EMPOWERING GENERATIONS

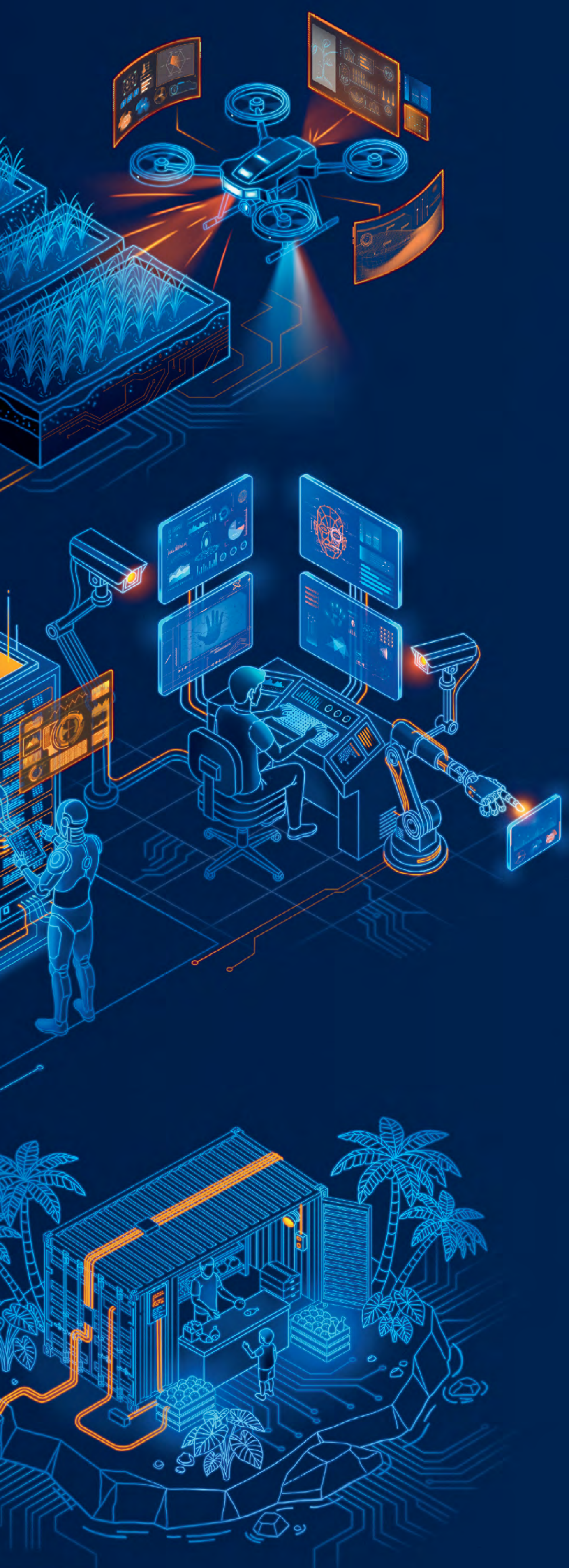
INTEGRATED ANNUAL REPORT 2025 FINANCIAL STATEMENTS

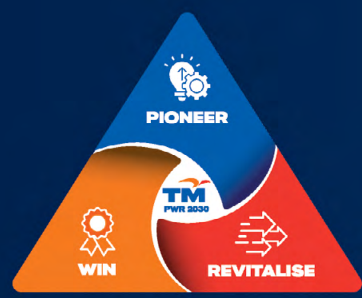
TM

TRANSCENDING GENERATIONS

SUMMARY

As TM marks 80 years of empowering generations, we advance in our journey to become a Digital Powerhouse by 2030. Anchored on our PWR 2030 strategy and sustainability philosophy — Prosperity, Planet and People — we serve as a catalyst powering inclusive and sustainable progress for Malaysia and the region.





PIONEER

Pioneering Industry Growth through Digitalisation and Sustainability

As Malaysia's largest digital infrastructure provider, we pioneer the digital backbone that powers the next era of growth. Our superior 5G backhaul, AI-ready data centres and expanding international submarine cable systems are strengthening Malaysia's position as the digital hub for ASEAN, connecting Malaysia to the world and the world to Malaysia. Built on this strong foundation, we unlock advanced digital solutions — from cloud and smart services to AI-powered GPU-as-a-Service — positioning TM as a catalyst for sustainable innovation.

WIN

Winning Infrastructure Leadership Position in High-Impact Areas (Communities, Businesses, Government)

We lead the market as Malaysia's Convergence Champion, delivering the country's only quad-play services while serving as a trusted Digital Partner for MSMEs through a comprehensive solutions portfolio. Across enterprises and the public sector, we enable transformation through advanced solutions spanning AI, smart services, cloud and cybersecurity. This is where our role as a digital orchestrator comes to life, bringing together technologies and solutions that empower communities, businesses and the Government to unlock new opportunities in the vibrant digital ecosystem.

REVITALISE

Revitalising Talent and Innovation Ecosystem for Malaysia and the Region

People and innovation are at the heart of our transformation. Through Multimedia University (MMU), we nurture the next generation of digital talents for Malaysia. Initiatives such as Jangkau Digital TM and TM Future Skills, alongside programmes supporting the neurodivergent community and national sepak takraw development, reflect our commitment to empowering communities and fostering greater inclusion. Together, these efforts strengthen Malaysia's innovation ecosystem that will power the nation's digital future.

PROSPERITY
Innovative and sustainable solutions towards creating long-term value

PLANET
Environmental stewardship towards achieving net-zero

PEOPLE
Creating positive impact to communities, businesses and the nation through inclusive nation-building efforts

INSIDE THIS REPORT

FINANCIAL CALENDAR

2025

25 February
Announcement of the unaudited consolidated results for the 4th quarter ended 31 December 2024 and declaration of second interim single-tier cash dividend of 12.5 sen per share and special single-tier dividend of 6.0 sen per share for the financial year (FY) ended 31 December 2024.

14 March
Date of entitlement of the second interim single-tier cash dividend of 12.5 sen per share and special single-tier dividend of 6.0 sen per share for the FY ended 31 December 2024.

28 March
Date of payment of the second interim single-tier cash dividend of 12.5 sen per share and special single-tier dividend of 6.0 sen per share for the FY ended 31 December 2024.

25 April
Issuance of the 40th AGM Notice, Integrated Annual Report (IAR) 2024 and Circular to Shareholders.

27 May
40th AGM of the Company: Outcome of Meeting.

28 May
Announcement of the unaudited consolidated results for the 1st quarter ended 31 March 2025.

29 August
Announcement of the unaudited consolidated results for the 2nd quarter ended 30 June 2025 and declaration of an interim single-tier dividend of 12.5 sen per share for the FY ended 31 December 2025.

18 September
Date of entitlement of the interim single-tier dividend of 12.5 sen per share for the FY ended 31 December 2025.

30 September
Date of payment of the interim single-tier dividend of 12.5 sen per share for the FY ended 31 December 2025.

24 November
Announcement of the unaudited consolidated results for the 3rd quarter ended 30 September 2025.

2026

25 February
Announcement of the unaudited consolidated results for the 4th quarter ended 31 December 2025 and declaration of second interim single-tier dividend of 14.5 sen per share and special single-tier dividend of 4.0 sen per share for the FY ended 31 December 2025.

13 March
Date of entitlement of the second interim single-tier dividend of 14.5 sen per share and special single-tier dividend of 4.0 sen per share for the FY ended 31 December 2025.

27 March
Date of payment of the second interim single-tier dividend of 14.5 sen per share and special single-tier dividend of 4.0 sen per share for the FY ended 31 December 2025.

17 April
Issuance of the 41st AGM Notice, IAR 2025 and Circular to Shareholders.

19 May
41st AGM of the Company.

SHARE PERFORMANCE

TM SHARE PRICE & VOLUME TRADED

Shareholders Composition*	
Malaysian	86.58
Foreign	13.42

Total Shareholders**	
2023	38,112
2024	33,312
2025	**30,841**

Top 3 Shareholders*	Direct %
Employees Provident Fund Board	22.51
Khazanah Nasional Berhad	20.10
Kumpulan Wang Persaraan (Diperbadankan)#	10.23

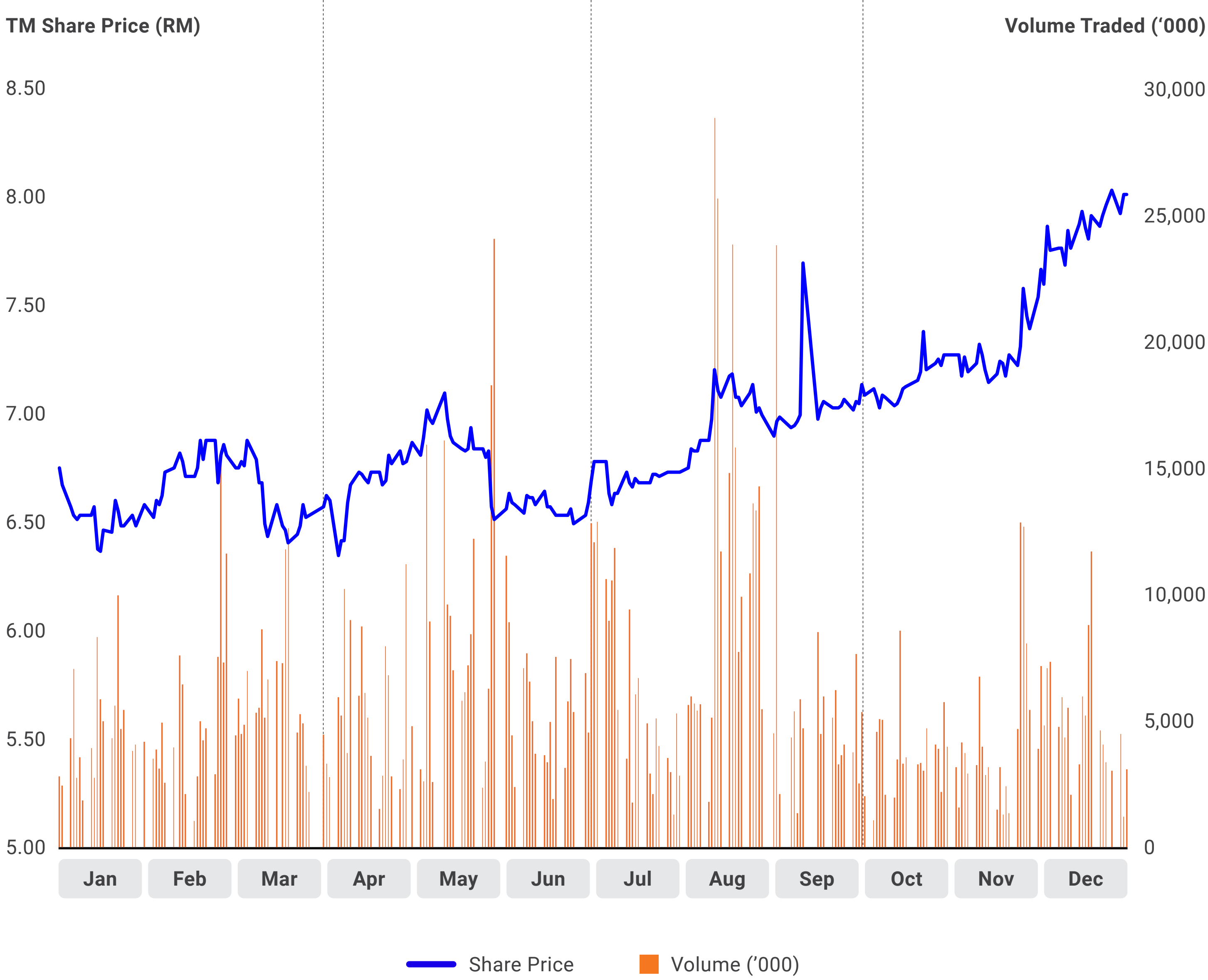
* *As at 31 December 2025.*
** *As at 31 December of the respective year.*
\# *Includes an indirect interest of 1.29%.*

1Q		
High	7.05	26-Feb
Low	6.21	17-Jan
Close	6.55	28-Mar

2Q		
High	7.17	13-May
Low	6.19	07-Apr
Close	6.55	30-Jun

3Q		
High	7.73	12-Sep
Low	6.51	01-Jul
Close	7.08	30-Sep

4Q		
High	8.07	26, 30 & 31-Dec
Low	7.03	10-Jul
Close	8.05	31-Dec



***Note:** The separator lines in the chart above indicates the end of each quarter.*

SHARE PRICE CHANGE

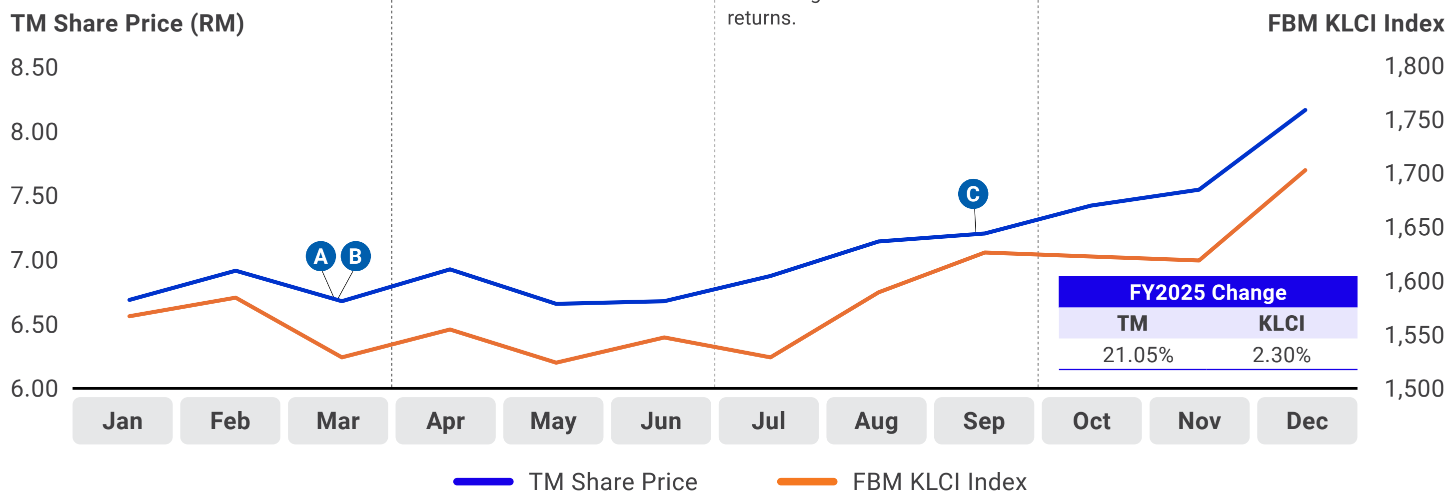
1Q Change		2Q Change		3Q Change		4Q Change	
TM	KLCI	TM	KLCI	TM	KLCI	TM	KLCI
(1.50)%	(7.84)%	-	1.28%	7.11%	4.56%	13.86%	3.65%

1Q: TM outperformed the broader market, supported by resilient recurring revenue, disciplined cost management, and continued dividend stability.

2Q: Stable trading reflected investor confidence in earnings sustainability, balanced against cautious sentiment towards the sector.

3Q: The share price appreciation reflected improved market sentiment, supported by sustained operational delivery and dividend declaration, signalling continued balance between growth and shareholder returns.

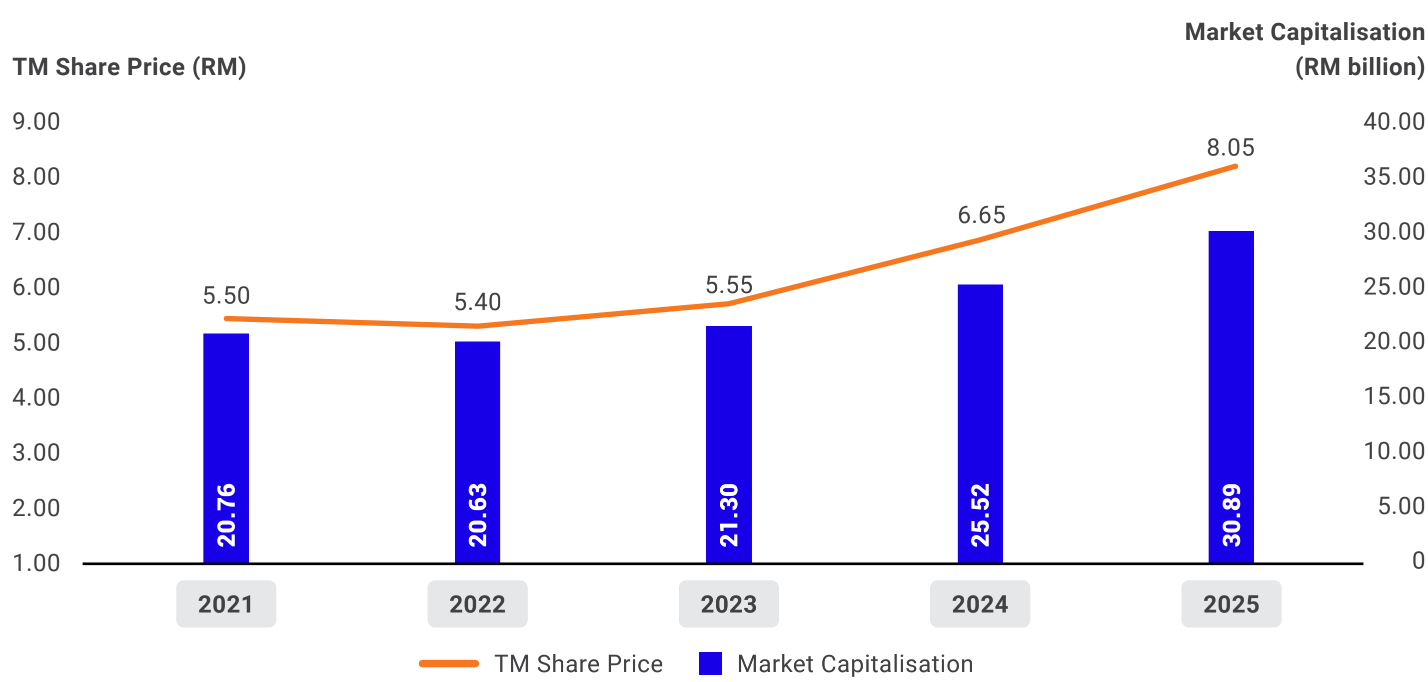
4Q: TM's 4Q 2025 outperformance reflected strengthened earnings visibility and disciplined execution, lifting the share price to a new high and reinforcing confidence in our long-term growth prospects.



Note: *The separator lines in the chart above indicates the end of each quarter.*

			Entitlement Date	Payment Date
A	2nd Interim Dividend FY2024	12.5 sen per share	14 March 2025	28 March 2025
B	Special Dividend FY2024	6.0 sen per share	14 March 2025	28 March 2025
C	Interim Dividend FY2025	12.5 sen per share	18 September 2025	30 September 2025

TM SHARE PRICE & MARKET CAPITALISATION



* *TM share price is based on month-end closing price.*

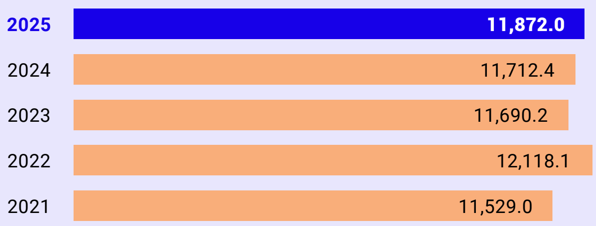
GROUP FINANCIAL HIGHLIGHTS

All amounts are in RM million unless otherwise stated	2025	2024	2023 Restated	2022	2021
OPERATING RESULTS					
Operating revenue*	**11,872.0**	11,712.4	11,690.2	12,118.1	11,529.0
Earnings before interest, tax, depreciation and amortisation (EBITDA)*	**4,204.3**	4,474.5	4,502.0	4,953.1	4,344.8
Earnings before interest and tax (EBIT)	**2,025.6**	2,325.1	2,088.4	2,090.2	1,710.1
Profit before tax and zakat	**2,126.4**	2,177.2	1,808.5	1,686.5	1,246.8
Profit for the financial year	**1,734.1**	2,038.9	1,885.0	1,144.2	877.9
Profit attributable to equity holders of the Company (PATAMI)	**1,713.0**	2,016.9	1,870.5	1,143.3	895.2
KEY DATA OF FINANCIAL POSITION					
Total shareholders' equity	**10,587.2**	10,099.7	9,163.0	7,936.5	7,502.5
Total assets*	**20,459.2**	21,162.5	21,687.9	23,131.3	22,831.1
Total liabilities*	**9,698.1**	10,896.6	12,365.3	13,472.1	15,503.2
Total borrowings	**2,061.8**	3,490.9	4,763.2	5,269.3	5,720.0
Lease liabilities	**1,617.5**	1,699.9	1,857.6	1,774.5	1,883.7
SHARE INFORMATION					
Per share (sen)					
Earnings (basic)	**44.6**	52.6	48.9	30.2	23.7
Dividend	**31.0**	31.0	25.0	16.5	13.0
Net assets	**275.9**	263.2	238.8	207.7	198.8
Share price as at 31 December (RM)	**8.05**	6.65	5.55	5.40	5.50
Market capitalisation	**30,893.8**	25,520.7	21,298.8	20,633.5	20,755.4
FINANCIAL RATIOS					
Return on shareholders' equity (ROE)	**14.2%**	20.9%	23.0%	17.7%	13.9%
Return on total assets*	**7.0%**	9.4%	9.1%	6.0%	4.3%
Return on invested capital (ROIC)*	**12.3%**	13.3%	11.7%	10.8%	9.0%
Debt equity ratio (x)	**0.4**	0.6	0.8	1.0	1.2

* In FY2024, the Group changed its accounting policy on the presentation of Government grants and has restated the 2023 comparative information accordingly. The change affects the presentation of reported revenue and EBITDA only.
Information for FY2021 to FY2022 has not been restated.

