

**QUESTIONS/COMMENTS FROM MEMBERS/PROXIES AND TM'S RESPONSES DURING THE
34TH ANNUAL GENERAL MEETING (AGM) HELD ON THURSDAY, 29TH MAY 2019**

Category	No.	Questions by Members and Response by TM
1.0 2018 Audited Financial Statements & Performance	1.1	<p>Madam Ong Si Ann (OSA), a shareholder, found the overall performance was disappointing in view of the Company's declining revenue. TM share price has reduced drastically. Nonetheless, it was encouraging to note that TM is meeting the challenges upfront, but shareholders wished to be convinced that TM would be able to turnaround. It is hoped that the Company's financial position would improve moving forward.</p> <p>OSA requested further insights into the segmental performance i.e. declining revenue from unifi and TM ONE and their comparative performance to other telcos. It was noted that only TM Global recorded positive revenue.</p> <p><u>TM's Answer:</u></p> <p><i>Chairman noted that 2018 was a challenging year to TM. However, a lot of initiatives had been implemented since December 2018 to improve the business. Notably, TM has not been successful in running the mobile business, and hence, would be bringing new people with expertise in the mobile business to fill the skill gaps and to aggressively address the unique demand of mobile industry.</i></p> <p><i>As for TM ONE, we are facing a lot of challenges, mainly on cost factors. We are addressing these challenges and are collaborating with customers to better understand their requirements. We hope to see positive results in the next few months.</i></p> <p><i>AGCEO added that despite challenging business outlook for the industry in 2019, Management expects a better financial performance with continued cost optimisation initiatives and mobile sector acceleration. Management would like to assure the shareholders that the Board and Management are committed to turnaround the business to its trajectory of its past years.</i></p>
	1.2	<p>Mr John Lok (JL), a shareholder, noted that profit and revenue declined significantly, pressuring earnings per share to also decline.</p> <p><u>TM's Answer:</u></p> <p><i>AGCEO informed that, most significantly, TM's performance was challenged due to the Mandatory Standard of Access Pricing (MSAP) and increasing competition in the broadband space. The increasing operational cost and provision for impairment of network assets were also contributing factors that reduced the Company's revenue and profitability and hence, affected the share price.</i></p> <p><i>Performance Improvement Program (PIP) as well as cost optimisation and turnaround initiatives have been in place. We still expect revenue challenges but looking at the current momentum, we anticipate 2019 profitability to be higher.</i></p>
	1.3	<p>Mr Amolakh Singh (AS), a shareholder, observed that TM has not issued dividend payout in the form of new shares creation to shareholder (dividend reinvestment scheme (DRS)).</p> <p><u>TM's Answer:</u></p> <p><i>AGCEO confirmed that since the last exercise in 2015, TM has not issued DRS to shareholders.</i></p>

Category	No.	Questions by Members and Response by TM
2018 Audited Financial Statements & Performance (cont)	1.4	<p>Mr Mootha Kumaran (MK), a shareholder, commended TM for its good cash flow position. TM should not sell assets that could still generate revenue. In reference to page 46 of the IAR, there was a report on depreciation and impairment losses. He enquired as to whether the Company expects further impairment in 2019. And, how much would the expected loss erode the Company's profitability?</p> <p><u>TM's Answer:</u></p> <p><i>The Chairman replied that the Board was also concerned on the impairment impact and had requested Management to ensure that the assets generated income/revenue. Non-strategic and non-performing assets should be disposed.</i></p> <p><i>The impairment losses recorded in 2018 were in respect of provision of bad debts and network assets. The impact of impairment loss in 2019 is expected to be minimal.</i></p>
	1.5	<p>Mr. Wong Chal Khoo (WCK), a shareholder and also a proxy, enquired on the following:</p> <p>a) TM has not benefited from the assets bought from Green Packet Berhad (GPB).</p> <p><u>TM's Answer:</u></p> <p><i>AGCEO clarified that TM acquired webe digital Sdn Bhd, formerly known as Packet One Network (M) Sdn Bhd from GPB in 2014 with strategic intention to develop the Long Term Evolution (LTE) network. TM expects to invest more in quality improvement and expansion of network site coverage.</i></p> <p>b) TM's risk management requires improvement to enable early identification of the risks. The risks should be addressed before it warrants drastic measures.</p> <p>c) It was noted that TM paid tax of about RM260 million to the Inland Revenue Board (IRB) although Profit Before Tax was only RM17.4 million.</p> <p><u>TM's Answer:</u></p> <p><i>GCFO explained that PBT of RM17.4 million was recorded at Group Level whilst the PBT at Company level was RM271 million. Under the Income Tax Act, the entity i.e. TM has to pay the tax based on its stand-alone financial performance.</i></p> <p>d) How long could unifi remains competitive and sustainable in view of the aggressive competition in the broadband space?</p> <p><u>TM's Answer:</u></p> <p><i>unifi provides connectivity via broadband, fixed and mobile offerings. However, unifi sustainable revenue i.e. average rate per unit (ARPU) is contingent upon value added service offerings which include among others content and internet of things (IOT).</i></p> <p>e) How much investment is expected to be allocated for 5G development?</p> <p><u>TM's Answer:</u></p> <p><i>Malaysian 5G offering is still in its infancy stage. Trials were being conducted in Putrajaya. We are still studying the right business model for this new technology.</i></p>

