepening our convergence proposition with enhanced **Unifi UniVerse offerings**, integrating home, mobile, content and lifestyle solutions to meet the diverse needs of today's digital customers. This is translated in the growth of our fixed broadband customer base by 1.6% to 3.2 million subscribers, reinforcing our position as Malaysia's convergence champion with the only quad-play services in Malaysia. Our **Unifi Mobile** showed healthy growth trajectory. Attractive bundles, such as the introduction of Malaysia's first postpaid mobile plan bundled with Netflix in 2025, further delivered greater value for our mobile customers.

As the preferred partner to more than 400,000 MSMEs nationwide, we continued accelerating their digital transformation by applying the same convergence-led approach through **Unifi Business**. This included combining connectivity with practical digital solutions, such as Digital Marketing Solution, e-Commerce Hub, Go Bookit, cybersecurity and cloud storage. We delivered initiatives such as IMPAK Biz, providing a digital maturity assessment tool to help MSMEs identify digital gaps and receive focused, actionable recommendations to improve operations, boost productivity and reach more customers. Meanwhile, the Usahawan Digital @TM initiative enabled B40 and underserved entrepreneurs with connectivity, digital tools and skills.

How We Build

A key milestone was the launch of **Unifi TV 2.0**, which marked the evolution of our entertainment platform into an app-based, multiscreen experience. Through a single interface, customers now enjoy seamless access to more than 70 premium Unifi TV channels, alongside over 20 leading streaming applications. The new platform has seen encouraging adoption, with over one (1) million Malaysians downloading the app within the first month of launch. This transition to a platform model enables greater flexibility for customers, while positioning Unifi as a gateway to a richer digital entertainment ecosystem.

At the same time, we expanded our **Smart Home and Smart Device offerings**, enabling customers to integrate connectivity with intelligent home solutions that enhance convenience, security and everyday living. These initiatives reflect our broader ambition to deepen engagement within the household by extending Unifi's role beyond broadband to a trusted digital lifestyle companion.

How We Elevate Customer Experience

Customer experience continues to be a defining differentiator for our B2C segment and remains central to how we strengthen customer trust and long-term loyalty.

Our **zero broken-promise commitment** reinforces our accountability in service delivery, ensuring customers receive installations and services within the timeframes promised, while improving overall service assurance and reliability.

In parallel, we expanded the **Elite Crew service standards**, which elevated the in-home service experience through highly trained service personnel who delivered installations and support with greater professionalism, attentiveness and customer care. This hospitality-inspired approach reflects our aspiration to deliver a more premium and personalised experience under the Unifi brand.

At the same time, we continued transforming the **Unifi Contact Centre** through the adoption of AI and automation to enable faster resolutions, smarter customer insights and more seamless end-to-end service journeys. The growing adoption of digital self-care channels has also empowered customers to manage their services more conveniently, while enabling TM to optimise cost-to-serve and support more sustainable operations.

B2B TM One: Defending trusted connectivity while building national digital platforms**How We Defend**

We continued to defend our market position in enterprise and Government connectivity by strengthening partnerships while expanding next-generation connectivity solutions. This included the renewal of key enterprise and public sector contracts, the continued expansion of **SD-WAN** deployments and **enterprise 5G** solutions to support increasingly data-intensive and mission-critical operations. At the same time, we strengthened cyber resilience capabilities through platforms such as the **TM Cyber Defence Centre**, enabling organisations to better detect, manage and respond to evolving cybersecurity threats as digital adoption accelerates.

In 2025, TM One continued to support critical national infrastructure and public sector digitalisation efforts. This includes the delivery of SchoolNet, providing reliable connectivity to approximately 8,000 schools nationwide, as well as the successful renewal of StateNet projects across four (4) states, ensuring continued connectivity for state Government operations. We also supported emerging connectivity needs across industries, including connected mobility solutions such as SIM-enabled vehicle connectivity for national automobile manufacturer and other enterprise deployments.

Internally, we focused on strengthening business hygiene by reinforcing account planning discipline, sharpening our sales culture, as well as simplifying operational structures and processes to improve execution speed and customer responsiveness.

**How We Build**

We accelerated our B2B growth by expanding our role beyond connectivity into integrated digital platforms that combine cloud, cybersecurity, applied AI and smart services. These capabilities support enterprises and public sector organisations in modernising their operations and advancing their digital transformation journeys.

Through **Cloud Alpha Edge (CAE)**, we enabled Government and enterprise customers to securely migrate workloads to the cloud while meeting requirements for data residency, regulatory compliance and service reliability.