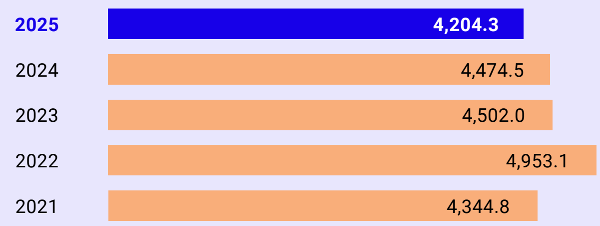
Operating Revenue*

RM11,872.0 million



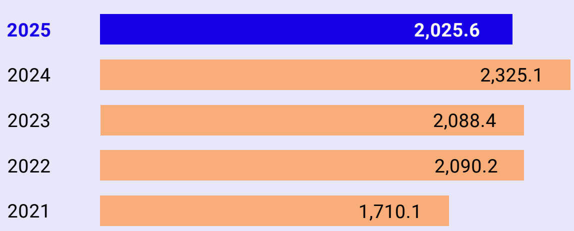
EBITDA*

RM4,204.3 million



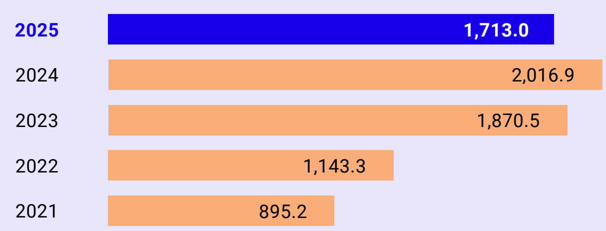
EBIT

RM2,025.6 million



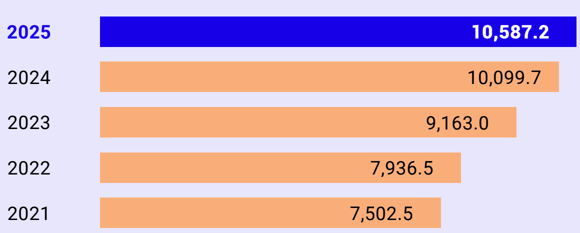
PATAMI

RM1,713.0 million



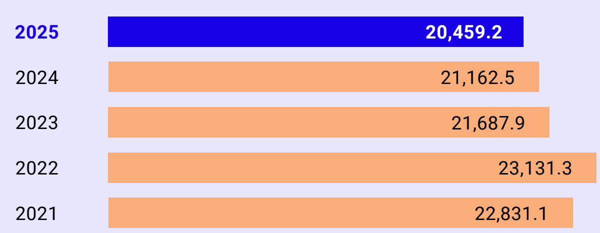
Total Shareholders' Equity

RM10,587.2 million



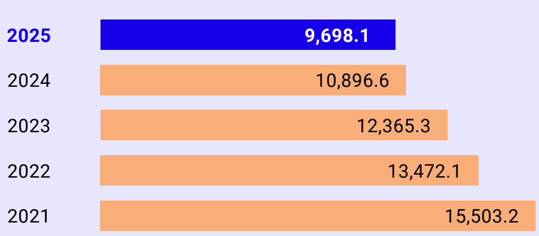
Total Assets*

RM20,459.2 million



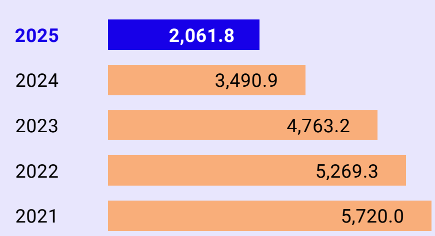
Total Liabilities*

RM9,698.1 million



Total Borrowings

RM2,061.8 million



* In FY2024, the Group changed its accounting policy on the presentation of Government grants and has restated the 2023 comparative information accordingly. The change affects the presentation of reported revenue and EBITDA only. Information for FY2021 to FY2022 has not been restated.

SIMPLIFIED GROUP STATEMENT OF FINANCIAL POSITION

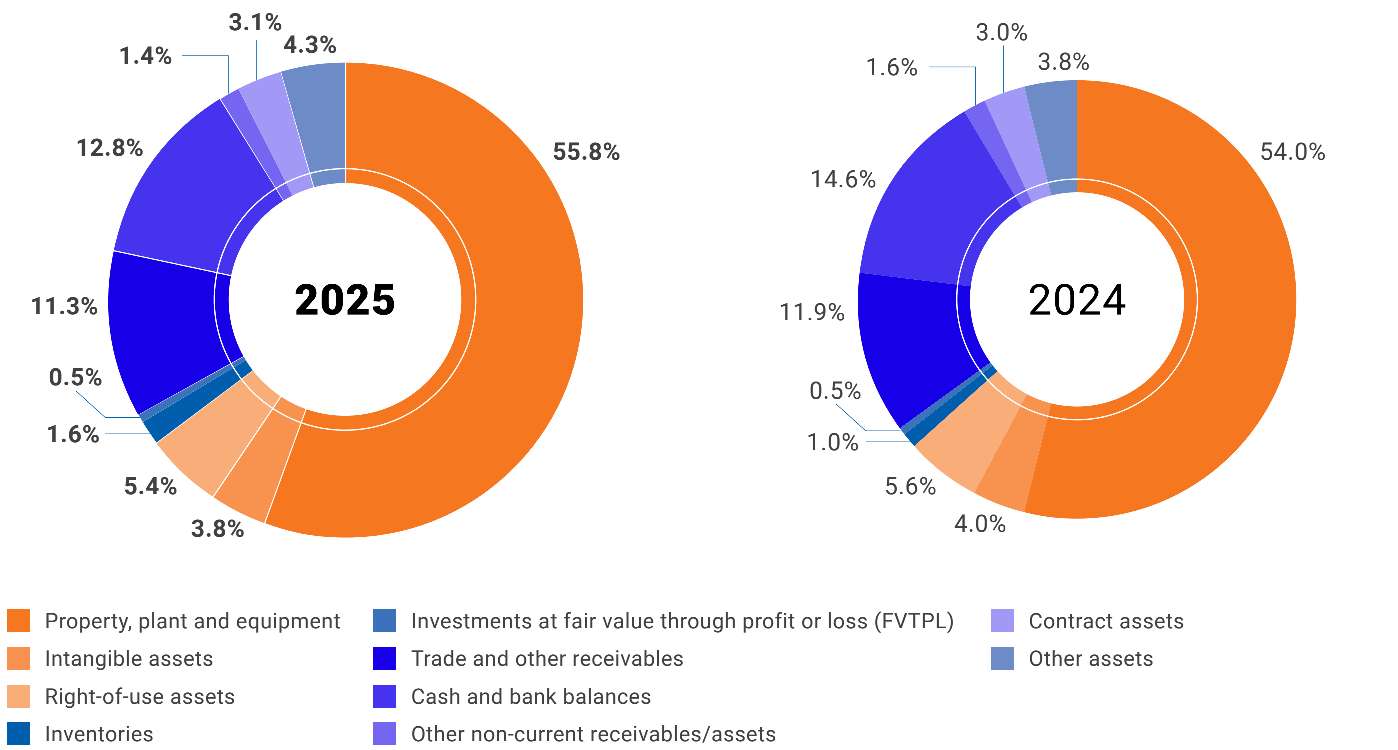
TOTAL ASSETS	2025 RM million	2024 RM million
Property, plant and equipment	**11,407.7**	11,429.3
Intangible assets	**775.2**	839.5
Right-of-use assets	**1,108.0**	1,182.9
Inventories	**320.6**	201.7
Investments at fair value through profit or loss (FVTPL)	**108.9**	111.3
Trade and other receivables	**2,307.0**	2,518.0
Cash and bank balances	**2,622.8**	3,096.2
Other non-current receivables/assets	**291.2**	332.7
Contract assets	**632.6**	643.9
Other assets	**885.2**	807.0
Total Assets	**20,459.2**	21,162.5

TOTAL LIABILITIES & SHAREHOLDERS' EQUITY	2025 RM million	2024 RM million
Share capital	**4,070.9**	4,070.7
Other reserves	**88.1**	135.7
Retained profits	**6,428.2**	5,893.3
Non-controlling interests	**173.9**	166.2
Borrowings	**2,061.8**	3,490.9
Deferred tax liabilities	**946.7**	920.9
Trade and other payables	**3,720.0**	3,409.4
Tax and zakat	**153.4**	47.2
Contract liabilities	**1,124.6**	1,231.8
Lease liabilities	**1,617.5**	1,699.9
Others	**74.1**	96.5
Total Liabilities & Shareholders' Equity	**20,459.2**	21,162.5

Total Assets

RM20,459.2 million

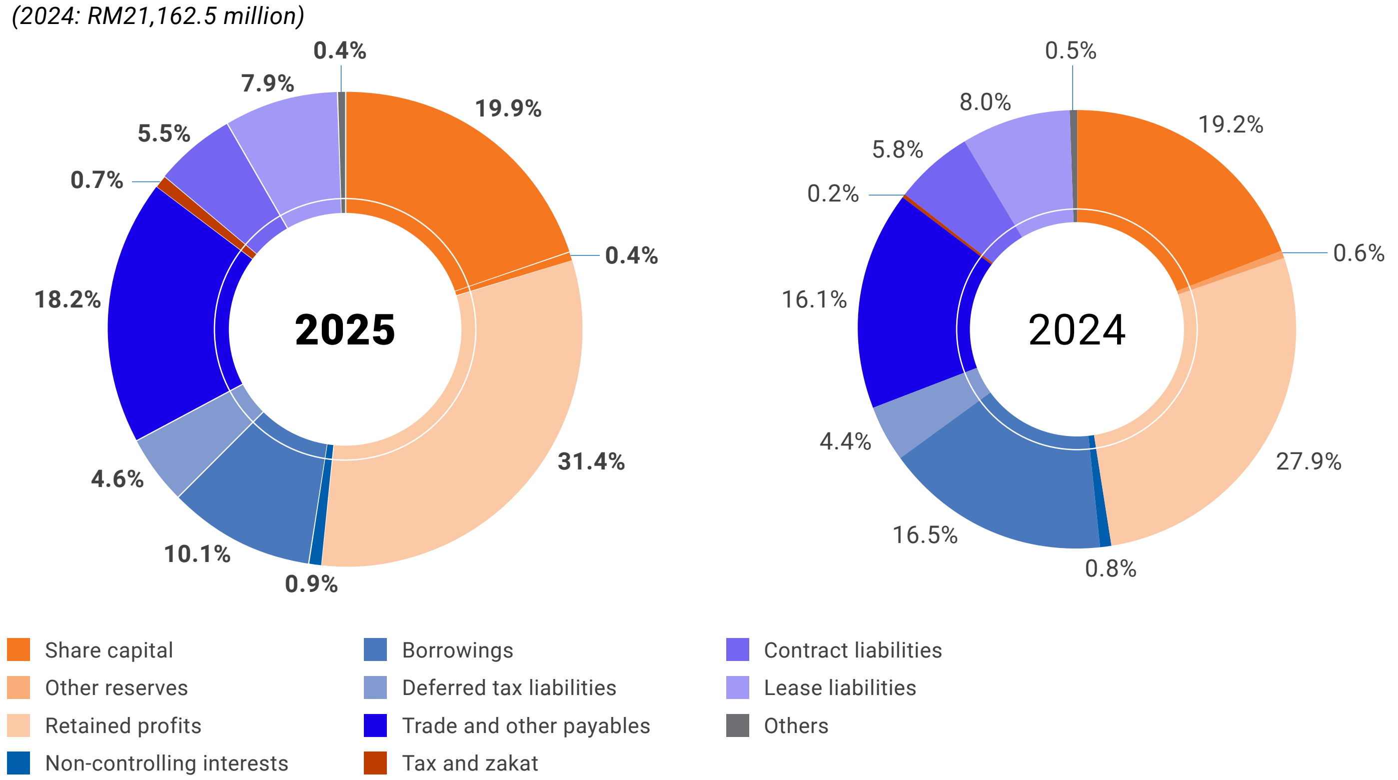
(2024: RM21,162.5 million)



Total Liabilities & Shareholders' Equity

RM20,459.2 million

(2024: RM21,162.5 million)



GROUP QUARTERLY FINANCIAL PERFORMANCE

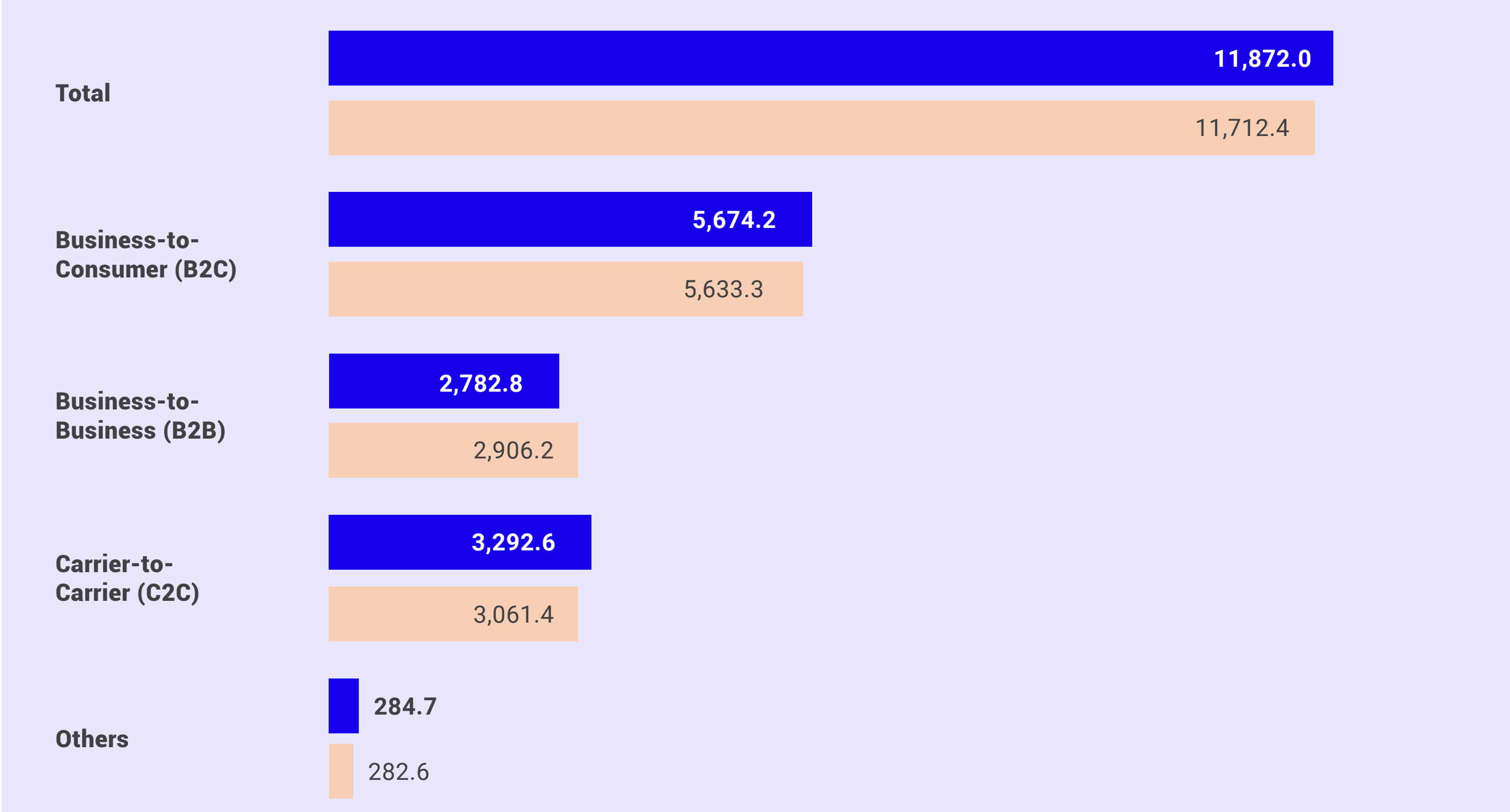
2025 *In RM million*	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	Year 2025
Operating revenue	**2,851.5**	**2,771.9**	**2,991.9**	**3,256.7**	**11,872.0**
Operating profit before other gains and finance cost	**550.3**	**640.0**	**619.8**	**215.5**	**2,025.6**
Profit before tax and zakat	**534.0**	**561.6**	**726.4**	**304.4**	**2,126.4**
Profit attributable to equity holders of the Company	**401.2**	**403.0**	**686.3**	**222.5**	**1,713.0**
Basic earnings per share (sen)	**10.5**	**10.5**	**17.9**	**5.8**	**44.6**
Dividend per share (sen)	**-**	**12.5**	**-**	**18.5**	**31.0**

2024 *In RM million*	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	Year 2024
Operating revenue	2,837.0	2,907.9	2,917.1	3,050.4	11,712.4
Operating profit before other gains and finance cost	650.9	612.7	549.1	512.4	2,325.1
Profit before tax and zakat	572.1	565.5	668.2	371.4	2,177.2
Profit attributable to equity holders of the Company	424.8	396.4	465.1	730.6	2,016.9
Basic earnings per share (sen)	11.1	10.3	12.1	19.0	52.6
Dividend per share (sen)	-	12.5	-	18.5	31.0

SEGMENT INFORMATION

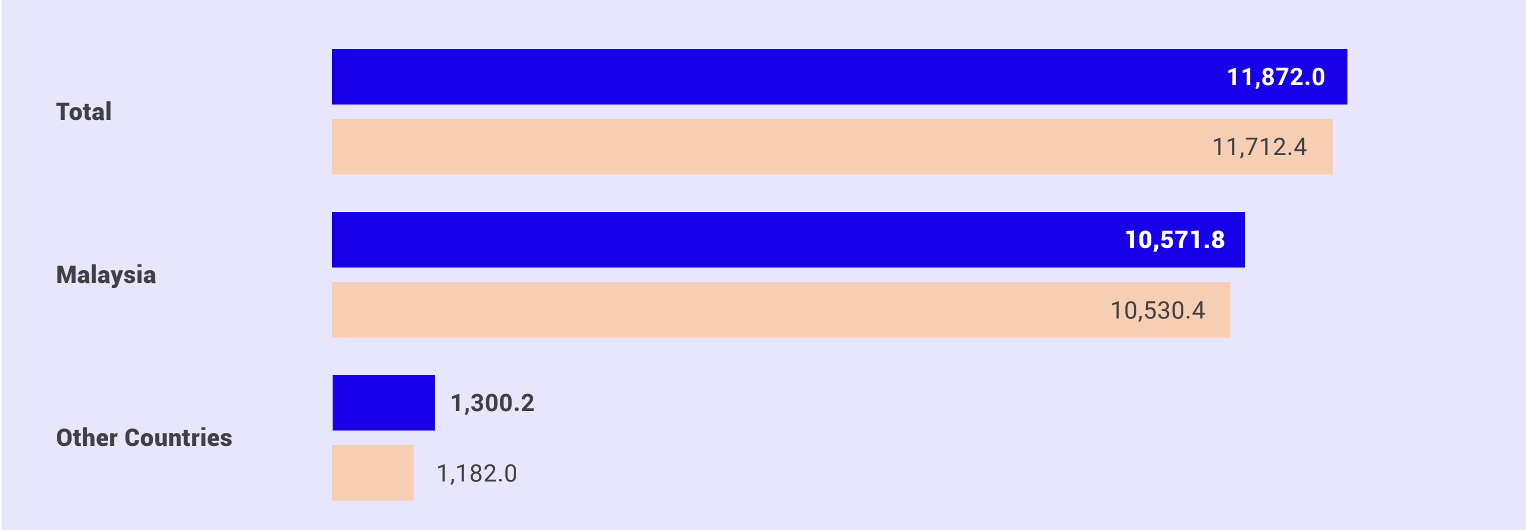
2025 2024

REVENUE BY BUSINESS CLUSTERS (RM million)



Note: *Total revenue includes inter-segment which are eliminated on consolidation of RM162.3 million for financial year 2025 and RM171.1 million for financial year 2024.*

REVENUE BY GEOGRAPHICAL LOCATION (RM million)



GROUP FINANCIAL REVIEW

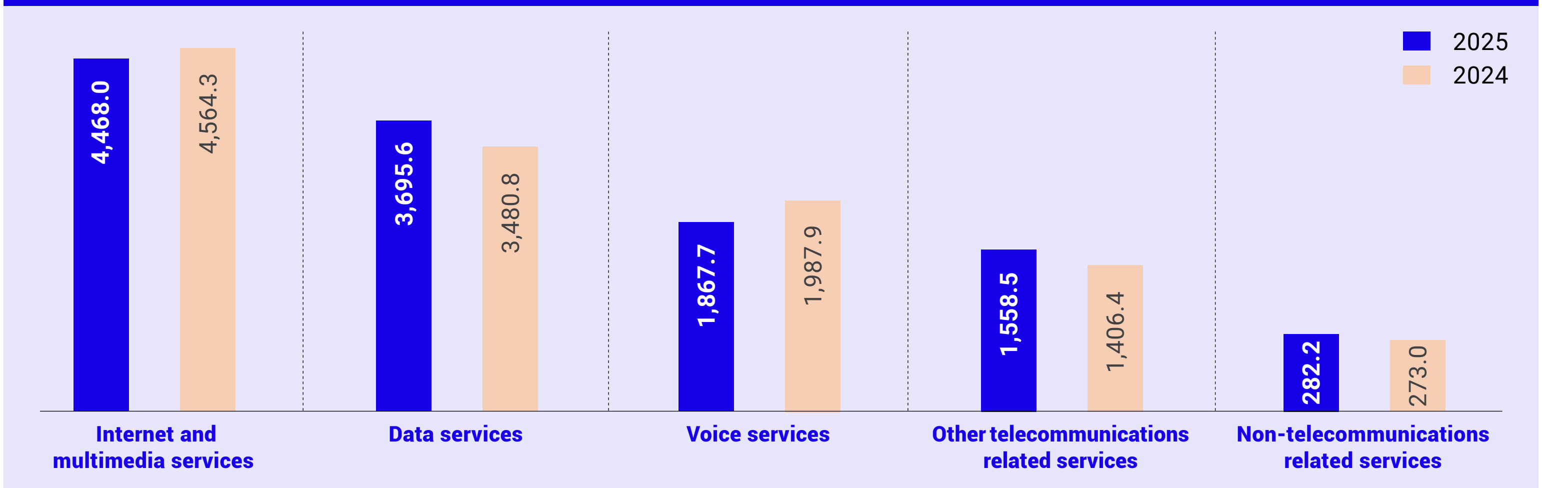
The Group delivered a steady financial performance in 2025, amid intensified competition. Core businesses remained stable, supported by sustained demand for connectivity and digital solutions, while prudent cost management helped preserve operating fundamentals. Reported Earnings Before Interest and Tax (EBIT) moderated year-on-year, mainly due to non-recurring items; on a normalised basis, underlying operating performance remained stable. The Group maintained a strong balance sheet and healthy cash flows, supporting continued investment in network resilience and long-term growth initiatives.