Category	No.	Questions by Members and Response by TM
2018 Audited Financial Statements & Performance (Cont.)	f)	<p>Would the Malaysian Communication and Multimedia Commission (MCMC) impose further reduction of broadband pricing which would provide negative impact to TM?</p> <p><u>TM's Answer:</u></p> <p><i>On the broadband pricing, we did not foresee any reduction in the pricing for the year as reinforced by the Minister's statement in February 2019.</i></p>
	1.6	<p>Encik Mohamad Azhari Ismail (MAI), a shareholder, repeated shareholders' general concern on the current TM share price. He urged the new Management to work on restoring stakeholders' confidence and improve the Company's performance.</p>
	1.7	<p>Tuan Syed Noh Syed Ahmad (SNSA), a shareholder, noted that cash flow from investment activities has declined in 2018 compared to the previous year. He commented that it should be capped at the planned capital expenditure (capex)?</p> <p><u>TM's Answer:</u></p> <p><i>In 2019, TM has reviewed its investment and capex requirements. Investment activities would be capped at the approved capex level or 2019 guidance.</i></p>
2.0 Strategy & Competitions	2.1	<p>Mr. C. Shivanandhan (CS), a shareholder, commended the Company's moving forward strategies and PIP 2019-2021 as presented by AGCEO. He advised Management to identify the targets for each initiatives and strategic objective similar to Key Performance Indicators (KPI) and for the information to also be assessable by the shareholders.</p> <p><u>TM's Answer:</u></p> <p><i>The Chairman explained that the Company's action plans and initiatives are tied to the strategic directions and targets, monitored by the Board.</i></p>
	2.2	<p>Mr. Lee Yoke Lun (LYL), a shareholder, enquired on TM's competition with Tenaga Nasional Berhad (TNB), a new player in fibre telecommunication business.</p> <p><u>TM's Answer:</u></p> <p><i>AGCEO informed that TM would leverage on its track record and existing infrastructure to create value for shareholders. TM however is not in a position to comment on our competitors.</i></p>
3.0 Product & Services	3.1	<p>Madam Quah Soh Chiew (QSC), a shareholder, commented on the following:</p> <p>a) Whether TM is considering to phase out Streamyx services?</p> <p><u>TM's Answer:</u></p> <p><i>AGCEO explained that Streamyx has a longer product shelf life as it provides alternative internet connectivity in areas where unifi infrastructure is not available.</i></p> <p>b) Availability of Standard Operating Procedures (SOP) that governs the telecommunication cable installation i.e. unsightly outdoor cables at residential areas and internal hacking for unifi internal cabling. Alternatives should be made available to customers.</p>

Category	No.	Questions by Members and Response by TM
Product & Services (cont)		<p><u>TM's Answer:</u></p> <p><i>AGCEO responded that apart from TM telecommunication cabling, outdoor cables include other operators' cables and electricity cables. There is specific SOPs on outdoor cabling and internal wiring works for unifi installation. TM would revisit the said SOPs to ensure that installation is carried out properly.</i></p> <p>c) Commended the Company's implementation of Live Chat as an alternative for customer engagement channel to improve customer service.</p> <p><u>TM's Answer:</u></p> <p><i>Chairman thanked QSC for her constructive comment.</i></p>
	3.2	<p>WCK, a shareholder and proxy, advised for unifi mobile to be device friendly. Currently only certain hand phone models are compatible with the network.</p> <p><u>TM's Answer:</u></p> <p><i>Chairman thanked WCK for his suggestion.</i></p>
	3.3	<p>JL, a shareholder, raised the following comments:</p> <p>a) Although TM has embarked on upgrading the customers' broadband speed based on the Government initiative on "double the speed, half the price", he has yet to experience the new service despite living in Klang Valley near to the HQ and several calls for free upgrade appointment received from TM call centre.</p> <p><u>TM's Answer:</u></p> <p><i>AGCEO thanked the shareholder for sharing his experience. He acknowledged the bottleneck issue in unifi service upgrade. The Company's representative would meet JL for his details to quickly address the matter.</i></p> <p>b) TM to manage rude contact centre agents promoting unifi package upgrades who abandon calls for conversation in English language.</p> <p><u>TM's Answer:</u></p> <p><i>AGCEO assured TM's continuous improvement of telemarketing agents' skill sets. He thanked JL for his feedback on our telemarketing services. TM has recently expanded the telemarketing language selection to cater for diverse customers' needs and provide more value to customers.</i></p> <p>c) As customers are charged with late payment penalty, TM should consider to refund customers for service downtime. For people who work from home, connectivity service availability and stability is critical.</p> <p><u>TM's Answer:</u></p> <p><i>JL's comments on late payment charges and service downtime rebates are fair. TM would consider the same accordingly.</i></p>
	3.4	<p>Encik Mohamad Azhari Ismail (MAI), a shareholder, proposed for a 50% reduction of rental for fixed lines, since most customers are not using the fixed lines anymore.</p>