Across key industry sectors, we delivered solutions that strengthen operational efficiency and digital resilience. For example, our Phase 2 collaboration with NCT Group supported the development of smart industrial park solutions nationwide. Meanwhile, we partnered with SIRIM Academy, combining TM's managed **cybersecurity** expertise with SIRIM's certification and training programmes to support stronger organisational cybersecurity readiness. We also secured a sizable contract with a foreign bank shifting its data hosting infrastructure to Malaysia, reaffirming the strong demand for our data centre offerings for the enterprise segment.

In addition, we introduced **AI-enabled solutions** that demonstrate how data analytics and AI can be applied to real-world applications. Initiatives such as Smart Urban Forestry enhanced the monitoring and management of urban forest ecosystems through data-driven insights. Separately, the Pahang AI Tourism solution enriches tourism experiences through improved visitor insights, crowd management and destination planning. We also signed a Memorandum of Understanding with a leading port operator in East Malaysia to support its long-term digitalisation roadmap, reflecting growing confidence in TM's ability to deliver mission-critical digital infrastructure and solutions for large-scale operators.

**How We Elevate Customer Experience**

Customer experience remained a key focus across our B2B operations as we embedded a more proactive approach to customer engagement and service delivery. We introduced the Customer Insights 360 Dashboard to strengthen visibility of customer needs and service performance. In addition, we enhanced network resilience and our service for customer platforms, while strengthening customer engagement. These efforts contributed to stronger customer confidence, reinforcing trust in our ability to deliver reliable, mission-critical digital solutions.

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C2C TM Global: Defending cross-border connectivity and scaling digital infrastructure

How We Defend

In 2025, we continued strengthening TM Global's role as the country's largest wholesale connectivity provider to support hyperscalers, cloud providers, content platforms and mobile operators seeking low-latency, high-resilience routes into and through the region.

We enhanced international connectivity and route diversity through strategic investments in regional submarine cable systems. For example, our participation in the **CANDLE submarine cable systems** consortium, spanning 8,000 km, contributed to strengthening the digital links connecting Malaysia, ASEAN and Japan in meeting the increasing demand for data communications driven by 5G and AI. We also unveiled our new **open cable landing station (CLS)** in Morib, Selangor. Strategically located along the Straits of Malacca, it serves as an ideal landing point offering direct international access and improved route diversity. Its proximity to Klang Valley's data centre clusters further supports seamless network integration, optimising end-to-end data transmission efficiency.

At the same time, we supported the national 5G ambition through wholesale backhaul partnerships, deploying a cumulative 7,600 **5G backhaul** sites nationwide.

How We Build

We continued expanding our digital infrastructure to support the growing demand for AI and high-performance computing workloads. During the year, we strengthened our data centre portfolio through capacity expansion at the **Iskandar Puteri Data Centre (IPDC)** and **Klang Valley Data Centre (KVDC)**, delivering a combined additional 20 MW of IT load. The completion of IPDC Block 2 in October 2025 further strengthened our ability to support enterprise and hyperscale demand, achieving more than 40% of immediate market take-up, reflecting the strong demand for our data centre offerings.

We also progressed the development of the **TM Nxera Data Centre** in Johor, a hyper-connected, AI-ready facility designed to serve hyperscalers and next-generation digital workloads across the region, with capacity designed to scale up to 200 MW. Strategically located in Johor with close proximity to submarine cable links between Malaysia and Singapore, it is well-placed to support the increasing demand from both countries' digitalisation and development initiatives. It is also built on sustainability-by-design principles, incorporating energy-efficient architecture, advanced cooling technologies and water management systems to support large-scale computing while minimising environmental impact.

In parallel, we expanded our **GPUaaS** offering, providing scalable compute capacity hosted within Malaysia to support hyperscalers and enterprises for AI-driven applications and requirements. To enrich wholesale engagement, we also launched **MYNE (MY Network Engine)**, Malaysia's first fully digital infrastructure marketplace, enabling partners to procure bandwidth with real-time provisioning and transparent pricing. By combining connectivity, data centre infrastructure and advanced compute capabilities, we continue to power Malaysia's evolving digital economy.

How We Elevate Customer Experience

Customer experience remained a key focus for TM Global as we strengthened engagement with wholesale partners through more accessible and responsive account management. Equipped with deeper product knowledge and closer collaboration across technical and service delivery teams, we enabled faster alignment on solutions and more proactive support for international customers, reinforcing TM Global's role as a trusted regional connectivity provider.

Morib CLS, a carrier-neutral facility enabling multiple service providers to interconnect and exchange connectivity and data traffic seamlessly.



Q How is TM positioning itself as an enabler of Malaysia's AI and digital ecosystem?