OPERATING REVENUE

Group revenue recorded a 1.4% year-on-year growth to RM11,872.0 million, marking its steady annual revenue growth despite an intensely competitive operating environment. Momentum across data, connectivity and digital services underpinned overall performance, reflecting the resilience of the Group's diversified revenue base.

The B2C segment recorded sound revenue, supported by a larger customer base, which helped offset the continued decline in legacy voice services. B2B segment demonstrated steady underlying performance, driven by growth in solution-based customer projects and digital services, excluding the one-off arbitration settlement recognised in the prior year. Meanwhile, C2C segment delivered strong growth, supported by increased demand for mobile fibre backhaul, data centre services and international data capacity, reinforcing the Group's position as a regional digital hub.

OPERATING REVENUE (RM million)



Internet and multimedia services

Internet and multimedia services remained the Group's largest revenue contributor, accounting for 37.6% of total revenue. While customer growth remained positive, revenue of RM4,468.0 million was 2.1% lower year-on-year, compared to RM4,564.3 million recorded in 2024 due to intense competition. The Group continues to enhance its offerings with more targeted propositions and personalised experiences to strengthen customer value and support long-term sustainability as evident from the increase in our fixed broadband customer base.

Data services

Data services continued to gain momentum, contributing 31.1% of Group's revenue, supported by strong demand from both domestic and international markets. This revenue segment primarily includes leased lines, Ethernet, SD-WAN and IP services, serving both domestic and global telecommunication licensee customers. Data services generated RM3,695.6 million revenue in 2025, a 6.2% (RM214.8 million) increase from RM3,480.8 million recorded in 2024. Ongoing expansion of 5G backhaul, international managed wavelength, submarine cable capacity and transmission services further strengthened the Group's position as a key connectivity partner to telecommunications providers and enterprises. This reflects increasing regional connectivity requirements and the growing importance of digital infrastructure in supporting cross-border data flows.

Other telecommunications related services

Revenue from other telecommunications related services grew strongly, driven by higher demand for ICT solution based customer projects and data centre services. Revenue from this segment contributed 13.1% of the Group's revenue, up from 12.0% in 2024, and grew 10.8% (RM152.1 million), closing the year end at RM1,558.5 million from RM1,406.4 million in 2024.

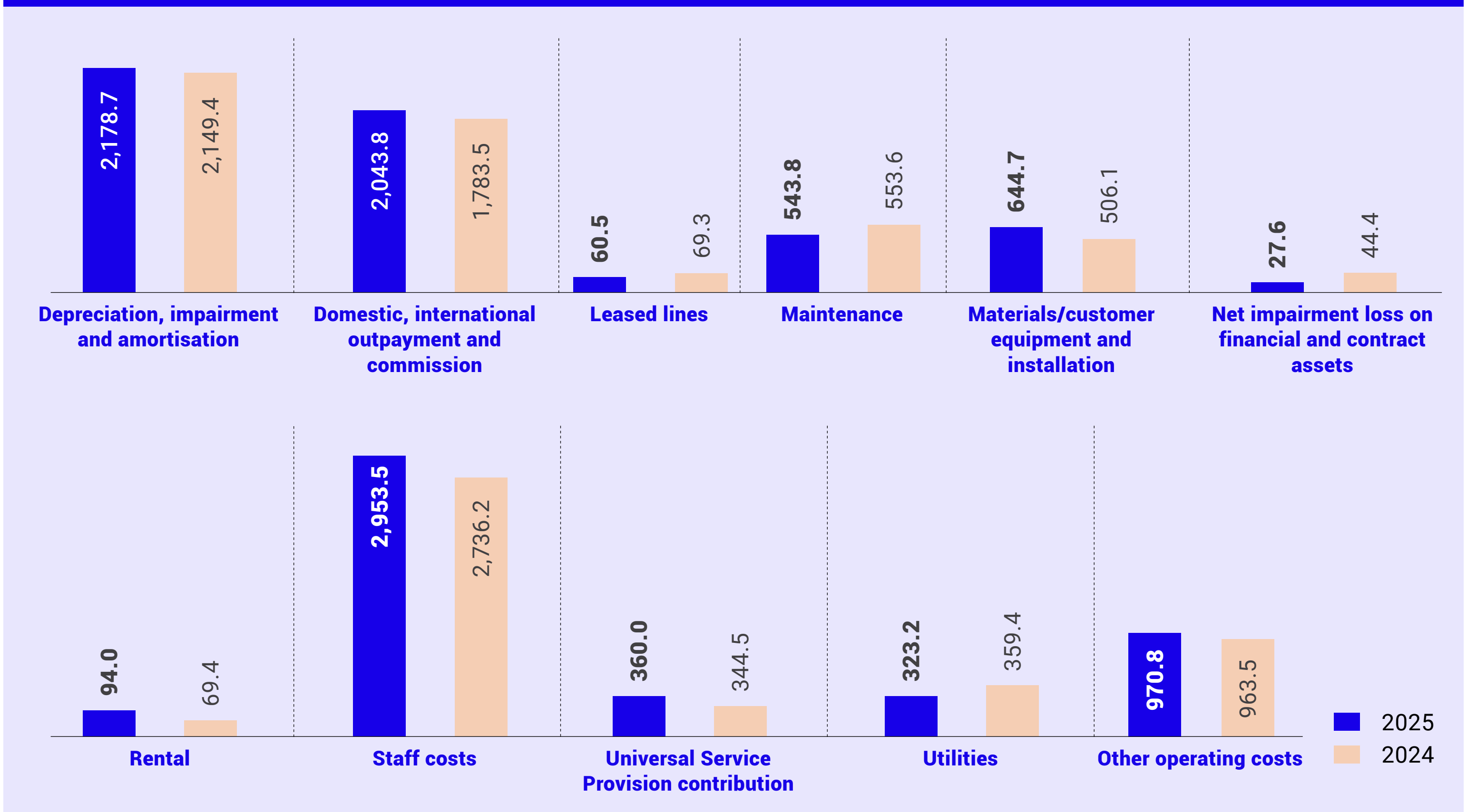
Non-telecommunications related services

This revenue segment comprises the Group's diversified ventures in non-telecommunication related business activities, undertaken through subsidiaries primarily focused on the education and property development segments. The Group's RM282.2 million revenue from non-telecommunications related services rose 3.4% (RM9.2 million) in 2025 from RM273.0 million in 2024, contributed to 2.4% of the Group's total revenue (2.3% in 2024). The year-on-year increase was mainly supported by the education segment. This underscores the Group's contribution to nation-building and support for Malaysia's digital and innovation ecosystem, while maintaining a focus on digital-led growth.

OPERATING COSTS

As the Group advances its digital and technology transformation, it continued to manage workforce transitions responsibly. During the year, the Group accommodated a significant number of requests under the *Prihatin* initiative with fair transition packages, enabling employees to move to the next phase of their careers while supporting TM's alignment with its digitalisation priorities. This reflects TM's commitment to responsible workforce management and the social pillar of its sustainability framework. Driven by these workforce initiatives, operating costs increased by 6.5% to RM10,200.6 million in 2025, compared to RM9,579.3 million in the previous year.

OPERATING COSTS (RM million)



Depreciation, impairment and amortisation

Depreciation increased marginally by 1.4% (RM29.3 million), from RM2,149.4 million in 2024 to RM2,178.7 million in 2025. This is in line with higher capital investments in network, digital infrastructure and data centres to support growth in high-demand services. These investments strengthen TM's long-term capabilities and underpin its strategic transition towards a more digital and support the Group's strategic shift towards a more digital-focused business.

Domestic, international outpayment and commission

This cost category primarily includes telecommunications outpayment, costs associated with servicing domestic and international traffic, commissions to resellers and agents, and expenses for telecommunications equipment and engineering services. It accounts for 20.0% of the Group's total operating costs, increased by 14.6% (RM260.3 million) year-on-year to RM2,043.8 million. These are mainly to support subscribers' growth and mobile network infra sharing costs at B2C, and in line with C2C connectivity revenue growth.

Staff costs

Staff costs accounted for 29.0% of the Group's total operating costs, with a year-on-year increase of 7.9% (RM217.3 million). In absolute terms, total staff costs (net of capitalised staff costs) for 2025 amounted to RM2,953.5 million, compared to RM2,736.2 million in 2024. This primarily reflects the Group's accommodation of the *Prihatin* initiative requests from employees, facilitating workforce transition while supporting the Group's longer-term alignment with its digitalisation priorities.

Materials/customer equipment and installation

The Group's materials/customer equipment and installation costs for 2025 was RM644.7 million, 6.3% of total costs and a 27.4% (RM138.6 million) increase from 2024. These costs primarily include expenses for customer premise equipment (CPE) such as routers and modems, as well as costs to support device bundle offerings through the quad-play campaigns, reflecting our ongoing effort to drive contract renewals, enhance customer engagement and long-term stability. Where applicable, these costs are capitalised and amortised over the contract period with customers. In 2025, this cost component represented 5.4% of total revenue, increased from 4.3% in 2024, reflecting the Group's continued investment in enhancing customer experience.

GROUP FINANCIAL REVIEW

OTHER GAINS/(LOSSES) (net)

The Group's fair value gains or losses on financial instruments measured at fair value through profit or loss (FVTPL) and gains or losses from the disposal or de-recognition of instruments measured at fair value through other comprehensive income (FVOCI) are reported as other gains/(losses) (net). In 2025, the Group recorded a net gain of RM237.2 million (2024: net loss of RM15.6 million), primarily driven by the non-recurring gains from the Group's investment in a technology fund and changes in the value of fixed income unit trust investments.

Tax and Zakat Expenses

The Group concluded the financial year with total tax and zakat charges of RM392.3 million (2024: RM138.3 million), primarily attributable to the previous year's one-off tax credits from unabsorbed capital allowances, following the Group's internal reorganisation. The Group's zakat contribution for 2025 amounted to RM10.4 million, compared to the RM9.0 million in 2024.

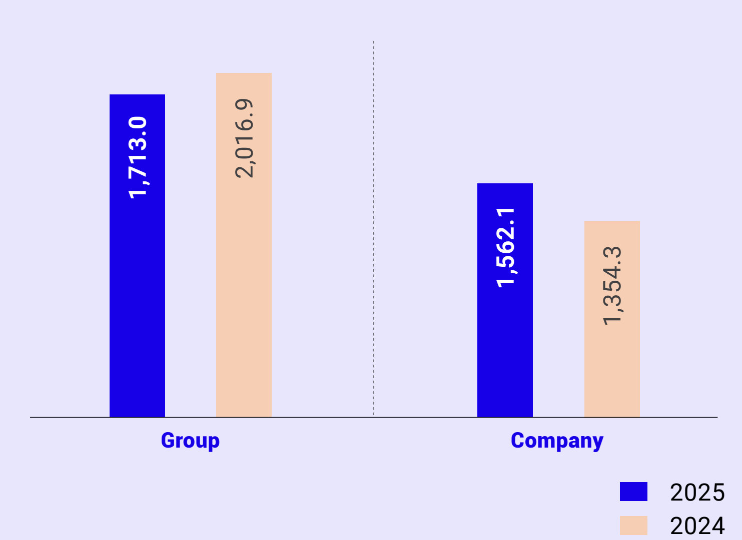
Profitability

FY2025 was a year in which the Group delivered growth through disciplined execution, navigating a highly competitive operating landscape.

The Group's EBIT was reported at RM2,025.6 million, compared to RM2,325.1 million, reflective of the higher mobile network infra sharing costs, increased customer acquisition expenses, and employee-related costs arising from the *Prihatin* initiative requests, which are expected to deliver productivity and cost benefits in the near term.

With the recognition of one-off tax credits from unabsorbed capital allowances last year, the Group's Profit after Tax and Non-controlling Interests (PATAMI) of RM1,713.0 million is 15.1% (RM303.9 million) lower than RM2,016.9 million recorded last year.

PROFIT ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY (RM million)



TOTAL ASSETS

The Group closed the financial year end with total assets of RM20,459.2 million compared to RM21,162.5 million at the end of the previous financial year. This was largely contributed by net reduction in property, plant and equipment, intangible assets, right-of-use assets, trade and other receivables, derivative financial instruments and cash and bank balances, against net increase in associate and jointly controlled entity and inventories, between the two balance sheet dates.

Property, plant and equipment (PPE)

The Group's PPE decreased by 0.2% (RM21.6 million) to RM11,407.7 million at the end of the financial year, compared to RM11,429.3 million at the end of 2024. Capital expenditure (CAPEX) of the Group was RM1,914.5 million in 2025, 16.1% of the Group's revenue. The CAPEX was 20.5% (RM326.0 million) higher than the RM1,588.5 million spent in 2024. For FY2025, the Group continued to invest strategically in its network and digital infrastructure to support long-term growth and Malaysia's evolving digital economy.

Right-of-Use (ROU) assets

ROU assets represent the Group's rights to use leased assets, which primarily comprise telecommunication transmission sites nationwide, capacity in international and domestic submarine cables, data centre co-location arrangements, and office premises. These assets are depreciated over their respective lease terms. For leases with extension options, the Group applies critical assumptions and judgement in determining the most probable lease term based on the expected outcome of such extensions. The Group closed the financial year with RM1,108.0 million ROU assets, a decrease from RM1,182.9 million last year. This reduction was mainly due to net depreciation and contract terminations during the year, partially offset by new ROU contracts entered into during the current financial year.

Trade and other receivables

Trade and other receivables balance was at RM2,307.0 million at the end of 2025, compared to RM2,518.0 million in the previous year. The RM211.0 million movements in balances was primarily from the maturity of sinking fund deposits upon settlement of the Group's USD Debentures on 1 August 2025.

Cash and bank balances

Cash and bank balances of the Group decreased between the reporting year ends with RM2,622.8 million recorded as at 31 December 2025, as compared to RM3,096.2 million at the end of the previous balance sheet date. The RM473.4 million movements in cash and bank balances was mainly due to borrowings repayments, including the USD240.9 million Debentures settled on 1 August 2025 and RM300.0 million Islamic Medium Term Notes (IMTN) matured on 27 November 2025.

TOTAL LIABILITIES

The Group closed the financial year ended with total liabilities of RM9,698.1 million compared to RM10,896.6 million recorded at the end of 2024.

Borrowings

Total borrowings of the Group stood at RM2,061.8 million as at 31 December 2025 compared to RM3,490.9 million at the end of 2024. Reduction in borrowings balance was mainly due to repayment of RM300.0 million IMTN tranches upon its maturity in November 2025, as well as full settlement of USD240.9 million Debentures on 1 August 2025.

Lease liabilities

The Group's lease liabilities were RM1,617.5 million at the end of the financial year, a 4.8% (RM82.4 million) decrease compared to RM1,699.9 million at the end of the previous financial year. The lease liabilities represent the present value of the Group's future lease payment obligations, discounted at borrowing rates specific to each entity within the Group.

Trade and other payables

The Group's total trade and other payables increased 9.1% (RM310.6 million) at RM3,720.0 million as at 31 December 2025, from RM3,409.4 million in the previous year. The increase was mainly attributable to higher year-end accruals arising from the *Prihatin* initiative requests from employees.

SHAREHOLDERS' EQUITY

The Group's resilience performance for 2025 with PATAMI of RM1,713.0 million, less RM1,189.7 million appropriations of dividend in cash during the year led to a 4.8% (RM487.5 million) increase in shareholders' equity. With minimal issuance of new ordinary shares during the year from the Group's Long-Term Incentive Plan (LTIP), net asset per share also increased from 263.2 sen per share at the end of the previous financial year to close 4.8% higher at 275.9 sen.

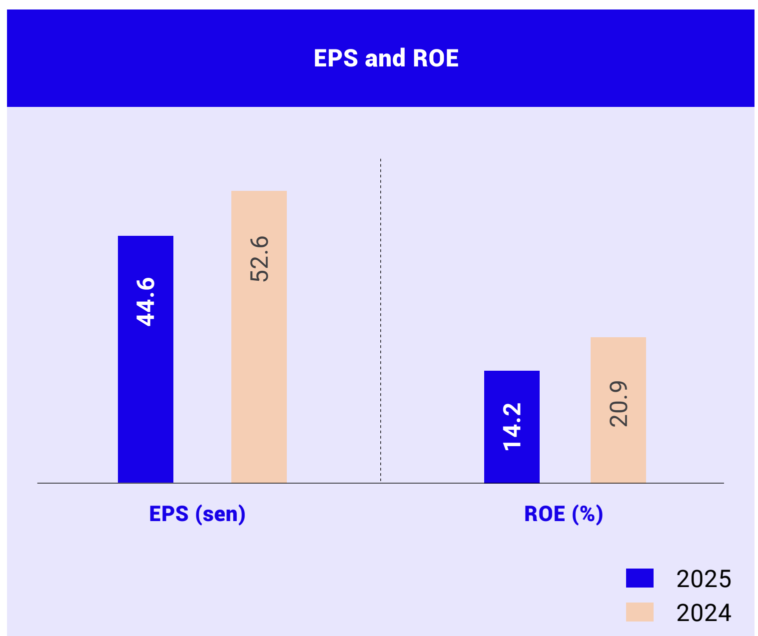
Earnings per share (EPS) and return on shareholders' equity (ROE)

The Group's EPS declined to 44.6 sen per share in 2025 from 52.6 sen per share a year earlier, reflecting a 15.1% (RM303.9 million) reduction in the Group's PATAMI. Consequently, the ROE, calculated by dividing Reported PATAMI by the average shareholders' equity, fell from 20.9% in 2024 to 14.2% in 2025.

Dividends

The Group remains committed to its dividend payout policy of distributing between 40% to 60% of the Group's Reported PATAMI on annual basis. In line with this policy, the Group declared on 25 February 2025 a second interim single-tier dividend of 14.5 sen per share, together with a special single-tier dividend of 4.0 sen per share, amounting to approximately RM556.5 million and RM153.5 million, respectively, for the financial year 2025.

When combined with the first interim single-tier dividend of 12.5 sen per share declared on 29 August 2025, the total dividend declared for the financial year ended 31 December 2025 amounted to 31.0 sen per share, representing an aggregate payout of approximately RM1,189.7 million.



STATEMENT OF VALUE ADDED

Value added is a measure of wealth created. The following statement shows the Group's value added for 2025 and 2024 and its distribution by way of payments to employees, government/approved agencies and shareholders, with the balance retained in the Group for reinvestment and future growth.

VALUE ADDED	2025 RM million	2024 RM million
Revenue	**11,872.0**	11,712.4
Purchase of goods and services	**(4,962.6)**	(4,598.9)
Value added by the Group	**6,909.4**	7,113.5
Other operating income (net)	**354.2**	192.0
Other gains/(losses) (net)	**237.2**	(15.6)
Finance income	**102.8**	127.7
Finance cost	**(332.2)**	(304.8)
Foreign exchange gains on borrowings	**88.7**	36.7
Share of results of associate/jointly controlled entity	**4.3**	8.1
Value added available for distribution	**7,364.4**	7,157.6

DISTRIBUTION	2025 RM million	2024 RM million
To Employees		
Employment cost	**3,047.7**	2,831.0
To Government/Approved Agencies*		
Tax, zakat and Universal Service Provision (USP) contributions	**752.3**	482.8
To Shareholders		
Dividends	**1,189.7**	1,074.5
Non-controlling interests	**21.1**	22.0
Retained for reinvestment and future growth		
Depreciation, impairment and amortisation	**2,178.7**	2,149.4
Net increase in retained profits	**174.9**	597.9
Total distributed	**7,364.4**	7,157.6

* *Includes USP contribution regulated under Communications and Multimedia (Rates) Rules 2002.*

TAX STRATEGY STATEMENT

This document sets out TM Group's (including subsidiaries and overseas branches) accountable and sustainable tax policy and approach to managing its tax affairs and tax compliance risk for the financial year ended 31 December 2025.