Category	No.	Questions by Members and Response by TM
Product & Services (cont)	3.5	<p>Encik Abdul Ghani Hakim (AGH), a shareholder, commented as follows:</p> <p>a) TM100's operating hours has now been changed to weekdays. It has caused delayed technical issue resolution for customers with technical issues during weekends.</p> <p>b) Customers are to be charged for technical visit fee only for customer's internal wiring or internal device issues. Technical problems related to TM's terminating point and outside customer' premise should be resolved at no cost to customers.</p> <p><u>TM's Answer:</u></p> <p><i>Chairman thanked AGH for his input. He assured that TM will look into improving the service quality.</i></p>
	3.6	<p>Mr Yap Khin Thong, (YKT), a shareholder, commented on inefficient resource and work allocation of technical staff. He however lauded the services received at TMpoint.</p> <p><u>TM's Answer:</u></p> <p><i>Chairman welcomed the feedback. As a customer centric organisation, the staff has to embrace this culture.</i></p>
	3.7	<p>MK, a shareholder, reminded that at the last AGM, the previous GCEO had promised to offer a special package for senior citizen.</p> <p><u>TM's Answer:</u></p> <p><i>Chairman assured the shareholder that TM is working on the said package.</i></p>
4.0 Local Vendor Development	4.1	<p>Datuk Mohamed Shafie BP Mammal (DMSM), a shareholder, suggested TM to do away with the <i>Payung</i> system for vendor management system but instead to develop Class F contractors. He also advised TM not to engage too many consultants since TM has a lot of expertise in the Company.</p> <p><u>TM's Answer:</u></p> <p><i>The Chairman thanked DMSM for the points raised. TM is collaborating with domestic consultants to review the effectiveness of the current system in building an efficient and capable network of entrepreneurs.</i></p>
5.0 Governance Issues	5.1	<p>SNSA, a shareholder, enquired on the rationale for mentioning director's ethnicity in the Directors' Profile section of the Integrated Annual Report (IAR). He believed that it is not a requirement under the Main Market Listing Requirements but most Public Listed Companies have included the same.</p>
	5.2	<p>MK and DMSM advised the Board to resolve the issue on the appointment of the Company's GCEO soonest possible. This is to restore market confidence and implementation of the turnaround initiatives effectively.</p> <p><u>TM's Answer:</u></p> <p><i>Noted.</i></p>
	5.3	<p>Encik Idrus Ismail, a shareholder, raised concerns on the following issues:</p> <p>a) The non-appointment of permanent GCEO creates anxiety among the investors.</p> <p>b) Based on Clause 109 of the Company's Constitution, the Special Shareholder i.e. Minister of Finance has the right to appoint an executive director, and not the Prime Minister's Office Hence, it is the Board's fiduciary duty to address this issue of uncertainty.</p>

Category	No.	Questions by Members and Response by TM
Governance Issues (cont)		<p>c) Directors are advised to manage and avoid the conflict of interest situation, which is being regulated under the Malaysian Anti-Corruption Commission Act.</p> <p><u>TM's Answer:</u></p> <p><i>The Board noted the points raised.</i></p>
6.0 Human Capital	6.1	YKT welcomed the new Chairman, Directors and Management line up.
	6.2	<p>MAI, a shareholder, suggested for no replacement of retiring staff and continuous skills upgrading to improve staff's productivity.</p> <p><u>TM's Answer:</u></p> <p><i>The Board took note of the suggestions.</i></p>
	6.3	<p>AGH, a shareholder, proposed for a set-up of dedicated unit or section within Human Capital Division for TM pensioner to channel their queries and issues in relation to pension fund and related matters. At the moment, there is no dedicated unit which handles grievances of TM pensioners.</p> <p><u>TM's Answer:</u></p> <p><i>The Chairman welcomed the proposal by AGH and further informed that together with GHCM he has met TM pensioners (persara) in January 2019. He felt that persara could still contribute to TM. TM is looking into collaboration with persara for opportunities to upsell TM products and services.</i></p>
7.0 AGM Administrative Matters	7.1	<p>MAI, a shareholder, suggested for shareholders' registration time to be lengthened to allow shareholders who attend other AGM on the same day to participate in TM's AGM.</p> <p><u>TM's Answer:</u></p> <p><i>Chairman thanked MAI for his comment.</i></p>
	7.2	<p>MK, a shareholder, advised the Company to consider increasing the gift value to the shareholders.</p> <p><u>TM's Answer:</u></p> <p><i>Chairman thanked MK for his comment.</i></p>
	7.3	<p>AGH, a shareholder, suggested that TM should not hold future AGMs in the month of Ramadhan to accommodate Muslim shareholders.</p> <p><u>TM's Answer:</u></p> <p><i>Noted.</i></p>
	7.4	<p>CS, a shareholder, commended TM Management and staff for good AGM administration in terms of venue, proper and adequate signage as well as cooperative and friendly staff. He however advised the Secretariat to also manage the AGM email address and provide the replies timely.</p> <p><u>TM's Answer:</u></p> <p><i>The AGM secretariat would look into the matter accordingly.</i></p>