A AI is rapidly becoming a defining driver of organisational and national competitiveness. At TM, we view AI as both a technology and catalyst for new growth – built on secure infrastructure, governed responsibly and scaled in ways that benefit businesses, communities and the government. Our approach to AI focuses on three (3) key pillars: infrastructure to build AI-ready foundations, solutions that translate intelligence into real-world outcomes and talent development to enhance the nation's competitiveness in the digital world.

TM's AI ecosystem is underpinned by AI-ready infrastructure designed to operate at national scale. Our Uptime Tier III, green-certified data centres, combined with nationwide fibre connectivity, provide the secure, resilient and scalable foundation necessary for AI workloads. This foundation is further enhanced by TM's AI Foundry, which leverages locally hosted, high-performance GPU infrastructure to develop and deploy AI solutions within a secure and well-governed environment. The GPU infrastructure is interconnected with our cloud ecosystem and edge platforms, including our Cloud Alpha Edge (CAE), enabling enterprises and government agencies to deploy AI solutions that meet strict regulatory, latency and governance requirements.

Beyond infrastructure, TM plays an active role in operationalising AI through applied solutions that deliver measurable outcomes. TM has enabled AI use cases across sectors, from AI-powered tourism that enhances visitor experience and state-level planning, to predictive water management for utilities and urban analytics supporting smart city applications. These deployments demonstrate TM's role as a digital orchestrator, providing not only the platforms on which AI runs, but the integration, governance and scalability required to deliver productive AI solutions that support adoption in everyday operations.


At the same time, we recognise that the long-term success of AI depends on AI-competent talent. Internally, TM has strengthened organisational readiness to operate in an AI-driven, platform-based environment. Following the establishment of our AI Centre of Excellence (AI CoE), we implemented a Group-wide AI Governance Framework aligned with ISO/IEC 42001:2023, ensuring AI systems are deployed ethically, securely and responsibly. TM is the first telecommunications company in Malaysia to be certified under ISO/IEC 42001:2023, reinforcing stakeholder confidence towards our responsible AI adoption. Programmes such as AI@Work have further embedded AI capabilities across the organisation to increase productivity, while initiatives such as the internal Large Language Model (LLM) League encourage experimentation and innovation among employees.

Beyond the organisation, we are also contributing to the nation's AI talent pipeline. The launch of Malaysia's first Faculty of Artificial Intelligence and Engineering (FAIE) by MMU, TM's education arm, strengthens the alignment between academia, research and industry needs, ensuring Malaysia develops the capabilities required to sustain long-term AI growth.

Ultimately, responsible AI remains central to this journey. By embedding strong governance, data protection and transparency into every stage of AI development, we ensure innovation progresses with integrity and trust, while positioning TM as the orchestrator to Malaysia's evolving AI and digital ecosystem.


Q How is TM advancing its sustainability agenda?

A Sustainability is not an afterthought – it is a core expression of who we are as an entity committed to nation-building and sustainable progress for Malaysia. Guided by our sustainability philosophy Prosperity, Planet and People (3Ps), we embed sustainability into how we operate, invest and grow while aligning with global megatrends impacting industry and society.

 **Prosperity** reflects how we create sustainable economic value through our digital infrastructure, innovation and responsible business practices. As Malaysia's leading digital infrastructure provider, we continue strengthening our digital backbone through connectivity and ongoing network modernisation. At the same time, we are accelerating the generation of new revenue streams via new growth areas, such as data centres, cloud, GPUaaS and AI. Equally important is ensuring that this ecosystem operates on a foundation of trust. Therefore, cybersecurity, data protection and cyber risk management remain embedded within our governance frameworks to safeguard critical infrastructure and customer data.

 **Planet** reflects our commitment to environmental stewardship as we support Malaysia's transition to a lower-carbon future. We continue advancing energy efficiency across our network and data centre operations while progressively integrating cleaner energy solutions and responsible resource management practices.

“ These efforts reflect our long-term commitment to achieving Net Zero emissions by 2050, while ensuring that digital growth progresses alongside environmental considerations. ”

 **People** are at the heart of our sustainability journey and this reflect TM's greater purpose in nation-building. Apart from developing our workforce and strengthening future-ready capabilities within the organisation, we remain committed to ensuring that digital progress is inclusive and accessible to all Malaysians. Through initiatives such as *Jangkau Digital TM* and *TM Future Skills*, we expand access to connectivity, empower MSMEs and nurture digital talent to participate more meaningfully in the digital economy. At the same time, our support for the neurodivergent community and national sepak takraw sports development reflects our commitment to nurturing youth potential while strengthening social inclusion and community empowerment.

Our sustainability efforts continue to gain strong recognition across national and international ESG benchmarks. This includes a four-star rating under the FTSE4Good Bursa Malaysia Index, an improved S&P Global ESG score of 57 – the highest in the local telco industry, a strengthened FTSE Russell rating of 3.8, while maintaining our MSCI rating of A.