1. KEY PRINCIPLES

TM Group is committed to conducting its tax affairs based on the following principles:

(a) Compliance with all applicable tax laws and regulations in the jurisdictions in which it operates;

(b) Ensuring that business transactions are undertaken for commercial purposes taking into account Environmental, Social and Governance (ESG) considerations and TM's Core Values;

(c) Adopting good corporate governance, by reporting and paying its fair share of taxes in a timely manner and not seek to evade tax or engage in any aggressive tax planning nor facilitate others in doing so;

(d) Exercising due diligence and professional care, including seeking external professional written advice or rulings/ confirmations from tax authorities, where necessary, to ensure that the tax positions taken are robust and defensible; and

(e) Adopting open and professional relationships with tax authorities, Government bodies and relevant stakeholders.

2. TAX GOVERNANCE

TM's Group Tax Department (Group Tax) in collaboration with the finance teams across the Group, is responsible to provide advice and guidance, to ensure compliance with the applicable tax laws and regulations while ensuring that business decisions are commercially justified.

Tax implications and considerations are included as part of the evaluation of significant business initiatives, cross border related party transactions and any material tax technical positions. Where necessary or required, external professional advice is sought to ensure positions taken are aligned with the relevant tax laws and regulations.

In addition, Group Tax is involved in the planning and implementation of any significant transactions, which may include business or share acquisitions, disposals, corporate restructuring exercise, and any cross border intra-group arrangements.

TM Group is in-scope for Global Minimum Tax (GMT), which was introduced to address the tax challenges arising from the globalisation and digitalisation of the economy. This represents a major step in international cooperation on the taxation of multinational enterprises and places greater emphasis on transparency with tax authorities, combating tax evasion within the global business network.

3. ATTITUDE TO TAX PLANNING

TM Group will utilise tax incentives and reliefs where they are aligned with intended policy objectives of the Government, supported with genuine commercial activity and consistent with the business and/or operational objectives of TM Group.

TM Group is cognisant of the importance of ensuring any tax planning opportunities are carried out within the ambit of the tax laws. Hence, TM Group does not engage in artificial arrangements. Substantive and commercial reasons would always be the main consideration for entities which are based in low, or nil-tax rate jurisdictions. The Group adopts the Transfer Pricing policies based on arm's length principle, where applicable, in-line with the guidelines issued by the Organisation for Economic Co-operation and Development (OECD) together with the respective local tax laws.

4. MANAGEMENT OF TAX RISKS

Where there is uncertainty in the interpretation or application of tax laws or where the transaction carries significant reputational, financial or regulatory risk, external professional advice will be obtained to support the decision-making process.

Any changes in relevant tax laws and practices are monitored through regular updates from external tax advisors, discussions/dialogues with the professional bodies and relevant tax authorities and participation in seminars/ conferences. Finance and Group Tax personnels have the appropriate accounting qualifications and continue to receive regular tax trainings to ensure they have the necessary experience and expertise to identify and manage tax matters as they arise.

Group Tax has the responsibility to determine the technical position to be taken by TM in relation to tax matters. Where Group Tax's position differs from the tax authorities, the Group will engage constructively with the tax authorities to achieve a timely resolution.

Depending on the degree of risk and/or nature of the transactions involved, tax decisions may be escalated to the Board Audit Committee (BAC) and the Board of Directors for oversight, guidance or approval.

While the interpretation of the tax laws may be subjective and involve judgement, the Group seeks to maintain tax risks at a minimum or an acceptable level.

5. RELATIONSHIPS WITH TAX AUTHORITIES

TM Group seeks to:

(a) Engage with tax authorities and other relevant bodies in a collaborative, courteous, professional and timely manner;

(b) Engage in open dialogue on significant transactions and other tax interpretations which may be ambiguous;

(c) Ensure fair, accurate and timely disclosure in correspondences, returns and financial statements; and

(d) Provide response to queries and information requests on a timely basis with an aim for early resolution.

STATEMENT OF RESPONSIBILITY BY DIRECTORS

IN RESPECT OF THE AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

The Directors are required by the Companies Act 2016 (CA 2016) to prepare the financial statements for each financial year in accordance with applicable Malaysian Financial Reporting Standards (MFRS), International Financial Reporting Standards, the relevant provisions of the CA 2016 and the requirements of the Main Market Listing Requirements (Main LR) of Bursa Malaysia Securities Berhad (Bursa Securities). The Directors are responsible to ensure that the financial statements give a true and fair view of the financial position of the Group and the Company at the end of the financial year, and of their financial performance and cash flows for the financial year then ended.

In preparing the financial statements, the Directors have:
- adopted appropriate and relevant accounting policies and applied them consistently;
- made judgements and estimates that are reasonable and prudent;
- ensured that all applicable approved accounting standards have been followed; and
- prepared the financial statements on a going concern basis as the Directors have a reasonable expectation, having made enquiries that the Group and the Company have adequate resources to continue in operation for the foreseeable future.

The Directors have the responsibility to ensure that the Group and the Company keep accounting records which disclose with reasonable accuracy the financial position of the Group and the Company, and which enable them to ensure the financial statements comply with the CA 2016.

The Directors also have the overall responsibilities to take such steps that are reasonably open to them to safeguard the assets of the Group and of the Company, and for the establishment, implementation and maintenance of appropriate accounting and internal control systems for the detection and prevention of fraud and other irregularities.

DIRECTORS' REPORT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

The Directors have the pleasure of submitting the audited financial statements of the Group and the Company for the financial year ended 31 December 2025.

PRINCIPAL ACTIVITIES

The principal activities of the Group and the Company are investment holding, the establishment, maintenance and provision of telecommunications and related services. The details and principal activities of subsidiaries are set out in note 50 to the audited financial statements. There were no significant changes in the principal activities of the Group during the financial year.

RESULTS

The results of the operations of the Group and the Company for the financial year were as follows:

	The Group RM million	The Company RM million
Profit for the financial year attributable to:		
- equity holders of the Company	1,713.0	1,562.1
- non-controlling interests	21.1	-
Profit for the financial year	1,734.1	1,562.1

In the opinion of the Directors, the results of the operations of the Group and the Company during the financial year were not substantially affected by any item, transaction or event of a material and unusual nature.

DIVIDENDS

Since the end of the previous financial year, dividends paid, declared or proposed on ordinary shares of the Company were as follows:

		The Company RM million
In respect of the financial year ended 31 December 2024 as reported in the Directors' report of the year:		
(a)	The second interim single-tier cash dividend of 12.5 sen per share was declared on 25 February 2025 and paid on 28 March 2025	479.7
(b)	The special single-tier dividend of 6.0 sen per share was declared on 25 February 2025 and paid on 28 March 2025	230.3
In respect of the financial year ended 31 December 2025:		
(a)	An interim single-tier cash dividend of 12.5 sen per share was declared on 29 August 2025 and paid on 30 September 2025	479.7
		1,189.7

On 25 February 2026, the Board of Directors declared the following dividends in respect of the financial year ended 31 December 2025:

(a) Second interim single-tier dividend of 14.5 sen per share has been paid on 27 March 2026 to shareholders whose names appear in the Register of Members and Record of Depositors on 13 March 2026; and

(b) Special single-tier dividend of 4.0 sen per share has been paid on 27 March 2026 to shareholders whose names appear in the Register of Members and Record of Depositors on 13 March 2026.

The financial statements for the current financial year do not reflect these proposed dividends. Such dividends will be accounted for in equity as an appropriation of retained earnings in the financial year ending 31 December 2026.

At the Fortieth (40^{th}) Annual General Meeting (AGM) on 27 May 2025, the Shareholders approved the renewal of authority for Directors of the Company to allot and issue new ordinary shares in the Company (New TM Shares) in accordance with the Dividend Reinvestment Scheme (DRS) (as disclosed in note 13(b) to the audited financial statements) from the 40^{th} AGM until the conclusion of the next AGM.

DIRECTORS' REPORT
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

EMPLOYEE SHARE SCHEME - LONG-TERM INCENTIVE PLAN (LTIP)

On 29 September 2016, the Company implemented an LTIP that is enforceable over a period of ten (10) years, having obtained shareholders' approval at an Extraordinary General Meeting (EGM) on 28 April 2016 and all other subsequent required approvals. The EGM also approved the By-Laws governing the LTIP.

There has been no further grant of new LTIP tranches during the current financial year in view of the expiry of the LTIP scheme which has been in effect for a period of ten (10) years.

During the financial year, New TM Shares were issued following the fulfilment of the vesting conditions pursuant to the LTIP to eligible employees of the Company and its subsidiaries as detailed below:

Description	Listing date	Total TM Shares Issued	Issue Price per unit (RM)
Restricted Shares	27 March 2025	33,800	6.4799

Description of both Restricted Shares (RS) and Performance Share (PS) are disclosed in note 14 to the audited financial statements for the financial year ended 31 December 2025.

SHARE CAPITAL

Shares issued pursuant to LTIP

Pursuant to the vesting of the RS under the LTIP as disclosed above, the number of ordinary shares of the Company increased by 33,800 during the financial year and the number of ordinary shares of the Company was 3,837,738,480 as at 31 December 2025.

Shares issued pursuant to DRS

No new shares were issued pursuant to the DRS during the financial year as the DRS was not made applicable to any dividends appropriated during the financial year.

The Company will seek shareholders' approval at the forthcoming Forty-first (41st) AGM for the renewal of the authority for the Directors of the Company to allot and issue New TM Shares pursuant to the DRS and the approval of Bursa Malaysia Securities Berhad (Bursa Securities) for the listing and quotation of the New TM Shares.

ISSUANCES, REPURCHASES AND REPAYMENTS OF DEBT

Repayment of Debentures

On 1 August 2025, the Group repaid in full, at its nominal value, the remaining USD240.9 million Debentures upon their maturity date as disclosed in note 17(c) to the audited financial statements.

Repayment of Islamic Medium Term Notes (IMTN)

During the current financial year, the Group repaid the following IMTN tranche in full, at its nominal value, upon their maturity dates:

Debt Securities	Date of Issue	Nominal Value (RM million)	Rate per Annum	Maturity Date
IMTN	30 August 2013	300.0	4.88%	28 November 2025

The IMTN was issued as part of the RM3.0 billion IMTN Programme, as disclosed in note 17(a) to the audited financial statements.

MOVEMENTS ON RESERVES AND PROVISIONS

All material transfers to or from reserves or provisions during the financial year have been disclosed in the audited financial statements.

OTHER STATUTORY INFORMATION

Before the financial statements of the Group and the Company were prepared, the Directors took reasonable steps to:

(a) ascertain that proper actions had been taken in relation to the writing off of bad debts and the making of allowance for doubtful debts and satisfied themselves that all known bad debts had been written off and that adequate allowance had been made for doubtful debts; and

(b) ensure that any current assets that were unlikely to be realised in the ordinary course of business, including the value of current assets as shown in the accounting records of the Group and the Company, had been written down to an amount which the current assets might be expected to realise.

At the date of this report, the Directors are not aware of any circumstances which:

(a) would render the amounts written off for bad debts or the amount of allowance for doubtful debts inadequate to any substantial extent; or

(b) would render the value attributed to current assets in the financial statements of the Group and the Company misleading; or

(c) have arisen which would render adherence to the existing method of valuation of assets or liabilities of the Group and the Company misleading or inappropriate.

At the date of this report, there are:

(a) no charges on the assets of the Group and the Company which have arisen since the end of the financial year which secures the liabilities of any other person; and

(b) no contingent liabilities have arisen in the Group and the Company since the end of the financial year.

No contingent or other liability of any company in the Group has become enforceable or is likely to become enforceable within the period of twelve (12) months after the end of the financial year, which, in the opinion of the Directors, will or may affect the ability of the Group or the Company to meet their obligations when they fall due.

At the date of this report, the Directors are not aware of any circumstances not otherwise dealt with in this report or the financial statements of the Group and the Company, which would render any amount stated in the financial statements misleading.

In the opinion of the Directors:

(a) the results of the operations of the Group and the Company during the financial year were not substantially affected by any item, transaction or event of a material and unusual nature; and

(b) there has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely to affect substantially the results of any operations of the Group and the Company for the financial year in which this report is made.

DIRECTORS

The Directors in office during the financial year and from the end of the financial year to the date of this report are:

Directors	**Alternate Director**
Dato' Zainal Abidin Putih	
Amar Huzaimi Md Deris	
Datuk Dr. Shahrazat Haji Ahmad	Iszad Jeffri Ismail *(Ceased on 6 August 2025)* Syaiful Hafiz Moamat Mastam *(Appointed on 6 August 2025)*
Dato' Mohamed Nasri Sallehuddin	
Muhammad Afhzal Abdul Rahman	
Hisham Zainal Mokhtar	
Datuk Siti Zauyah Md Desa	
Ahmad Taufek Omar	
Datuk Bazlan Osman	
Tan Sri Datuk Yong Poh Kon	
Dr. Tunku Alina Raja Muhd Alias *(Appointed on 3 June 2025)*	
Shahnaz Al-Sadat Abdul Mohsein *(Appointed on 3 June 2025)*	

DIRECTORS' REPORT
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

DIRECTORS (CONTINUED)

Directors who retired or resigned during the year

Rossana Annizah Ahmad Rashid
(Retired as director on 27 May 2025)

Pursuant to Clause 106(2) of the Company's Constitution, the following Directors who were appointed during the year shall retire at the forthcoming 41st AGM of the Company and being eligible, offer themselves for re-election:

(i) Dr. Tunku Alina Raja Muhd Alias; and
(ii) Shahnaz Al-Sadat Abdul Mohsein.

In accordance with Clause 112 of the Company's Constitution, the following Directors shall retire by rotation at the forthcoming 41st AGM of the Company and being eligible, offer themselves for re-election:

(i) Hisham Zainal Mokhtar; and
(ii) Amar Huzaimi Md Deris.

Datuk Siti Zauyah Md Desa who also retires by rotation according to Clause 112, has expressed her intention not to seek re-election at the forthcoming 41st AGM. Hence, she will retain office until the conclusion of the 41st AGM.

The names of the directors of the subsidiaries of the Company since the beginning of the financial year to the date of this report (not including the directors listed above) are:

Directors

Abdul Rahman Taha *(Resigned on 31 March 2026)*
Ahmad Fairus Rahim
Azlan Ariff Mohd Suah *(Resigned on 9 May 2025)*
Azlina Nordin Torji *(Appointed on 9 May 2025)*
Azni Risa Ramlan *(Appointed on 5 March 2026)*
Azween Zakaria
Baharul Nizam Said Daliman
Bhavin Chimanlal Shah
Datuk Shazril Imri Mokhtar
Datuk Mohd Rani Hisham Samsudin *(Appointed on 23 May 2025; Resigned on 21 October 2025)*
Eliza Abdul Rahman *(Appointed on 9 March 2026)*
Elvin Tan Shen Wei
Fatimah Mis
Fu Yueh Yee
Gyma Marich Saibi
Hasniza Mohamed
Hawaby Sultan Muhamad *(Ceased upon dissolution on 22 February 2026)*
Hazrilhasnie Hashim *(Appointed on 5 March 2026)*
Ismail Hassan
Ir. Ahmad Nizam Mohamed Amin *(Appointed on 24 October 2025)*
Jafer Sadig Abdul Lathiff *(Resigned on 14 January 2026)*
Jazlan Azizy Jusoh
Kamal Arifin A.Rahman
Khaidhir Elias
Khairul Akmal Hassan Basri *(Appointed on 9 March 2026)*
Khairul Liza Ibrahim
Marina Noordin *(Resigned on 10 March 2026)*
Micheal Lim Ban Chen
Mohamad Azlan Jaafar *(Appointed on 6 March 2026)*
Mohamad Noor Azman Ali
Mohamad Rejab Sulaiman
Mohamed Faisal Naina Mohamed *(Resigned on 6 March 2026)*
Mohamed Suhaimi Yaacob *(Resigned on 24 October 2025)*
Mohamed Tajul Mohamed Sultan
Moharmustaqeem Mohammed
Mohd Hafiz Lockman *(Removed on 1 April 2026)*
Mohd Nizam Abd Razak
Mohd Noridzuan Md Arif
Mohd Shah Sarpin
Nik Azli Abu Zahar

DIRECTORS (CONTINUED)

The names of the directors of the subsidiaries of the Company since the beginning of the financial year to the date of this report (not including the directors listed above) are: (continued)

Directors

Nik Sofizan Nik Yusuf
Noor Hanani Abdul Munir
Noorhanida Su'ib *(Resigned on 10 March 2026)*
Nor A'dni Ismail
Prof. Dato' Dr. Mazliham Mohd Su'ud
Raja Zaireen Raja Zaib Shah *(Ceased upon dissolution on 22 February 2026)*
Romulo Jr Carlos
Rozhan Zainuddin
Shanti Jusnita Johari *(Appointed on 1 October 2025)*
Shazurawati Abd Karim
Ts Noor Mohd Helmi Nong Hadzmi
Wan Shamilah Wan Muhammad Saidi

DIRECTORS' INTEREST IN SHARES

In accordance with the Register of Directors' Shareholdings required to be kept under Section 59 of the Companies Act 2016, none of the Directors who held office at the end of the financial year has any direct or indirect interests in the shares in the Company and its related corporations, during the financial year except for the following:

		Number of ordinary shares			
	Interest	Balance as at 1.1.2025/ date of appointment	Acquired	Disposed	Balance as at 31.12.2025
Amar Huzaimi Md Deris	Direct	**319,010**	-	-	**319,010**
Datuk Bazlan Osman	Direct	**10,000**	-	-	**10,000**
Dr. Tunku Alina Raja Muhd Alias	Direct	**1,000**	-	-	**1,000**

None of the Directors who held office at the end of the financial year have been granted any units of shares under the LTIP of the Group and the Company as described in note 14 to the audited financial statements.

DIRECTORS' BENEFITS

Since the end of the previous financial year, none of the Directors has received or become entitled to receive a benefit (except for the Directors' fees, remuneration and others as disclosed in the following table) by reason of a contract made by the Company or a related corporation with the Director or with a firm of which the Director is a member or with a company in which the Director has a substantial financial interest and any benefit that may deem to have been received by certain Directors, except that certain Directors also received remuneration from related corporations.

	The Group		The Company	
	2025 RM million	2024 RM million	2025 RM million	2024 RM million
Non-Executive Directors' fees	**2.4**	2.5	**2.4**	2.5
Non-Executive Directors' other emoluments	**0.8**	1.0	**0.8**	1.0
Executive Director's salary, allowances and bonus	**3.9**	3.9	**3.9**	3.9
Executive Director's Employees' Provident Fund (EPF)	**0.8**	0.5	**0.8**	0.5
Benefits-in-kind	**1.3**	1.3	**1.3**	1.3
	9.2	9.2	**9.2**	9.2

DIRECTORS' REPORT
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

DIRECTORS' BENEFITS (CONTINUED)

Neither during nor at the end of the financial year was the Company or any of its related corporations, a party to any arrangements whose object was to enable the Directors to acquire benefits by means of the acquisition of shares in, or Debentures of the Company or any other body corporate.

The Directors and Officers of the Group and the Company are covered by Directors and Officers liability insurance for any liability incurred in the discharge of their duties, provided that they have not acted fraudulently or dishonestly or derived any personal profit or advantage. The insurance premium paid during the financial year amounted to RM0.2 million.

BUSINESS REVIEW

A business review for the Group and the Company for the financial year ended 31 December 2025 and the prospects for the coming financial year are set out in the Reflections from the Top section of the Group's Integrated Annual Report for the financial year ended 31 December 2025.

Financial year 2025 marked a year of strengthened execution and improved momentum for TM Group as it progressed towards the final year of the Defend and Build phase under its PWR2030 roadmap. Performance was supported by disciplined strategic implementation, operational resilience and sustained demand for digital connectivity and solutions.

As TM Group advances towards the Grow and Replicate phase of its PWR2030 roadmap, the Group remains well-positioned to capitalise on emerging opportunities in artificial intelligence, cloud and next-generation digital solutions, reinforcing its aspiration to become a Digital Powerhouse by 2030 and strengthening Malaysia's position as a digital hub in the ASEAN region.

SUBSEQUENT EVENTS

Details of events subsequent to the financial year end are as disclosed in note 48 to the audited financial statements.

AUDITORS' REMUNERATION

Details of auditors' remuneration are set out in the following table:

	The Group		The Company	
	2025 RM million	2024 RM million	2025 RM million	2024 RM million
Statutory Audit Fees				
- Ernst & Young PLT	**3.0**	2.9	**0.4**	0.4
- Member firms of Ernst & Young PLT	**0.4**	0.3	**-**	-
Audit Related Fees	**0.8**	0.8	**-**	-
	4.2	4.0	**0.4**	0.4

To the extent permitted by law, the Company has agreed to indemnify its auditors, Ernst & Young PLT, as part of the terms of its audit engagement against claims by third parties arising from the audit (for an unspecified amount). No payment has been made to indemnify Ernst & Young PLT for the financial year ended 31 December 2025.

AUDITORS

The auditors, Ernst & Young PLT (202006000003 (LLP0022760-LCA) & AF 0039) have expressed their willingness to seek re-appointment.

In accordance with a resolution of the Board of Directors dated 2 April 2026.

DATO' ZAINAL ABIDIN PUTIH
Director

AMAR HUZAIMI MD DERIS
Director

INCOME STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

All amounts are in million unless otherwise stated	Note	The Group 2025 RM	The Group 2024 RM	The Company 2025 RM	The Company 2024 RM
OPERATING REVENUE	5	**11,872.0**	11,712.4	**1,428.4**	1,434.4
OPERATING COSTS					
- depreciation, impairment and amortisation	6(a)	**(2,178.7)**	(2,149.4)	**-**	-
- net (impairment loss)/reversal of impairment on financial and contract assets		**(27.6)**	(44.4)	**0.2**	0.7
- other operating costs	6(b)	**(7,994.3)**	(7,385.5)	**(35.3)**	(37.3)
OTHER OPERATING INCOME (net)	7	**354.2**	192.0	**0.9**	1.7
OPERATING PROFIT BEFORE OTHER GAINS/(LOSSES) AND FINANCE COST		**2,025.6**	2,325.1	**1,394.2**	1,399.5
OTHER GAINS/(LOSSES) (net)	8	**237.2**	(15.6)	**237.2**	(15.6)
OPERATING PROFIT BEFORE FINANCE COST		**2,262.8**	2,309.5	**1,631.4**	1,383.9
FINANCE INCOME		**102.8**	127.7	**29.9**	47.3
FINANCE COST		**(332.2)**	(304.8)	**(134.2)**	(63.7)
FOREIGN EXCHANGE GAINS ON BORROWINGS		**88.7**	36.7	**37.2**	19.4
NET FINANCE (COST)/INCOME	9	**(140.7)**	(140.4)	**(67.1)**	3.0
ASSOCIATE/JOINTLY CONTROLLED ENTITY					
- share of results (net of tax)	26	**4.3**	8.1	**-**	-
PROFIT BEFORE TAX AND ZAKAT		**2,126.4**	2,177.2	**1,564.3**	1,386.9
TAX AND ZAKAT	10	**(392.3)**	(138.3)	**(2.2)**	(32.6)
PROFIT FOR THE FINANCIAL YEAR		**1,734.1**	2,038.9	**1,562.1**	1,354.3
ATTRIBUTABLE TO:					
- equity holders of the Company		**1,713.0**	2,016.9	**1,562.1**	1,354.3
- non-controlling interests		**21.1**	22.0	**-**	-
PROFIT FOR THE FINANCIAL YEAR		**1,734.1**	2,038.9	**1,562.1**	1,354.3
EARNINGS PER SHARE (sen)					
- basic	11	**44.6**	52.6		
- diluted	11	**44.6**	52.5		

The above Income Statements are to be read in conjunction with the Notes to the Financial Statements on pages 33 to 119.
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STATEMENTS OF COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

All amounts are in million unless otherwise stated	Note	The Group 2025 RM	The Group 2024 RM	The Company 2025 RM	The Company 2024 RM
PROFIT FOR THE FINANCIAL YEAR		**1,734.1**	2,038.9	**1,562.1**	1,354.3
OTHER COMPREHENSIVE INCOME					
Items that will not be reclassified subsequently to income statement:					
- increase in fair value of equity investments at fair value through other comprehensive income (FVOCI)	27(a)	**6.6**	2.3	**6.6**	2.3
Items that may be reclassified subsequently to income statement:					
- increase in fair value of investments at fair value through other comprehensive income (FVOCI)	27(b)	**0.9**	0.2	**0.9**	0.2
- reclassification adjustments relating to FVOCI investments disposed	8	**(0.3)**	0.3	**(0.3)**	0.3
- increase in fair value of receivables at FVOCI	28	**0.2**	0.4	**-**	-
- cash flow hedge:					
- decrease in fair value of cash flow hedge		**(22.9)**	(6.1)	**(22.9)**	(6.1)
- change in fair value of currency basis		**(3.7)**	(7.2)	**(3.7)**	(7.2)
- reclassification to foreign exchange gains on borrowings	9	**24.2**	13.3	**24.2**	13.3
- currency translation differences					
- subsidiaries		**(35.3)**	(13.6)	**-**	-
- associate		**(5.5)**	4.7	**-**	-
Other comprehensive (loss)/income for the financial year		**(35.8)**	(5.7)	**4.8**	2.8
TOTAL COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR		**1,698.3**	2,033.2	**1,566.9**	1,357.1
ATTRIBUTABLE TO:					
- equity holders of the Company		**1,677.2**	2,011.2	**1,566.9**	1,357.1
- non-controlling interests		**21.1**	22.0	**-**	-
TOTAL COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR		**1,698.3**	2,033.2	**1,566.9**	1,357.1

The above Statements of Comprehensive Income are to be read in conjunction with the Notes to the Financial Statements on pages 33 to 119.
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STATEMENTS OF FINANCIAL POSITION

AS AT 31 DECEMBER 2025

All amounts are in million unless otherwise stated	Note	The Group 2025 RM	The Group 2024 RM	The Company 2025 RM	The Company 2024 RM
SHARE CAPITAL	13	**4,070.9**	4,070.7	**4,070.9**	4,070.7
OTHER RESERVES	15	**88.1**	135.7	**98.2**	104.7
RETAINED PROFITS	16	**6,428.2**	5,893.3	**5,271.5**	4,888.0
TOTAL CAPITAL AND RESERVES ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY		**10,587.2**	10,099.7	**9,440.6**	9,063.4
NON-CONTROLLING INTERESTS		**173.9**	166.2	**-**	-
TOTAL EQUITY		**10,761.1**	10,265.9	**9,440.6**	9,063.4
Borrowings	17	**1,550.9**	2,109.9	**1.2**	1.4
Lease liabilities	18	**1,360.5**	1,441.5	**-**	-
Deferred tax liabilities	20	**946.7**	920.9	**-**	-
Trade and other payables	35	**109.1**	139.0	**-**	-
NON-CURRENT LIABILITIES		**3,967.2**	4,611.3	**1.2**	1.4
		14,728.3	14,877.2	**9,441.8**	9,064.8
Property, plant and equipment	21	**11,407.7**	11,429.3	**-**	-
Intangible assets	22	**775.2**	839.5	**-**	-
Right-of-use assets	23	**1,108.0**	1,182.9	**-**	-
Subsidiaries	24	**-**	-	**8,660.8**	8,428.2
Loans and advances to subsidiaries	25	**-**	-	**9.5**	13.2
Associate and jointly controlled entity	26	**337.2**	109.8	**-**	-
Equity investments at fair value through other comprehensive income (FVOCI)	27(a)	**145.4**	138.8	**145.4**	138.8
Investments at fair value through profit or loss (FVTPL)	27(c)	**107.4**	111.1	**107.4**	111.1
Receivables at fair value through other comprehensive income (FVOCI)	28	**58.3**	58.1	**-**	-
Other non-current receivables/assets	29	**291.2**	332.7	**-**	-
Deferred tax assets	20	**24.2**	22.8	**-**	-
NON-CURRENT ASSETS		**14,254.6**	14,225.0	**8,923.1**	8,691.3
Inventories	30	**320.6**	201.7	**-**	-
Trade and other receivables	32	**2,307.0**	2,518.0	**307.3**	644.6
Contract assets	5(b)	**632.6**	643.9	**-**	-
Contract cost assets	31	**238.2**	262.6	**-**	-
Loans and advances to subsidiaries	25	**-**	-	**2.5**	3.4
Receivables at fair value through other comprehensive income (FVOCI)	28	**3.0**	3.0	**-**	-
Investments at fair value through other comprehensive income (FVOCI)	27(b)	**77.1**	72.9	**77.1**	72.9
Investments at fair value through profit or loss (FVTPL)	27(c)	**1.5**	0.2	**1.5**	0.2
Financial assets at fair value through profit or loss (FVTPL)	33	**1.8**	2.5	**1.8**	2.5
Derivative financial instruments	19	**-**	136.5	**-**	136.5
Cash and bank balances	34	**2,622.8**	3,096.2	**297.5**	774.6
CURRENT ASSETS		**6,204.6**	6,937.5	**687.7**	1,634.7
Trade and other payables	35	**3,610.9**	3,270.4	**167.8**	162.7
Contract liabilities	5(c)	**1,124.6**	1,231.8	**-**	-
Customer deposits	36	**74.1**	96.5	**-**	-
Borrowings	17	**510.9**	1,381.0	**0.2**	1,078.0
Lease liabilities	18	**257.0**	258.4	**-**	-
Tax and zakat		**153.4**	47.2	**1.0**	20.5
CURRENT LIABILITIES		**5,730.9**	6,285.3	**169.0**	1,261.2
NET CURRENT ASSETS		**473.7**	652.2	**518.7**	373.5
		14,728.3	14,877.2	**9,441.8**	9,064.8

The above Statements of Financial Position are to be read in conjunction with the Notes to the Financial Statements on pages 33 to 119.
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CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

		Attributable to equity holders of the Company								
		Special Share*/ Ordinary Shares								
All amounts are in million unless otherwise stated	Note	Share Capital RM	FVOCI Reserves RM	Hedging Reserve RM	Cost of Hedging Reserve RM	Long-Term Incentive Plan Reserve RM	Currency Translation Differences RM	Retained Profits RM	Non-controlling Interests RM	Total Equity RM
At 1 January 2025		4,070.7	92.7	(1.3)	3.7	11.8	28.8	5,893.3	166.2	10,265.9
Profit for the financial year		-	-	-	-	-	-	1,713.0	21.1	1,734.1
Other comprehensive income										
Items that will not be reclassified subsequently to income statement:										
- increase in fair value of equity investments at FVOCI	27(a)	-	6.6	-	-	-	-	-	-	6.6
Items that may be reclassified subsequently to income statement:										
- increase in fair value of investments at FVOCI	27(b)	-	0.9	-	-	-	-	-	-	0.9
- reclassification adjustments relating to FVOCI investments disposed	8	-	(0.3)	-	-	-	-	-	-	(0.3)
- increase in fair value of receivables at FVOCI	28	-	0.2	-	-	-	-	-	-	0.2
- cash flow hedge										
- decrease in fair value of cash flow hedge		-	-	(22.9)	-	-	-	-	-	(22.9)
- change in fair value currency basis		-	-	-	(3.7)	-	-	-	-	(3.7)
- reclassification to foreign exchange gains on borrowings	9	-	-	24.2	-	-	-	-	-	24.2
- currency translation differences										
- subsidiaries		-	-	-	-	-	(35.3)	-	-	(35.3)
- associate		-	-	-	-	-	(5.5)	-	-	(5.5)
Total comprehensive income/(loss) for the financial year		-	7.4	1.3	(3.7)	-	(40.8)	1,713.0	21.1	1,698.3
Transactions with owners:										
Second interim single-tier cash dividend paid for the financial year ended 31 December 2024	12	-	-	-	-	-	-	(479.7)	-	(479.7)
Special single-tier dividend paid for the financial year ended 31 December 2024	12	-	-	-	-	-	-	(230.3)	-	(230.3)
Interim single-tier cash dividend paid for the financial year ended 31 December 2025	12	-	-	-	-	-	-	(479.7)	-	(479.7)
Dividends paid to non-controlling interests		-	-	-	-	-	-	-	(13.4)	(13.4)
Long-Term Incentive Plan (LTIP):										
- transfer from LTIP reserve upon issuance of shares subsequent to vesting	13	0.2	-	-	-	(0.2)	-	-	-	-
- transfer from LTIP reserve		-	-	-	-	(11.6)	-	11.6	-	-
Total transactions with owners		0.2	-	-	-	(11.8)	-	(1,178.1)	(13.4)	(1,203.1)
At 31 December 2025		4,070.9	100.1	-	-	-	(12.0)	6,428.2	173.9	10,761.1

* Issued and fully paid shares include the Special Rights Redeemable Preference Share (Special Share) of RM1.00. Refer to note 13(a) for details of the terms and rights attached to the Special Share.

The above Consolidated Statement of Changes in Equity are to be read in conjunction with the Notes to the Financial Statements on pages 33 to 119.
Independent Auditors' Report - Pages 121 to 124.

All amounts are in million unless otherwise stated	Note	Attributable to equity holders of the Company							Non-controlling Interests RM	Total Equity RM
		Special Share*/ Ordinary Shares Share Capital RM	FVOCI Reserves RM	Hedging Reserve RM	Cost of Hedging Reserve RM	Long-Term Incentive Plan Reserve RM	Currency Translation Differences RM	Retained Profits RM		
At 1 January 2024		4,070.2	89.5	(8.5)	10.9	12.3	37.7	4,950.9	159.6	9,322.6
Profit for the financial year		-	-	-	-	-	-	2,016.9	22.0	2,038.9
Other comprehensive income										
Items that will not be reclassified subsequently to income statement:										
- increase in fair value of equity investments at FVOCI	27(a)	-	2.3	-	-	-	-	-	-	2.3
Items that may be reclassified subsequently to income statement:										
- increase in fair value of investments at FVOCI	27(b)	-	0.2	-	-	-	-	-	-	0.2
- reclassification adjustments relating to FVOCI investments disposed	8	-	0.3	-	-	-	-	-	-	0.3
- increase in fair value of receivables at FVOCI	28	-	0.4	-	-	-	-	-	-	0.4
- cash flow hedge										
- decrease in fair value of cash flow hedge	19	-	-	(6.1)	-	-	-	-	-	(6.1)
- change in fair value currency basis	19	-	-	-	(7.2)	-	-	-	-	(7.2)
- reclassification to foreign exchange gains on borrowings	9	-	-	13.3	-	-	-	-	-	13.3
- currency translation differences										
- subsidiaries		-	-	-	-	-	(13.6)	-	-	(13.6)
- associate		-	-	-	-	-	4.7	-	-	4.7
Total comprehensive income/(loss) for the financial year		-	3.2	7.2	(7.2)	-	(8.9)	2,016.9	22.0	2,033.2
Transactions with owners:										
Second interim single-tier dividend paid for the financial year ended 31 December 2023	12	-	-	-	-	-	-	(402.9)	-	(402.9)
Final single-tier dividend paid for the financial year ended 31 December 2023	12	-	-	-	-	-	-	(191.9)	-	(191.9)
Interim single-tier cash dividend paid for the financial year ended 31 December 2024	12	-	-	-	-	-	-	(479.7)	-	(479.7)
Dividends paid to non-controlling interests		-	-	-	-	-	-	-	(15.4)	(15.4)
Long-Term Incentive Plan (LTIP):										
- transfer from LTIP reserve upon issuance of shares subsequent to vesting	13	0.5	-	-	-	(0.5)	-	-	-	-
Total transactions with owners		0.5	-	-	-	(0.5)	-	(1,074.5)	(15.4)	(1,089.9)
At 31 December 2024		4,070.7	92.7	(1.3)	3.7	11.8	28.8	5,893.3	166.2	10,265.9

* Issued and fully paid shares include the Special Rights Redeemable Preference Share (Special Share) of RM1.00. Refer to note 13(a) for details of the terms and rights attached to the Special Share.

The above Consolidated Statement of Changes in Equity are to be read in conjunction with the Notes to the Financial Statements on pages 33 to 119.
Independent Auditors' Report - Pages 121 to 124.

COMPANY STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

All amounts are in million unless otherwise stated	Note	Special Share*/ Ordinary Shares Share Capital RM	FVOCI Reserves RM	Hedging Reserve RM	Cost of Hedging Reserve RM	Long-Term Incentive Plan Reserve RM	Retained Profits RM	Total Equity RM
At 1 January 2025		4,070.7	91.0	(1.3)	3.7	11.3	4,888.0	9,063.4
Profit for the financial year		-	-	-	-	-	1,562.1	1,562.1
Other comprehensive income								
Items that will not be reclassified subsequently to income statement:								
- increase in fair value of equity investments at FVOCI	27(a)	-	6.6	-	-	-	-	6.6
Items that may be reclassified subsequently to income statement:								
- increase in fair value of investments at FVOCI	27(b)	-	0.9	-	-	-	-	0.9
- reclassification adjustments relating to FVOCI investments disposed	8	-	(0.3)	-	-	-	-	(0.3)
- cash flow hedge								
- decrease in fair value of cash flow hedge		-	-	(22.9)	-	-	-	(22.9)
- change in fair value currency basis		-	-	-	(3.7)	-	-	(3.7)
- reclassification to foreign exchange gains on borrowings	9	-	-	24.2	-	-	-	24.2
Total comprehensive income/(loss) for the financial year		-	7.2	1.3	(3.7)	-	1,562.1	1,566.9
Transactions with owners:								
Second interim single-tier cash dividend paid for the financial year ended 31 December 2024	12	-	-	-	-	-	(479.7)	(479.7)
Special single-tier dividend paid for the financial year ended 31 December 2024	12	-	-	-	-	-	(230.3)	(230.3)
Interim single-tier cash dividend paid for the financial year ended 31 December 2025	12	-	-	-	-	-	(479.7)	(479.7)
Long-Term Incentive Plan (LTIP):								
- transfer from LTIP reserve upon issuance of shares subsequent to vesting	13	0.2	-	-	-	(0.2)	-	-
- transfer from LTIP reserve		-	-	-	-	(11.1)	11.1	-
Total transactions with owners		0.2	-	-	-	(11.3)	(1,178.6)	(1,189.7)
At 31 December 2025		4,070.9	98.2	-	-	-	5,271.5	9,440.6

* Issued and fully paid shares include the Special Rights Redeemable Preference Share (Special Share) of RM1.00. Refer to note 13(a) for details of the terms and rights attached to the Special Share.

The above Company Statement of Changes in Equity are to be read in conjunction with the Notes to the Financial Statements on pages 33 to 119.
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All amounts are in million unless otherwise stated	Note	Special Share*/ Ordinary Shares Share Capital RM	FVOCI Reserves RM	Hedging Reserve RM	Cost of Hedging Reserve RM	Long-Term Incentive Plan Reserve RM	Retained Profits RM	Total Equity RM
At 1 January 2024		4,070.2	88.2	(8.5)	10.9	11.8	4,608.2	8,780.8
Profit for the financial year		-	-	-	-	-	1,354.3	1,354.3
Other comprehensive income								
Items that will not be reclassified subsequently to income statement:								
- increase in fair value of equity investments at FVOCI	27(a)	-	2.3	-	-	-	-	2.3
Items that may be reclassified subsequently to income statement:								
- increase in fair value of investments at FVOCI	27(b)	-	0.2	-	-	-	-	0.2
- reclassification adjustments relating to FVOCI investments disposed	8	-	0.3	-	-	-	-	0.3
- cash flow hedge								
- decrease in fair value of cash flow hedge	19	-	-	(6.1)	-	-	-	(6.1)
- change in fair value currency basis	19	-	-	-	(7.2)	-	-	(7.2)
- reclassification to foreign exchange gains on borrowings	9	-	-	13.3	-	-	-	13.3
Total comprehensive income/(loss) for the financial year		-	2.8	7.2	(7.2)	-	1,354.3	1,357.1
Transactions with owners:								
Second interim single-tier dividend paid for the financial year ended 31 December 2023	12	-	-	-	-	-	(402.9)	(402.9)
Final single-tier dividend paid for the financial year ended 31 December 2023	12	-	-	-	-	-	(191.9)	(191.9)
Interim single-tier cash dividend paid for the financial year ended 31 December 2024	12	-	-	-	-	-	(479.7)	(479.7)
Long-Term Incentive Plan (LTIP):								
- transfer from LTIP reserve upon issuance of shares subsequent to vesting	13	0.5	-	-	-	(0.5)	-	-
Total transactions with owners		0.5	-	-	-	(0.5)	(1,074.5)	(1,074.5)
At 31 December 2024		4,070.7	91.0	(1.3)	3.7	11.3	4,888.0	9,063.4

* Issued and fully paid shares include the Special Rights Redeemable Preference Share (Special Share) of RM1.00. Refer to note 13(a) for details of the terms and rights attached to the Special Share.

The above Company Statement of Changes in Equity are to be read in conjunction with the Notes to the Financial Statements on pages 33 to 119.
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STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

		The Group		The Company	
All amounts are in million unless otherwise stated	Note	2025 RM	2024 RM	2025 RM	2024 RM
CASH FLOWS FROM OPERATING ACTIVITIES	37	**3,518.9**	4,010.6	**1,281.6**	1,193.1
CASH FLOWS (USED IN)/FROM INVESTING ACTIVITIES	38	**(1,197.0)**	(1,002.2)	**324.1**	36.7
CASH FLOWS USED IN FINANCING ACTIVITIES	39	**(2,809.4)**	(2,708.5)	**(2,096.5)**	(1,074.7)
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS		**(487.5)**	299.9	**(490.8)**	155.1
EFFECT OF EXCHANGE RATE CHANGES		**0.1**	(24.7)	**13.7**	(18.5)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR		**2,973.1**	2,697.9	**774.6**	638.0
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL YEAR	34	**2,485.7**	2,973.1	**297.5**	774.6

SIGNIFICANT NON-CASH TRANSACTIONS

Significant non-cash transactions during the financial year are as follows:

	The Group		The Company	
	2025 RM	2024 RM	2025 RM	2024 RM
(a) Contra settlements with subsidiaries between trade and other receivables and trade and other payables	**-**	-	**-**	160.5
(b) Contra settlements with customers cum suppliers between trade receivables and trade payables	**132.2**	245.4	**-**	-

The above Statements of Cash Flows are to be read in conjunction with the Notes to the Financial Statements on pages 33 to 119.
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All amounts are in million unless otherwise stated

1. PRINCIPAL ACTIVITIES

The principal activities of the Group and of the Company are investment holding, the establishment, maintenance and provision of telecommunications and related services. The details and principal activities of subsidiaries are set out in note 50. There were no significant changes in the principal activities of the Group during the financial year.