Together, these efforts ensure that innovation and growth advance hand in hand with sustainability, strengthening Malaysia's journey towards a more resilient and inclusive digital future.

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Q How did TM strengthen its people and organisational capabilities to support execution and prepare for the next phase of growth?

A As TM advances through its PWR 2030 journey, we recognise that the organisation can only progress as its people progress. The next phase of growth therefore requires three (3) critical foundations: a workforce that is digitally capable and AI-ready, leaders who can guide transformation with both conviction and humility and a culture where our people remain energised, resilient and motivated to perform.

Digital Capability: Building a workforce ready for a digital and AI-driven future

Strengthening digital capability across the organisation remains fundamental to TM's transformation. Throughout 2025, we continued deepening expertise in critical areas such as cloud, data analytics, AI, cybersecurity and digital solutions, while expanding digital conversance across the broader workforce through structured learning programmes, enterprise-wide e-learning and platforms such as LinkedIn Learning.

We also strengthened digital talent mobility through the Talent Marketplace, enhancing the visibility of more than 3,300 digital-competent talents, thus enabling internal mobilisation to support priority growth and transformation initiatives. This approach allowed us to deploy the right capabilities quickly to where it mattered most, strengthening organisational agility while accelerating execution across the Group.

Leadership: Developing leaders who can drive transformation with clarity and empathy

Transformation requires leaders who can navigate complexity, drive performance and inspire confidence during change. In 2025, we continued investing in leadership development at all levels, from the TM Graduate

Programme (TMGP) that nurtures early talent, to Catalyst for middle managers, LEAD (Lead, Excel and Deliver) for senior leaders and ASPIRE to strengthen the pipeline of future women leaders.

Beyond capability development, we place strong emphasis on leadership qualities grounded in humility, adaptability, integrity and empathy. These attributes are essential for leaders who must guide teams through change, building trust and alignment across the organisation as TM marches ahead towards PWR 2030.

Well-being and Motivation: Sustaining energy, resilience and a healthy workforce

As TM evolves, sustaining the level of motivation, well-being and resilience of our workforce remains equally important. We continue strengthening initiatives that support holistic well-being while fostering a positive and energising work environment.

Flexible work arrangements, organisation-wide health initiatives such as the BMI Challenge, group fitness programmes and digital well-being tools encourage healthier lifestyles and help build a more resilient and productive workforce. At the same time, initiatives such as Spark the PWR trainings continue to nurture an entrepreneurial mindset across the organisation, encouraging our people to embrace innovation, the One TM spirit and boldness in execution.

By continuing to invest in these foundations, we are building an organisation that is not only ready to execute today's priorities, but also confident and resilient in leading TM into its next phase of growth and transformation.



Looking ahead, digital services including smart home solutions will unlock new growth opportunities for us, while enhancing everyday living of Malaysians.

Q What is the next phase of transformation in advancing the national digital agenda?

A As TM enters its 80th year, it is a moment of reflection and resolute commitment to advancing our future. From our earliest days, TM was built with a clear purpose: to connect the nation and enable progress. What began as basic telecommunications infrastructure evolved into the digital backbone that empowers how Malaysians live, work and grow today. That nation-building role has remained constant, even as the technologies and expectations around us are changing.

Looking ahead, TM's transformation enters a more defining phase. Having spent the past years strengthening our foundations and building new digital capabilities, the focus now is on deepening impact – translating what we have built into enduring value for our stakeholders and for Malaysia. In doing so, we will continue to strengthen our role as a digital orchestrator bringing together infrastructure, solutions, platforms and technologies to empower growth and progress for future generations.

We remain committed to advancing this next phase guided by our PWR 2030 strategy, anchored in our sustainability philosophy – Prosperity, Planet and People – and our greater purpose of ensuring that digital progress is inclusive for all Malaysians.

I would like to extend my appreciation to our newly appointed and outgoing Board members, and to the Board as a whole for its guidance and stewardship, as well as to our shareholders for their continued trust and confidence. Above all, I thank our people, whose commitment, professionalism and belief in TM's purpose have carried us through every chapter of this journey.

With a stronger foundation and expanding digital capabilities, we are confident in advancing our aspiration to become a Digital Powerhouse by 2030, while positioning Malaysia as the digital hub for ASEAN.



AMAR HUZAIMI MD DERIS
Managing Director/Group Chief Executive Officer (MD/GCEO)



First Malaysian telco certified by SIRIM QAS International for AI Governance ISO/IEC 42001:2023 AI Management System (AIMS)



Recognised as a 3-Star Lister 2025 by the United Nations Global Compact Network Malaysia and Brunei (UNGCMYB) ESG Select List