Telekom Malaysia Berhad is a public limited liability company, incorporated and domiciled in Malaysia, and is listed on the Main Board of Bursa Malaysia Securities Berhad (Bursa Securities). The registered office of the Company is Level 51 North Wing, Menara TM, Jalan Pantai Baharu, 50672 Kuala Lumpur. The principal office and place of business of the Company is Menara TM, Jalan Pantai Baharu, 50672 Kuala Lumpur.

2. MATERIAL ACCOUNTING POLICIES

(a) Basis of Preparation of the Financial Statements

The financial statements of the Group and of the Company have been prepared in accordance with the Malaysian Financial Reporting Standards (MFRS Accounting Standards), International Financial Reporting Standards (IFRS Accounting Standards) and the requirements of the Companies Act 2016 in Malaysia.

The financial statements have been prepared under the historical cost convention except as disclosed in the Material Accounting Policies below.

The preparation of financial statements in conformity with MFRS Accounting Standards requires the use of certain critical accounting estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosures of contingent assets and liabilities as at the reporting date, and the reported amounts of the revenue and expenses during the reported period. It also requires the Directors to exercise their judgements in the process of applying the Group's and the Company's accounting policies. Although these estimates and judgements are based on the Directors' best knowledge of current events and actions, actual results may differ. The areas involving a higher degree of judgements or complexities, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 3.

(i) The amendments to published standards that are effective and applicable for the Group's and the Company's financial year beginning 1 January 2025

The amendments to published standards that are effective and applicable to the Group and the Company are as follows:

Amendments to MFRS 121	Lack of Exchangeability

The adoption of the above amendments to published standards have not led to any material impact on the financial result, position or disclosure for the current or previous periods nor any of the Group's and of the Company's Material Accounting Policies.

(ii) New standards and amendments to published standards that have been issued but not yet effective and have not been adopted early by the Group and the Company

Effective for annual periods beginning on or after 1 January 2026

Amendments to MFRS 9 and MFRS 7	Amendments to the Classification and Measurement of Financial Instruments
	Contracts Referencing Nature-dependent Electricity

2. MATERIAL ACCOUNTING POLICIES (CONTINUED)

(a) Basis of Preparation of the Financial Statements (continued)

(ii) New standards and amendments to published standards that have been issued but not yet effective and have not been adopted early by the Group and the Company (continued)

<u>Effective for annual periods beginning on or after 1 January 2026 (continued)</u>

Annual Improvements to MFRS Accounting Standards - Volume 11	(i) Amendments to MFRS 7 Financial Instruments: Disclosures (Gain or loss on derecognition)
	(ii) Amendments to MFRS 9 Financial Instruments (Derecognition of lease liabilities & Transaction price)
	(iii) Amendments to MFRS 10 Consolidated Financial Statements (Determination of a 'de facto agent')
	(iv) Amendments to MFRS 107 Statement of Cash Flows (Cost method)

<u>Effective for annual periods beginning on or after 1 January 2027</u>

MFRS 18	Presentation and Disclosure in Financial Statements
MFRS 19 *(including Amendments to MFRS 19)*	Subsidiaries without Public Accountability: Disclosures
Amendments to MFRS 121	Translation to a Hyperinflationary Presentation Currency

<u>Effective for annual periods to be announced by MASB</u>

Amendments to MFRS 10 and MFRS 128	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

MFRS 18 "Presentation and Disclosure in Financial Statements" replaces MFRS 101 "Presentation of Financial Statements" and introduces significant changes to the presentation and disclosures requirements in the financial statements. MFRS 18 introduces new categories and subtotals in the income statement. Under MFRS 18, entities are required to classify all income and expenses within the income statement into three new categories: operating, investing and financing. In addition, MFRS 18 also requires an entity to present two new subtotals in the income statement which are 'operating profit or loss' and 'profit or loss before financing and income taxes'.

It also requires the disclosure of management-defined performance measures ("MPMs") in a single note to the financial statements and be reconciled to the most similar specified subtotal in MFRS Accounting Standards. Furthermore, it provides enhanced guidance on the principles of aggregation and disaggregation of information, focusing on grouping items based on their shared characteristics. These principles are applied across the financial statements and are used in defining which line items are presented in the primary financial statements and what information is disclosed in the notes. MFRS 18 shall be applied retrospectively.

The adoption of the applicable new standards, annual improvements and amendments to published standards is not expected to have a material impact on the financial statements of the Group and of the Company. The Group and the Company are currently in the process of assessing the potential impact of MFRS 18 on related disclosures and notes to the Group's and the Company's financial statements. The Group expects that the impact of adopting MFRS 18 may affect the presentation and disclosures within the Group's financial statements and additional disclosures relating to management-defined performance measures. The adoption of MFRS 18 is not expected to affect the recognition or measurement of the Group's and the Company's assets, liabilities, income or expenses.

2. MATERIAL ACCOUNTING POLICIES (CONTINUED)

(b) Economic Entities in the Group

(i) Subsidiaries

Subsidiaries are all entities over which the Group has control.

Subsidiaries are consolidated using the acquisition method of accounting except for business combinations involving entities or businesses under common control. Under the acquisition method of accounting, subsidiaries are fully consolidated from the date on which control is transferred to the Group and are excluded from consolidation from the date that control ceases.

The consideration transferred for acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred and the equity interests issued by the Group. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date.

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the identifiable net assets acquired is recorded as goodwill. If this is less than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognised in the Consolidated Income Statement (refer to Material Accounting Policies note 2(e)(i) on Goodwill).

Non-controlling interest is the equity in a subsidiary not attributable, directly or indirectly, to a parent. On an acquisition-by-acquisition basis, the Group measures any non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's identifiable net assets.

Intra-group transactions, balances and unrealised gains or losses on transactions between Group companies are eliminated.

(ii) Associate and Joint Venture

Investment in associate and joint venture is accounted for in the consolidated financial statements using the equity method of accounting and is initially recognised at cost. The Group's investment in associate and joint venture includes goodwill identified on acquisition, net of any accumulated impairment loss.

(c) Investments in Subsidiaries, Associate and Joint Venture in Separate Financial Statements

Investments in subsidiaries, associate and joint venture are stated at cost less accumulated impairment losses in the Company's separate financial statements. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount (refer to Material Accounting Policies note 2(f) on Impairment of Non-Financial Assets). Impairment losses are charged to the Income Statement.

(d) Property, Plant and Equipment

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the items. Certain freehold land are carried at fair value, being their deemed cost in accordance with the exemption provided by MFRS 1 "First-time Adoption of Malaysian Financial Reporting Standards" as at 1 January 2011, the date of transition to MFRS.

(i) Cost

Cost of telecommunications network comprises expenditure up to and including the last distribution point before the customers' premises and includes contractors' charges, materials, direct labour and related overheads. The cost of other property, plant and equipment comprises their purchase cost and any incidental cost of acquisition. These costs include the costs of dismantling, removal and restoration, the obligation which was incurred as a consequence of installing the asset. Cost also includes borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset.

NOTES TO THE FINANCIAL STATEMENTS
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2. MATERIAL ACCOUNTING POLICIES (CONTINUED)

(d) Property, Plant and Equipment (continued)

(i) Cost (continued)

Subsequent cost is included in the carrying amount of the asset or recognised as a separate asset, as appropriate, only when it is probable that the future economic benefit associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the Income Statement during the period in which they are incurred.

(ii) Depreciation

Freehold land is not depreciated as it has an infinite life. Leasehold land is depreciated over the period of its respective lease and is classified as long-term lease if it has an unexpired lease period of 50 years and above. Other property, plant and equipment are depreciated on a straight line basis to allocate the cost of the assets to their residual values over their estimated useful lives in years as summarised below:

Telecommunications civil works, ducts and manholes	30
Telecommunications network and infrastructure related	2 – 20
Movable plant and equipment	2 – 10
Computer support systems	3 – 8
Buildings	5 – 40

Capital work-in-progress are stated at cost and are not depreciated. Upon completion, capital work-in-progress are transferred to categories of property, plant and equipment depending on the nature of the assets. Capital work-in-progress includes servicing equipment, materials and spares.

(iii) Impairment

At each reporting date, the Group assesses whether there is any indication of impairment. If such indication exists, an analysis is performed to assess whether the carrying value of the asset is fully recoverable. A write-down is made if the carrying value exceeds the recoverable amount (refer to Material Accounting Policies note 2(f) on Impairment of Non-Financial Assets).

(e) Intangible Assets

(i) Goodwill

Goodwill is carried at cost less accumulated impairment losses. Goodwill is tested for impairment at least annually, or when events or circumstances occur indicating that an impairment may exist.

For the purpose of impairment testing, goodwill is allocated to each of the cash-generating units (CGUs), or groups of CGUs, that is expected to benefit from the synergies of the combination. The carrying value of goodwill is compared to the recoverable amount, which is the higher of value-in-use and the fair value less cost of disposal. Any impairment is recognised immediately as an expense and not subsequently reversed.

(ii) Software

Acquired software costs and development costs that are directly associated with identifiable and unique software products controlled by the Group that will generate probable future economic benefits exceeding costs beyond one year are recognised as intangible assets. The assets are amortised from the point which they are ready for use. Amortisation is calculated on a straight line basis over their estimated useful lives as summarised as below:

Infrastructure Software	5
Application Software	3 – 8
Others	3 – 8

2. MATERIAL ACCOUNTING POLICIES (CONTINUED)

(e) Intangible Assets (continued)

(ii) Software (continued)

Directly attributable costs that are capitalised as part of the software product include the software development employee costs and an appropriate portion of relevant overheads.

Computer software for a computer-controlled machine tool that cannot operate without that specific software is an integral part of the related hardware and it is accounted for as property, plant and equipment as disclosed under note 2(d). Software that is not an integral part of the related hardware is accounted for as an intangible asset.

At each reporting date, the Group assesses whether there is any indication of impairment. If such indication exists, an analysis is performed to assess whether the carrying value of the asset is fully recoverable.

(iii) Telecommunication Spectrum

Telecommunication spectrum acquired in a business combination is carried at cost less accumulated amortisation. Amortisation is calculated on a straight line basis over the estimated useful life of 7 years.

Other telecommunication spectrums acquired through Spectrum Assignment (SA) are amortised based on the assignment term of the respective spectrum bands. The annual fees incurred during the SA periods are recognised as expenses in the Income Statement.

Spectrums are subjected for impairment review whenever adverse events or changes in circumstances indicate that impairment may have occurred.

(f) Impairment of Non-Financial Assets

Assets that have an indefinite useful life, namely goodwill, are not subject to amortisation and are tested for impairment annually, or as and when events or circumstances occur indicating that an impairment may exist. Property, plant and equipment and other non-current assets, including intangible assets with definite useful life, are reviewed for impairment losses whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. Assets other than goodwill that suffered an impairment are reviewed for possible reversal at each reporting date.

(g) Financial Assets

At initial recognition, the Group and the Company measure a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVTPL), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVTPL are expensed in profit or loss.

<u>Debt instruments</u>

There are three measurement categories into which the Group and the Company classify their debt instruments:

(i) Amortised cost

Assets that are held for collection of contractual cash flows where those cash flows represent solely payment of principal and interest (SPPI) are measured at amortised cost. Interest income from these financial assets is included in other income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other gains/(losses) together with foreign exchange gains and losses. Impairment losses are presented as separate line item in the Income Statement.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

2. MATERIAL ACCOUNTING POLICIES (CONTINUED)

(g) Financial Assets (continued)

(ii) FVOCI

Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent SPPI, are measured at FVOCI, for instance housing loans extended to employees which were classified as Receivables at FVOCI. Movements in the carrying amount are taken through Other Comprehensive Income (OCI), except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses which are recognised in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other gains/(losses).

Interest income from these financial assets is included in other income using the effective interest rate method. Foreign exchange gains and losses are presented in other gains/(losses) and impairment expenses are presented as separate line item in the Income Statement.

(iii) FVTPL

Assets that do not meet the criteria for amortised cost or FVOCI are measured at FVTPL. The Group and the Company may also irrevocably designate financial assets at FVTPL if doing so significantly reduces or eliminates a mismatch created by assets and liabilities being measured on different bases. Fair value changes are recognised in profit or loss and presented net within other gains/(losses) in the period when they arise.

Equity instruments

The Group and the Company subsequently measure all equity investments at fair value except for subsidiaries and associate. Where the Group's and the Company's management have elected to present fair value gains and losses on equity investments in OCI, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. Dividends from such investments continue to be recognised in profit or loss as other income when the Group's and the Company's right to receive payments is established.

Offsetting Financial Instruments

Certain amounts of trade receivables and trade payables are offset and the net amount presented in the Statement of Financial Position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously.

(h) Impairment of Financial Assets

Impairment for contract assets and debt instruments

The Group and the Company assess on a forward looking basis the expected credit loss (ECL) associated with its debt instruments carried at amortised cost and at FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

The Group and the Company have contract assets and four types of financial instruments that are subject to the ECL model:

- Trade receivables
- Other receivables
- Loans to subsidiaries
- Receivables at FVOCI

While cash and cash equivalents are also subject to the impairment requirements of MFRS 9, the identified impairment loss is immaterial.

ECL represents a probability-weighted estimate of the difference between present value of cash flows according to contract and present value of cash flows the Group expects to receive, over the remaining life of the financial instrument.

2. MATERIAL ACCOUNTING POLICIES (CONTINUED)

(h) Impairment of Financial Assets (continued)

Impairment for contract assets and debt instruments (continued)

The measurement of ECL reflects:

- an unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;
- the time value of money; and
- reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

(i) General 3-stage approach for receivables other than trade and contract assets

At each reporting date, the Group measures ECL through loss allowance at an amount equal to 12 month ECL if credit risk on a financial instrument or a group of financial instruments has not increased significantly since initial recognition. For all other financial instruments, a loss allowance at an amount equals to lifetime ECL is required. Note 4(a)(ii)(c)(ii) sets out the measurement details of ECL.

(ii) Simplified approach for trade receivables and contract assets

The Group applies the MFRS 9 simplified approach to measure ECL which uses a lifetime ECL for all trade receivables and contract assets. Note 4(a)(ii)(c)(i) sets out the measurement details of ECL.

Significant increase in credit risk

The Group considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. It considers available reasonable and supportable forward-looking information. Macroeconomic information (such as market interest rates or growth rates) is incorporated as part of the internal rating model.

A significant increase in credit risk is presumed if a debtor is more than 30 days past due in making a contractual payment.

Definition of default and credit-impaired financial assets

The Group defines a financial instrument as default, which is fully aligned with the definition of credit-impaired, when it meets one or more of the following criteria:

<u>Quantitative criteria:</u>

The Group defines a financial instrument as default, when the counterparty fails to make contractual payment within 90 and 365 days of when they fall due for trade receivable and non-trade receivable balances respectively.

<u>Qualitative criteria:</u>

The debtor meets unlikeliness to pay criteria, which indicates the debtor is in significant financial difficulty. The Group considers the following instances:

- the debtor is in breach of financial covenants
- concessions have been made by the lender relating to the debtor’s financial difficulty
- it is becoming probable that the debtor will enter bankruptcy or other financial reorganisation
- the debtor is insolvent

Financial instruments that are credit-impaired are assessed on individual basis.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

2. MATERIAL ACCOUNTING POLICIES (CONTINUED)

(h) Impairment of Financial Assets (continued)

(ii) Simplified approach for trade receivables and contract assets (continued)

Groupings of instruments for measurement of ECL

(a) Collective assessment

To measure ECL, trade receivables and contract assets arising from Business-to-Consumer (B2C), Business-to-Business (B2B) and Carrier-to-Carrier (C2C) customer-facing business units have been grouped based on shared credit risk characteristics and the days past due. The contract assets relate to unbilled services provided and have substantially the same risk characteristics as the trade receivables for the same types of contracts. The Group and the Company have therefore concluded that the expected loss rates for trade receivables are a reasonable approximation of the loss rates for the contract assets.

(b) Individual assessment

Trade receivables and contract assets which are in default or credit-impaired are assessed individually.

Loans to subsidiaries in the Company's separate financial statements are assessed on individual basis for ECL measurement, as credit risk information is obtained and monitored based on each loan to subsidiary.

Write-off

The financial assets and contract assets are written off when there is no reasonable expectation of recovery. Indicators such as the failure of a debtor to engage in a repayment plan with the Group and the Company, early termination of contract by customers and a failure to make contractual payment for a prolonged period.

(i) Derivative Financial Instruments and Hedging Activities

Cash flow hedge

The effective portion of changes in the fair value of derivatives that are designated and qualified as cash flow hedges is recognised in other comprehensive income. The gain or loss relating to the ineffective portion is recognised immediately in the Income Statement within "other gains or losses – net". Where the Group and the Company exclude the foreign currency basis spread from the designation of derivatives used as hedging instrument, the change in the foreign currency basis spread of the hedging instrument is recognised in other comprehensive income and accumulated in costs of hedging reserve within equity. The Group and the Company designate the cost of hedging application in relation to foreign currency basis spread on a hedge by hedge basis.

Amounts accumulated in equity (including the cost of hedging reserve) are reclassified to the Income Statement in the periods when the hedged cash flows affect the Income Statement. The gain or loss relating to the effective portion of cross currency interest rate swaps and interest rate swap hedging fixed rate borrowings is recognised in the Income Statement within "finance cost".

When a hedging instrument expires or is sold or terminated, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss existing in equity at that time remains in equity and is recognised when the hedged cash flows affect profit or loss in the Income Statement.

2. MATERIAL ACCOUNTING POLICIES (CONTINUED)

(j) Inventories

Inventories comprise telecommunications equipment and capacity held for resale, as well as land held for sale. These are stated at lower of cost and net realisable value.

Cost is determined on a weighted average basis and comprises all costs of purchase and other costs incurred in bringing the inventories to their present location. The cost of finished goods comprises design costs, raw materials, direct labour, other direct costs and related production overheads (based on normal operating capacity). It excludes borrowing costs.

Net realisable value represents the estimated selling price in the ordinary course of business, less all estimated costs to completion and applicable variable selling expenses. In arriving at the net realisable value, due allowance is made for all obsolete and slow moving items.

(k) Share Capital

(i) Classification

Ordinary shares and non-redeemable preference shares with discretionary dividends are classified as equity. Other shares are classified as equity and/or liability according to the economic substance of the particular instrument.

Distribution to holders of a financial instrument classified as an equity instrument is debited directly to equity.

(ii) Share Issue Costs

Incremental costs directly attributable to the issuance of new shares or options are deducted against equity.

(iii) Dividend to Shareholders of the Company

Dividends on redeemable preference shares are recognised as a liability and expressed on an accrual basis. Other dividends are recognised as a liability in the period in which they are declared.

Dividend in specie of shares distributed to the Group's and the Company's shareholders is recorded at the carrying value of net asset distributed. The distribution is recorded as a movement in equity.

(l) Financial Liabilities

Trade and other payables, customer deposits and borrowings are classified as other financial liabilities. These are recognised initially at fair value, net of transaction costs incurred and subsequently measured at amortised cost using the effective interest method.

(m) Leases

(i) Accounting by lessee

The Group leases various categories of items such as telecommunications network, lands and buildings. Leases are recognised as right-of-use (ROU) asset and a corresponding liability at the date on which the leased asset is available for use by the Group (i.e. the commencement date).

Contracts may contain both lease and non-lease components. The Group allocates the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices. However, for leases such as properties and customer premise equipment (CPE) for which the Group is lessee, they have elected the practical expedient provided in MFRS 16 not to separate lease and non-lease components. Both components are accounted for as a single lease component and payments for both components are included in the measurement of lease liability.

NOTES TO THE FINANCIAL STATEMENTS
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2. MATERIAL ACCOUNTING POLICIES (CONTINUED)

(m) Leases (continued)

(i) Accounting by lessee (continued)

(a) Lease term

In determining the lease term, extension options (or periods after termination options) are only included if the lease is reasonably certain to be extended (or not to be terminated).

The Group reassesses the lease term upon the occurrence of a significant event or change in circumstances that is within the control of the Group.

(b) Right-of-use (ROU) assets

ROU assets are initially measured at cost comprising the following:
- The amount of the initial measurement of lease liability;
- Any lease payments made at or before the commencement date less any lease incentive received;
- Any initial direct costs; and
- Decommissioning or restoration costs.

ROU assets are subsequently measured at cost, less accumulated depreciation and impairment loss. The ROU assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight line basis. If the Group is reasonably certain to exercise a purchase option, the ROU asset is depreciated over the underlying asset's useful life.

In addition, the ROU assets are adjusted for certain remeasurement of the lease liabilities due to modification and termination of lease contracts.

(c) Lease liabilities

Lease liabilities are initially measured at the present value of the lease payments to be made over the lease term. Lease payments are discounted using the interest rate implicit in the lease or the lessee's incremental borrowing rate. Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period.

(d) Reassessment of lease liabilities

The Group is also exposed to potential future increases in variable lease payments that depend on an index or rate, which are not included in the lease liability until they take effect. When adjustments to lease payments based on an index or rate take effect, the lease liability is remeasured and adjusted against the ROU assets.

(e) Short-term leases and low-value assets

Short-term leases are leases with a lease term of 12 months or less. Low-value assets are those with individual asset cost of less than RM25,000 and comprise information technology (IT) equipment and small items of office furniture. Payments associated with short-term leases of equipment and vehicles and all leases of low-value assets are recognised on a straight line basis as an expense in profit or loss.

(ii) Accounting by lessor

Finance leases

The Group classifies a lease as a finance lease if the lease transfers substantially all the risks and rewards incidental to ownership of an underlying asset to the lessee.

2. MATERIAL ACCOUNTING POLICIES (CONTINUED)

(m) Leases (continued)

(ii) Accounting by lessor (continued)

Finance leases (continued)

The Group derecognises the underlying asset and recognise a receivable at an amount equal to the net investment in a finance lease. The receivable is measured based on future payments to be received discounted using the interest rate implicit in the lease, adjusted for any direct costs. The difference between derecognised asset and lease receivables is recognised in the Income Statement. Finance income arising from lease receivables is recognised over the term of the lease on the Group's net investment in the lease to reflect a constant periodic rate of return.

Operating leases

The Group classifies a lease as an operating lease if the lease does not transfer substantially all the risks and rewards incidental to ownership of an underlying asset to the lessee.

The Group recognised lease payments received under operating lease as lease income on a straight line basis over the lease term.

When assets are leased out under an operating lease, the asset is included in the Statement of Financial Position based on the nature of the asset. Initial direct costs incurred in obtaining an operating lease are added to the carrying amount of underlying asset and recognised as an expense over the lease term on the same basis as lease income.

(n) Government Grants

Grants from the Government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Group will comply with all attached conditions.

Government grants related to income are deducted from the corresponding costs on the Income Statement. Government grants relating to the purchase of assets are deducted from the carrying amount of the related assets and recognised in profit or loss over the lives of the depreciable assets by way of a reduced depreciation charge.

Any excess of Government grants, after offsetting, is deferred and recognised in the Income Statement.

(o) Income Taxes

Current tax expense is determined according to the tax laws of each jurisdiction in which the Group operates and include all taxes based upon the taxable profits, including withholding taxes payable by foreign subsidiaries or associate on distributions of retained profits to companies in the Group, and real property gains taxes payable on disposal of properties. Tax is recognised in the Income Statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the Company and its subsidiaries, and associate operate and generate taxable income.

Deferred tax is recognised in full, using the liability method, on temporary differences arising between the amounts attributed to assets and liabilities for tax purposes and their carrying amounts in the financial statements. Deferred tax is determined using tax rates (and tax laws) that have been enacted or substantially enacted by the reporting date and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.

Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available in the future, against which the deductible temporary differences or unutilised tax losses and tax credits (including investment allowances) can be utilised.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

2. MATERIAL ACCOUNTING POLICIES (CONTINUED)

(p) Revenue Recognition

(i) Revenue from contracts with customers under MFRS 15

(a) Revenue from Internet and multimedia, voice and data services

Revenue from Internet and multimedia, voice and data services are bundled contracts prevalent to B2C and B2B, the customer-facing business units of the Group. It is common for contracts with customers for these services to require a minimum subscription period, whereby any early termination by the customer will result in a penalty charged against the customer. Such minimum subscription periods shall be taken as the contract period. Contract periods may be modified for extensions when customers accept equipment relating to the contract free of charges in exchange for an extension to the previous minimum contract period. Allocation of the total consideration receivable to the different components of the contract is based on the separate stand-alone selling price of each component.

Devices provided for Internet and multimedia and voice contracts are accounted for as a separate performance obligation to the customer. CPE for data services are mostly intrinsic to the services provided to customers and are not accounted for as a separate performance obligation. Revenue allocated to devices is recognised upfront upon installation of the devices at the inception of the contract. Consequently, this will reduce the monthly service revenue recognised when compared to the fixed amount billed subsequently on a recurring basis. This results in the recognition of a contract asset when the device or content is delivered before billing whereas if the payment is made or due from customer before the delivery of device or content, then a contract liability is recognised.

Other performance obligations in Internet and multimedia, voice and data services contracts are recognised on a straight line basis over the contractual period as services are provided on a continuous basis.

(b) Revenue from Wholesale voice and data services

Certain wholesale services are contracted with volume discounts based on aggregated cumulative volume. Revenue from these contracts is recognised based on the price specified in the contract, net of the volume discounts estimated to be given over the contract period. Accumulated experience and expected trends are used to estimate and provide for the discounts, using the most likely value method. Revenue is only recognised to the extent that it is highly probable that a significant reversal will not occur. The difference between the revenue recognised net of estimated discounts and the amount billed to customers are recognised as contract liabilities.

Revenue net of estimated discounts is recognised on a straight line basis over the contractual period.

(c) Revenue from Other telecommunications related services

Revenue from Other telecommunications related services mainly comprises revenue from contracts with customers of B2B which bundles the provision of data services and/or Internet and voice services with customised Information and Communications Technology (ICT) products and solutions. It is common for these contracts to include the delivery, installation and maintenance services of telecommunications related equipment and network. Revenue from the Group's Business Process Outsourcing services are also disclosed under this category.

When the total contract price for a bundled contract is negotiated and concluded together, certain portions of the bundled equipment or services may be provided at discounted prices. The total consideration received in such bundled or multiple performance obligation contracts is allocated between the different performance obligations based on the stand-alone selling price of each component. Where these are not directly observable, they are estimated based on expected cost plus margin.

Revenue is generally recognised over time based on the progress towards the satisfaction of the performance obligation.

2. MATERIAL ACCOUNTING POLICIES (CONTINUED)

(p) Revenue Recognition (continued)

(i) Revenue from contracts with customers under MFRS 15 (continued)

(c) Revenue from Other telecommunications related services (continued)

The progress towards complete satisfaction of the performance obligation is measured based on one of the following methods that best depict the Group's performance in satisfying the performance obligation:

- direct measurements of the value transferred by the Group to the customer (i.e. certificates of acceptance); or
- the Group's efforts or inputs to the satisfaction of the performance obligation (i.e. costs incurred to date).

Consequently, the timing of revenue recognition may differ from the amount and frequency of contracted milestone billings. Contract assets will be recognised when the equipment or services are delivered before billing whereas if the payment is made or due from customer before the delivery of the associated equipment or services, then a contract liability is recognised.

(d) Revenue from Non-telecommunications related services

Revenue from Non-telecommunications related services mainly comprise revenue from tuition fees from the Group's education cluster. These contracts with customers are largely single performance obligation contracts where revenue is recognised upon rendering of services.

(ii) Revenue from other sources

Dividend income from investment in subsidiaries, associate and equity investments is recognised when a right to receive payment is established.

(q) Contracts with Customers

(i) Contract Cost Assets

Sales commission and other third party acquisition costs resulting directly from securing contracts with customers will be capitalised when they are incremental and expected to be recovered over the contract period when it exceeds 12 months. These are then amortised on straight line basis over either the average customer retention period or the contract term.

(ii) Contract Assets

Contract assets is the right of the Group to receive consideration in exchange for goods or services that the Group have transferred to a customer conditioned to factor(s) other than the passage of time.

(iii) Contract Liabilities

The Group's obligation to transfer goods or services to a customer for which the Group has received consideration in advance from customer is presented as contract liability. A contract liability is also recognised for expected volume discounts granted to customer for future purchases.

(r) Employee Benefits

(i) Short-term Employee Benefits

Wages, salaries, paid annual leave and sick leave, bonuses and non-monetary benefits are accrued in the period in which the associated services are rendered by employees of the Group and of the Company.

NOTES TO THE FINANCIAL STATEMENTS
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2. MATERIAL ACCOUNTING POLICIES (CONTINUED)

(r) Employee Benefits (continued)

(ii) Defined Contribution Plans

The Group's contributions to defined contribution plans are charged to the Income Statement in the period to which they relate. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

(iii) Termination Benefits

Termination benefits are payable whenever an employee's employment is terminated before the normal retirement date or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Group recognises termination benefits when it is demonstrably committed to either terminate the employment of current employees according to a detailed formal plan without possibility of withdrawal or to provide termination benefits as a result of an offer made to encourage voluntary redundancy. Benefits falling due more than 12 months after the reporting date are discounted to present value. These include limited medical benefits provided up to a certain age for eligible ex-employees under certain optional retirement scheme.

(iv) Share-based Compensation

- **Equity-settled Share-based Compensation**

  The fair value of the employee services received in exchange for the grant of shares to employees of the Group and of the Company are recognised as an expense in the Income Statement over the vesting period of the grant (or each respective grants in the event of multiple grants) with a corresponding increase in share-based payment reserve in equity.

  For shares granted to the employees of subsidiaries, the fair value of the grant is recognised as a cost to investment in the subsidiaries over the vesting period with a corresponding adjustment to equity.

- **Cash-settled Share-based Compensation**

  The fair value of the employee services received in exchange for the cash payment by the Group or the Company to employees in lieu of shares of the Group and of the Company are recognised at the fair value of the liability incurred, as expense in the Income Statement over the vesting period of the grant (or each respective grants in the event of multiple grants).

The total amount to be expensed over the respective vesting periods is determined by reference to the fair value of the shares granted, excluding the impact of any non-market vesting conditions. Non-market vesting conditions are included in the assumptions about the number of shares that are expected to vest. At each reporting date, the Group and the Company revise estimates of the number of shares that are expected to vest. It recognises the impact of the revision of original estimates of the grant liability, if any, in the Income Statement with a corresponding adjustment to share-based payment reserve in equity.

The fair value of shares granted to employees of subsidiaries are allocated to the subsidiaries.

When the shares granted are vested and issued, the fair value is credited to share capital with corresponding debit to reserves and cash received (if any).

(s) Foreign Currencies

(i) Functional and Presentation Currency

The consolidated financial statements are presented in Ringgit Malaysia, which is the Company's functional and presentation currency.

2. MATERIAL ACCOUNTING POLICIES (CONTINUED)

(s) Foreign Currencies (continued)

(ii) Transactions and Balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions.

Foreign exchange gains and losses that relate to borrowings are presented in the Income Statement within “net finance cost”. All other foreign exchange gains and losses are presented in the Income Statement within “operating costs”.

(t) Climate Change

The Group considers climate-related matters in estimates and assumptions, where appropriate. This assessment includes a wide range of possible impacts on the group due to both physical and transition risks. Even though the Group believes its business model and products will still be viable after the transition to a low-carbon economy, climate-related matters increase the uncertainly in estimates and assumptions underpinning several items in the financial statements. The items and considerations that are most directly impacted by climate-related matters are:

- Useful life of a property, plant and equipment. When reviewing the residual values and expected useful lives of assets, the Group considers climate-related matters, such as climate-related legislation and regulations that may restrict the use of assets or require significant capital expenditure.

- Impairment of non-financial assets. The value-in-use may be impacted in several different ways by transition risk in particular, such as climate-related legislation and regulations and changes in demand for the Group’s products. The Group has concluded that no single climate-related assumption is a key assumption for the purpose of impairment assessment during the financial year.

3. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates are continually evaluated by the Directors and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Group and the Company make estimates and assumptions concerning the future. The resulting accounting estimates will by definition, rarely equal the related actual results. To enhance the information content of the estimates, certain key variables that are anticipated to have material impact to the Group’s and the Company’s results and financial position are tested for sensitivity to changes in the underlying parameters. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next year are mentioned below:

(a) Accounting for Contracts with Customers

Certain estimates were made in applying MFRS 15 for the Group. These estimates were made, amongst others, on volume commitments, transaction prices and future discounts, which took into consideration the circumstances and information that were available at the reporting date. Accordingly, the Group will continue to refine these estimates, where applicable.

	Areas of Estimates	Basis of Estimates
(i)	Determination of Stand-alone Selling Price	The relative Stand-alone Selling Price (SSP) of each performance obligation is used as a basis to allocate the total contracted price from a contract with customer to the different performance obligations that the contract comprises of. Management estimates the SSP of performance obligations at contract inception based on observable prices for the type of hardware, goods or services likely to be provided in similar circumstances to similar customers. When observable market price is limited from the market, historical profit margins for actual similar services provided from recent years is used as a basis to be applied on planned or estimated cost to provide a service to arrive to a SSP.

NOTES TO THE FINANCIAL STATEMENTS
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3. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONTINUED)

(a) Accounting for Contracts with Customers (continued)

Certain estimates were made in applying MFRS 15 for the Group. These estimates were made, amongst others, on volume commitments, transaction prices and future discounts, which took into consideration the circumstances and information that were available at the reporting date. Accordingly, the Group will continue to refine these estimates, where applicable. (continued)

	Areas of Estimates	Basis of Estimates
(ii)	Measurement of progress of performance obligation	Certain contracts for which a combination of performance obligations may be delivered to the customer over a medium/long-term period may require an estimate of percentage of completion of the services delivered to the customer based on the total costs incurred over expected cost of the contract. Where practicable, acceptance milestones from customers over total contracted deliverables are also used as a measure of progress.
(iii)	Determination of transaction price	Certain medium/long-term wholesale contracts involve tiered or volume discounts given based on the transaction price of all services under that contract once a certain volume or number of sites of services is reached. Estimates are made on the expected discounts to be given for such contracts based on total cumulative services together with estimates of scales expected to be reached over the contract period and general economic environment affecting general level of demand from the particular customer. Adjustments on such estimates and its impact on the total transaction prices expected from the entire contract are revised cumulatively at least on an annual review basis.

(b) Estimated Useful Lives of Property, Plant and Equipment and Intangible Assets

The Group reviews annually the estimated useful lives of property, plant and equipment and intangible assets based on factors such as business plan and strategies, expected level of usage, changes in technology, latest findings in research and development, updated practices to enhance performance of certain network assets and future technological developments. Future results of operations could be materially affected by changes in these estimates brought about by changes in the factors mentioned. A change in the estimated useful lives of property, plant and equipment and intangible assets would change the recorded depreciation and the carrying amount of property, plant and equipment and intangible assets.

During the financial year, the Group revised the estimated useful lives of infrastructure software, resulting in an increase in depreciation charges due to the shortening of useful lives. The revision reflects the expected pattern of economic consumption of the Group's infrastructure software. The change in the estimated useful lives was accounted for prospectively in accordance with MFRS 108 "Accounting Policies, Changes in Accounting Estimates and Errors". Further details are disclosed in note 22(c).

(c) Impairment of Property, Plant and Equipment and Intangible Assets

Projected future cash flows are based on the Group's estimates calculated based on historical, sector and industry trends, general market and economic conditions, changes in technology and other available information. No impairment charge was recognised during the current financial year.

The Group assesses impairment of the property, plant and equipment and intangible assets whenever the events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable (i.e. the carrying amount of the asset is more than the recoverable amount). Recoverable amount is measured at the higher of the fair value less cost to sell for that asset and its value-in-use. The value-in-use is the net present value of the projected future cash flow derived from that asset discounted at an appropriate discount rate.

During the current financial year, the Group has not noted any significant indications for impairment of property, plant and equipment and intangible assets.

(d) Impairment of Goodwill

The Group tests goodwill for impairment annually in accordance with its accounting policy or whenever events or changes in circumstances indicate that this is necessary. The assumptions used, results and conclusion of the impairment assessment are stated in note 22(a).

3. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONTINUED)

(e) Impairment of Receivables

The Group and the Company assess at each reporting date whether there is objective evidence that receivables have been impaired. Impairment loss is calculated periodically based on a review of the current status of existing receivables and historical collection trends to reflect the actual and anticipated experience.

The Group and the Company apply the ECL impairment approach under the requirements of MFRS 9 "Financial Instruments". The loss allowances for financial assets are based on assumptions about risk of default and expected loss rates. The Group and the Company use judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Group's and the Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period. Details of the key assumptions and inputs used are disclosed in note 4(a)(ii).

(f) Accounting for Leases

Certain estimate and judgements were made in applying MFRS 16 for the Group. The estimate was made on incremental borrowing rate and judgements were made on extension and termination options took into consideration the circumstances and information that were available at the reporting date. Accordingly, the Group will continue to refine these estimates, where applicable.

	Areas of Estimate and Judgements	Basis of Estimates and Judgements
(i)	Measurement of lease liability using incremental borrowing rate	The incremental borrowing rate is determined based on interest rate for the list of AAA rated bonds issued in the current year and will be adjusted based on factors such as credit risk specific to the respective entities, country risk and collateralised elements that are applicable to each lease. The incremental borrowing rate is reviewed on a semi-annual basis.
(ii)	Determination of the extension and termination option	In determining the lease term, the Group considers all facts and circumstances that create an economic incentive to exercise an extension option, or not to exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not to be terminated).

(g) Taxation

(i) Income Taxes

The Group is subject to income taxes in numerous jurisdictions. Judgement is involved in determining the group-wide provision for income taxes. There are certain transactions and computations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for tax matters based on estimates of whether additional taxes will be due. If the final outcome of these tax matters result in a difference in the amounts initially recognised, such differences will impact the income tax and/or deferred tax provisions in the period in which such determination is made.

Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. Provisions are established, where appropriate on the basis of amounts expected to be paid to the tax authorities. Where relevant, this is measured using the single best estimate of the most likely outcome, considering strategic and commercial interest and substance of the circumstances surrounding such positions.

(ii) Deferred Tax Assets

Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which temporary differences or unutilised tax losses and tax credits (including investment allowances) can be utilised. This involves judgement regarding future taxable profits of a particular entity in which the deferred tax asset has been recognised.

Estimating the future taxable profits involved significant assumptions, especially in respect of demand on existing and new services, competition and regulatory changes that may impact the pricing of services. These assumptions were derived based on past performance, future prospect and adjusted for non-recurring circumstances.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

3. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONTINUED)

(h) Fair Value of Derivatives and Other Financial Instruments

The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined by using valuation techniques. The Group exercises its judgement in selecting a variety of valuation methods and makes assumptions that are mainly based on market conditions existing at the end of each reporting period.

The fair value of derivatives is the present value of their future cash flows. The Group estimated the fair values at the reporting date, of certain equity investments at FVOCI and investments at FVOCI that are not traded in an active market by using the net tangible assets and the discounted cash flow methods respectively. Although the Group and the Company believe that estimates of fair value are appropriate, the use of different methodologies or assumptions could lead to different measurements of fair value.

The summary of financial instruments by category is disclosed in note 43. The valuation of such financial instruments is further discussed in note 44.

4. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

(a) Financial Risk Factors

The main risks arising from the Group's and the Company's financial assets and liabilities are market risk (comprises foreign exchange risk and interest rate risk), credit risk and liquidity risk. The Group's and the Company's overall risk management seeks to minimise potential adverse effects of these risks on the financial performance of the Group and the Company.

The Group has established risk management policies, guidelines and procedures in order to manage its exposure to these financial risks. Hedging strategies are determined in light of commercial commitments to mitigate the relevant risks exposures. Derivative financial instruments are used to hedge the underlying commercial exposures and are not held for speculative purposes.

(i) Market Risk

- Foreign Exchange Risk

The Group's and the Company's foreign exchange risk refer to adverse exchange rate movements on foreign currency positions originating from trade receivables and payables, deposits and borrowings denominated in foreign currencies, and from retained profits in overseas subsidiaries, where the functional currencies are not in Ringgit Malaysia.

The Group's and the Company's objective is to mitigate foreign exchange exposure to an acceptable level against pre-determined limits and impact to the Income Statement. The Group and the Company monitor their foreign currency denominated assets and liabilities and uses various hedging instruments such as forward contracts, Cross Currency Interest Rate Swaps (CCIRS) contracts and option structures as well as maintaining funds in foreign currencies at appropriate levels to support operating cash flows requirement. The Group's and the Company's policy requires all transactions for hedging foreign currency exchange risk exposure be executed within the parameters approved by the Board of Directors.

The foreign exchange risk of the Group and the Company arises predominantly from borrowings denominated in foreign currencies, mainly the US Dollar. Subsequent to the settlement of USD240.9 million debenture in August 2025, the Group has no hedging arrangement as of 31 December 2025. Foreign currency borrowings comprised 24.7% of the Group's total borrowings as at 31 December 2025 (2024: 34.1% after hedging of the US Dollar borrowings). At the Company level, foreign currency borrowing of RM1.4 million represented 100% of the Company's total borrowings as at 31 December 2025 (2024: 58.5% after hedging of the US Dollar borrowings).

Based on the borrowings position as at 31 December 2025, if the Ringgit Malaysia had weakened/strengthened by 5.0% against the US Dollar with all other variables held constant, the post-tax profit and equity for the financial year would have been lower/higher by approximately RM25.5 million (2024: RM81.9 million) (before hedging) and RM25.5 million (2024: RM59.6 million) (after hedging) for the Group and lower/higher by approximately RM0.1 million (2024: RM54.0 million) (before hedging) and RM0.1 million (2024: RM31.6 million) (after hedging) for the Company as a result of foreign exchange losses or gains on translation of US Dollar denominated borrowing.

4. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(a) Financial Risk Factors (continued)

(i) Market Risk (continued)

- Interest Rate Risk

The Group and the Company have cash and short-term deposits, fixed income securities and fixed income unit trust funds that are exposed to interest rate movement. The Group and the Company manage their interest rate risk on cash and short-term deposits through allocation in suitable tenure. For fixed income securities, the Group and the Company apply suitable duration and basis point valuation analysis impact to manage its interest rate risk. As for fixed income unit trust funds, it applies the fund manager's duration structure management for the future interest rate trend.

The Group's investments in money market, fixed income securities and fixed income unit trust funds as at 31 December 2025 were RM1,912.5 million (2024: RM2,527.8 million), RM77.1 million (2024: RM72.9 million) and RM94.8 million (2024: RM92.4 million) respectively. Correspondingly, the Company's investments in money market, fixed income securities and fixed income unit trust funds as at 31 December 2025 were RM290.8 million (2024: RM767.5 million), RM77.1 million (2024: RM72.9 million) and RM94.8 million (2024: RM92.4 million) respectively. For an increase/decrease of 25 basis points in the Overnight Policy Rate (OPR) by Bank Negara Malaysia and assuming the overall yield curve also increases/decreases by the same percentage, the finance income from the money market portfolio of the Group and the Company would correspondingly move up/down by approximately RM4.8 million (2024: RM6.3 million) and RM0.7 million (2024: RM1.9 million) respectively while the net asset value of the fixed income securities and fixed income unit trust fund of the Group and the Company would move down/up by approximately RM0.9 million (2024: RM0.8 million) and RM0.5 million (2024: RM0.6 million) respectively.

The Group's and the Company's debts include revolving credits, borrowings, bonds, notes and debentures. The Group's and the Company's objective is to manage the interest rate risk to an acceptable level of exposure on the finance cost. The Group and the Company review their composition of fixed and floating rate debt based on assessment of its existing exposure and desirable interest rate profile acceptable to the Group and the Company. Hedging instruments such as interest rate swaps are used to manage these risks.

The Group's and the Company's policy requires all transactions for hedging interest rate risk exposure be executed within the parameters approved by the Board of Directors.

As at 31 December 2025, the Group's and the Company's interest rate profiles were both at 100% fixed interest rate (2024: 100% fixed interest rate). As such, the Group and the Company would not be affected by any hike in the OPR. This was also the position as at the end of the previous financial year.

(ii) Credit Risk

Financial assets that are primarily exposed to credit risks are receivables, cash and bank balances, marketable securities and financial instruments used in hedging activities.

Due to the nature of the Group's and the Company's business, customers are mainly segregated according to business units. The Group and the Company have no significant concentration of credit risk due to its diverse customer base. Credit risk is managed through the application of stringent credit control assessment and approval, credit limit and monitoring procedures. Where appropriate, the Group and the Company obtain deposits or bank guarantees from customers to be held as collaterals.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

4. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(a) Financial Risk Factors (continued)

(ii) Credit Risk (continued)

Expected Credit Loss (ECL)

The Group and the Company estimate and provide for ECL in relation to trade and other receivables.

(a) Measurement of ECL

(i) Trade receivables, accrued earnings and contract assets - Simplified approach

The expected loss rates recognised for trade receivables, accrued earnings and contract assets are based on the payment profiles of sales over a period of 24 to 36 months before the reporting date and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward looking information on macroeconomic variables affecting the ability of the customers to settle the receivables. The Group and the Company have identified the following to be the most relevant factors applicable to each of the three main customer-facing business units in the Group and the Company, and accordingly the correlation between historical loss rates against these macroeconomic variables are being applied as a basis in forecasting forward looking expected loss rate based on the expected changes in these factors.

Business-to-Consumer (B2C)	• Malaysian Consumer Price Index • Real Gross Domestic Product • Malaysia Three Month Interbank Rate
Business-to-Business (B2B)	• USD/RM Exchange Rate • Real Gross Domestic Product
Carrier-to-Carrier (C2C)	• Secured Overnight Financing Rate • Inflation Rate (Asia) • Real Gross Domestic Product • Malaysia Three Month Interbank Rate

No significant changes to estimation techniques or assumptions were made during the current financial year compared to those applied in the previous financial year.

(ii) Receivables other than trade, accrued earnings and contract assets - General 3-stages approach

The Group and the Company use the 3-stages approach for the ECL on receivables other than trade, accrued earnings and contract assets. The 3-stages approach reflects their receivables' credit risk and how the loss allowance is determined for each of those categories. A summary of the assumptions underpinning the Group's and the Company's ECL model is as follows:

Category	Group's and Company's definition of category	Basis for recognising ECL
Performing	Debtors have a low risk of default and a strong capacity to meet contractual cash flows	12 month ECL
Underperforming	Debtors for which there is a significant increase in credit risk or significant increase in credit risk is presumed if interest and/or principal repayments are 30 days past due	Lifetime ECL
Non-performing	Debtors and repayments are more than 365 days past due	Lifetime ECL
Write-off	There is evidence indicating that there is no reasonable expectation of recovery based on unavailability of debtor's sources of income or assets to generate sufficient future cash flows to repay the amount	Asset is written off

4. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(a) Financial Risk Factors (continued)

(ii) Credit Risk (continued)

Expected Credit Loss (ECL) (continued)

(a) Measurement of ECL (continued)

(ii) Receivables other than trade, accrued earnings and contract assets - General 3-stages approach (continued)

Based on the above, loss allowance is measured on either 12 month ECL or lifetime ECL using a PD x LGD x EAD methodology where:

- PD ("probability of default") – the likelihood that the debtor would not be able to repay during the contractual period;
- LGD ("loss given default") – the percentage of contractual cash flows that will not be collected if default happens; and
- EAD ("exposure at default") – the outstanding amount that is exposed to default risk.

In deriving the PD and LGD, the Group and the Company consider historical data by each debtor by category and adjust for forward looking macroeconomic data. The Group and the Company have identified the industry and geographical area which the debtor operates in, to be the most relevant factors, and accordingly adjust the historical loss rates based on expected changes in these factors. Loss allowance is measured at a probability-weighted amount that reflects the possibility that a credit loss occurs and the possibility that no credit loss occurs. No significant changes to estimation techniques or assumptions were made during the reporting period.

(b) Reconciliation of loss allowance

(i) Trade receivables, accrued earnings and contract assets - Simplified approach

The loss allowance for trade receivables, accrued earnings and contract assets as at 31 December 2025 and 31 December 2024 reconcile to the opening loss allowance for that provision as follows:

	The Group	
	2025 RM	2024 RM
Opening loss allowance as at 1 January	**622.6**	599.1
Reclassification	**(8.3)**	1.5
	614.3	600.6
Increase in loss allowance recognised in profit or loss during the year	**23.3**	42.9
Receivables written off	**(14.4)**	(12.3)
Netted off against unrecoverable contract assets	**(12.6)**	(8.6)
At 31 December	**610.6**	622.6

NOTES TO THE FINANCIAL STATEMENTS
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4. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(a) Financial Risk Factors (continued)

(ii) Credit Risk (continued)

Expected Credit Loss (ECL) (continued)

(b) Reconciliation of loss allowance (continued)

(ii) Receivables other than trade, accrued earnings and contract assets - General 3-stages approach

The loss allowance for receivables other than trade, accrued earnings and contract assets as at 31 December 2025 and 31 December 2024 reconcile to the opening loss allowance as follows:

The Group	Performing RM	Under-performing RM	Non-performing RM	Total RM
At 1 January 2025	**29.4**	**12.2**	**108.6**	**150.2**
Reclassification	**-**	**-**	**8.3**	**8.3**
(Reversal)/Additional impairment on existing financial assets	**(10.6)**	**5.3**	**17.1**	**11.8**
Write-off	**-**	**-**	**(1.8)**	**(1.8)**
Closing loss allowance as at 31 December 2025	**18.8**	**17.5**	**132.2**	**168.5**
At 1 January 2024	27.2	19.5	108.8	155.5
Reclassification	-	-	(1.5)	(1.5)
Additional/(Reversal) impairment on existing financial assets	2.2	(7.3)	15.1	10.0
Write-off	-	-	(13.8)	(13.8)
Closing loss allowance as at 31 December 2024	29.4	12.2	108.6	150.2

The Company	Performing RM	Under-performing RM	Non-performing RM	Total RM
At 1 January 2025	**-**	**3.4**	**1.7**	**5.1**
Reversal impairment on existing financial assets	**-**	**0.5**	**(0.7)**	**(0.2)**
Closing loss allowance as at 31 December 2025	**-**	**3.9**	**1.0**	**4.9**
At 1 January 2024	-	6.1	1.0	7.1
(Reversal)/Additional impairment on existing financial assets	-	(2.4)	1.7	(0.7)
Write-off	-	(0.3)	(1.0)	(1.3)
Closing loss allowance as at 31 December 2024	-	3.4	1.7	5.1

4. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(a) Financial Risk Factors (continued)

(ii) Credit Risk (continued)

Expected Credit Loss (ECL) (continued)

(c) Maximum exposure to credit risk

(i) Trade receivables, accrued earnings and contract assets - Simplified approach

The following table contains an analysis of the credit risk exposure of financial instruments for which ECL allowances are recognised. The gross carrying amount of financial assets below also represent the Group's maximum exposure to credit risk on these assets:

The Group	Current RM	1 – 90 days past due RM	91 – 180 days past due RM	More than 181 days past due RM	Total RM
As at 31 December 2025					
Expected loss rate	**3.15%**	**20.62%**	**46.04%**	**84.61%**	**25.36%**
Gross carrying amount – trade receivables, accrued earnings and contract assets	**1,531.1**	**221.1**	**98.6**	**557.0**	**2,407.8**
Loss allowance	**(48.3)**	**(45.6)**	**(45.4)**	**(471.3)**	**(610.6)**
Net trade receivables, accrued earnings and contract assets	**1,482.8**	**175.5**	**53.2**	**85.7**	**1,797.2**
As at 31 December 2024					
Expected loss rate	3.91%	22.81%	39.49%	84.92%	26.90%
Gross carrying amount – trade receivables, accrued earnings and contract assets	1,369.2	296.3	109.9	539.3	2,314.7
Loss allowance	(53.6)	(67.6)	(43.4)	(458.0)	(622.6)
Net trade receivables, accrued earnings and contract assets	1,315.6	228.7	66.5	81.3	1,692.1

(ii) Receivables other than trade, accrued earnings and contract assets - General 3-stages approach

The following table contains an analysis of the credit risk exposure of receivables other than trade, accrued earnings and contract assets for which an ECL allowance is recognised. The gross carrying amount of receivables other than trade, accrued earnings and contract assets disclosed below also represent the maximum exposure to credit risk on these assets:

The Group Internal credit rating	Expected credit loss rate	Basis for recognition of expected credit loss provision	Estimated gross carrying amount at default RM	Loss allowance RM	Carrying amount (net of impairment provision) RM
As at 31 December 2025					
Performing	**3.61%**	**12 month ECL**	**521.1**	**(18.8)**	**502.3**
Underperforming	**58.72%**	**Lifetime ECL**	**29.8**	**(17.5)**	**12.3**
Non-performing	**99.85%**	**Lifetime ECL**	**132.4**	**(132.2)**	**0.2**
Total			**683.3**	**(168.5)**	**514.8**

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

4. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(a) Financial Risk Factors (continued)

(ii) Credit Risk (continued)

Expected Credit Loss (ECL) (continued)

(c) Maximum exposure to credit risk (continued)

(ii) Receivables other than trade, accrued earnings and contract assets - General 3-stages approach (continued)

The following table contains an analysis of the credit risk exposure of receivables other than trade, accrued earnings and contract assets for which an ECL allowance is recognised. The gross carrying amount of receivables other than trade, accrued earnings and contract assets disclosed below also represent the maximum exposure to credit risk on these assets: (continued)

The Group Internal credit rating	Expected credit loss rate	Basis for recognition of expected credit loss provision	Estimated gross carrying amount at default RM	Loss allowance RM	Carrying amount (net of impairment provision) RM
As at 31 December 2024					
Performing	3.29%	12 month ECL	893.7	(29.4)	864.3
Underperforming	43.26%	Lifetime ECL	28.2	(12.2)	16.0
Non-performing	96.11%	Lifetime ECL	113.0	(108.6)	4.4
Total			1,034.9	(150.2)	884.7

The Company Internal credit rating	Expected credit loss rate	Basis for recognition of expected credit loss provision	Estimated gross carrying amount at default RM	Loss allowance RM	Carrying amount (net of impairment provision) RM
As at 31 December 2025					
Performing	**-**	**12 month ECL**	**388.9**	**-**	**388.9**
Underperforming	**48.75%**	**Lifetime ECL**	**8.0**	**(3.9)**	**4.1**
Non-performing	**100.00%**	**Lifetime ECL**	**1.0**	**(1.0)**	**-**
Total			**397.9**	**(4.9)**	**393.0**
As at 31 December 2024					
Performing	-	12 month ECL	713.6	-	713.6
Underperforming	15.89%	Lifetime ECL	21.4	(3.4)	18.0
Non-performing	73.91%	Lifetime ECL	2.3	(1.7)	0.6
Total			737.3	(5.1)	732.2

The Group and the Company place their cash and cash equivalents with various creditworthy financial institutions. The Group's policy limits the concentration of credit exposure to any single financial institution based on its net tangible asset position and/or credit rating, which is subject to annual review.

The Group and the Company have appointed several fixed income, commercial papers and fixed income unit trust funds managers to manage their investment portfolios. In managing the portfolios' credit risk, the investment parameter are established to restrict fund managers to only invest in securities that carry at least A3/P1/MARC1 credit ratings or equivalent. This is in accordance with the Group's Treasury Investment Policies and Guidelines. In the current financial year, the Group's and the Company's investment portfolios were predominantly invested in securities carrying AAA/AA credit ratings, as disclosed in note 27(b). For fixed income unit trust funds, credit risk is managed at the fund mandate level. The underlying investments predominantly comprised high-quality debt securities that comply with the minimum credit rating requirements as prescribed under the respective fund prospectuses and internal investment guidelines.

4. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(a) Financial Risk Factors (continued)

(ii) Credit Risk (continued)

All hedging instruments are executed with creditworthy financial institutions with a view to limiting the credit risk exposure of the Group and the Company. The Group and the Company, however, are exposed to credit-related losses in the event of non-performance by counterparties to financial derivative instruments, but does not expect any counterparties to fail to meet their obligations.

In complying with the risk management policies, all counterparties are required to maintain certain credit rating as defined by the international and local rating agencies.

(iii) Liquidity Risk

Group Treasury maintains cash and cash equivalents at a level that is deemed appropriate by the management to finance the Group's operations. It also actively monitors and controls liquidity risk exposures and funding needs across legal entities within the Group, business lines and currencies, taking into account legal, regulatory and operational limitations via a centralised Treasury operation.

Due to the dynamic nature of the underlying business, the Group and the Company also aim at maintaining flexibility in funding by keeping both committed and uncommitted credit lines available.

Cash flow forecasts are performed in the operating entities of the Group on a rolling basis and are aggregated by Group Treasury to ensure sufficient cash is available to meet operational needs while maintaining adequate headroom on its undrawn committed credit facilities at all times. As at 31 December 2025, the Group and the Company held deposits with financial institutions of RM1,776.9 million (2024: RM2,409.1 million) and RM290.8 million (2024: RM767.5 million) respectively and cash and bank balances of RM710.3 million (2024: RM568.4 million) and RM6.7 million (2024: RM7.1 million) respectively that are expected to be readily available to meet any payment obligation when it falls due.

Refinancing risk is managed by limiting the amount of borrowings that mature within any specific period and by having appropriate strategies in place to manage refinancing needs as they arise. The Group has sufficient internally generated funds and funds from financing facilities available (with remaining combined limit of up to RM8.0 billion (2024: RM7.9 billion) nominal value) to meet capital expenditure, business operating requirements as well as obligations as and when they fall due, in the next 12 months. The analysis of the maturity profile of the Group's and the Company's financial liabilities are shown in note 45.

There has been no significant change in the Group's and the Company's financial risk management objectives and policies as well as their financial risk exposure in the current financial year as compared to the preceding financial year.

(b) Capital Management

The Group's and the Company's objectives when managing capital are to safeguard the Group's and the Company's ability to continue as a going concern in order to provide long-term return to shareholders and benefits for other stakeholders. The Group's and the Company's capital management framework comprises of a dividend policy and strives to maintain an optimal capital structure that will improve its capital efficiency.

In order to maintain or adjust the capital structure, the Group and the Company may adjust the amount of dividends to be paid to the shareholders or may return capital to shareholders vis-à-vis its debt-to-equity ratio (gearing level). In 2014, the Group introduced a Dividend Reinvestment Scheme (DRS) whereby its shareholders have the option to either receive cash dividends or reinvest the dividends in new ordinary shares of the Company. Depending on the level of subscription of DRS, the Group would be able to enlarge its share capital base as well as strengthen its capital position through the DRS whenever applicable.

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4. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(b) Capital Management (continued)

The gearing ratios as at 31 December were as follows:

	The Group		The Company	
	2025	**2024**	**2025**	**2024**
Borrowings (RM million) (note 17)	**2,061.8**	3,490.9	**1.4**	1,079.4
Lease Liabilities (RM million) (note 18)	**1,617.5**	1,699.9	**-**	-
Total Debt (RM million)	**3,679.3**	5,190.8	**1.4**	1,079.4
Total Shareholders' Equity (RM million)	**10,587.2**	10,099.7	**9,440.6**	9,063.4
Debt-to-equity Ratio#	**0.4**	0.6	**0.1**	0.1

\# Based on average debt

The Group also monitors its gearing level in comparison to its peers within the industry while maintaining the desired level of credit rating. During 2025, the Group's credit rating remained unchanged at AAA by RAM Rating Services, A- by S&P Global Rating and A3 by Moody's Ratings in parallel with Malaysia's sovereign credit rating.

The Group has complied with all imposed debt covenants.

No changes were made in the objectives, policies or processes for managing capital during the years ended 31 December 2024 and 2025.

5. OPERATING REVENUE

(a) Disaggregation of the Group's and the Company's revenue

(i) Revenue accounted for under MFRS 15 and others, classified by nature of service provided

	The Group		The Company	
	2025 RM	**2024 RM**	**2025 RM**	**2024 RM**
Telecommunications revenue				
Revenue accounted for under MFRS 15				
Internet and multimedia services	**4,468.0**	4,564.3	**-**	-
Data services	**3,270.6**	3,271.8	**-**	-
Voice services	**1,867.7**	1,987.9	**-**	-
Other telecommunications related services	**1,506.2**	1,387.7	**-**	-
Leasing revenue and others				
Data services	**425.0**	209.0	**-**	-
Other telecommunications related services	**52.3**	18.7	**-**	-
Total telecommunications revenue	**11,589.8**	11,439.4	**-**	-
Non-telecommunications related revenue accounted for under MFRS 15	**282.2**	273.0	**-**	-
Dividends				
Dividend income from subsidiaries	**-**	-	**1,418.2**	1,423.7
Dividend income from equity investments at FVOCI	**-**	-	**10.2**	10.7
Total dividend income	**-**	-	**1,428.4**	1,434.4
TOTAL OPERATING REVENUE	**11,872.0**	11,712.4	**1,428.4**	1,434.4

5. OPERATING REVENUE (CONTINUED)

(a) Disaggregation of the Group's and the Company's revenue (continued)

(ii) Revenue accounted for under MFRS 15, by timing of revenue recognition

	The Group	
	2025 RM	2024 RM
- At a point in time	**514.8**	443.7
- Over time	**10,879.9**	11,041.0
TOTAL OPERATING REVENUE	**11,394.7**	11,484.7

(b) Contract assets

The following table summarises significant changes in contract assets:

	The Group	
	2025 RM	2024 RM
Contract assets as at 1 January	**643.9**	644.3
Impairment reclassification to trade receivables	**5.6**	-
	649.5	644.3
- Revenue recognised for services yet to be invoiced	**396.8**	370.6
- Amount subsequently invoiced (transferred to trade receivables)	**(399.1)**	(359.6)
- Impairment recognised for contract assets	**(14.6)**	(11.4)
Contract assets as at 31 December	**632.6**	643.9

Provision for impairment of contract assets

	The Group	
	2025 RM	2024 RM
At 1 January	**10.7**	7.9
Impairment reclassification to trade receivables	**(5.6)**	-
	5.1	7.9
- Impairment recognised for contract assets	**14.6**	11.4
- Netted off against unrecoverable contract assets	**(12.6)**	(8.6)
At 31 December (note 4(a))	**7.1**	10.7

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5. OPERATING REVENUE (CONTINUED)

(c) Contract liabilities

The following table summarises significant changes in contract liabilities:

	The Group	
	2025 RM	2024 RM
Contract liabilities as at 1 January	**1,231.8**	1,247.9
- Addition to services yet to be delivered	**8,753.0**	8,796.9
- Revenue realised from receipts in advance of supply goods or services	**(8,860.2)**	(8,813.0)
Contract liabilities as at 31 December	**1,124.6**	1,231.8

During the financial year, RM971.9 million (2024: RM903.6 million) out of contract liabilities balance of RM1,231.8 million as at 1 January 2025 (1 January 2024: RM1,247.9 million) of the Group has been recognised as revenue.

(d) Unsatisfied performance obligations

The following table summarises contract price allocated to unsatisfied performance obligations resulting from contracts with customers:

	The Group	
	2025 RM	2024 RM
- Voice, data and Internet and multimedia contracts with remaining contract period	**8,856.3**	7,830.7
- Customer projects and others with service to be delivered	**1,904.9**	2,975.3
TOTAL UNSATISFIED PERFORMANCE OBLIGATIONS	**10,761.2**	10,806.0

These are expected to be fulfilled or delivered to customers over the next 1 to 36 months.

(e) Assets recognised from costs incurred to obtain and fulfil a contract

In addition to the contract balances disclosed above, the Group has also recognised assets in relation to costs incurred to obtain and fulfil customer contract. This is presented within contract cost assets in the Statement of Financial Position. These are mostly commissions paid to agents in the course of securing a new customer contract, where the amount paid can be directly attributed to the new contract. Further details are dislosed in note 31.

6(a). DEPRECIATION, IMPAIRMENT AND AMORTISATION

	The Group	
	2025 RM	2024 RM
Depreciation of property, plant and equipment (PPE) (note 21)	**1,659.3**	1,658.8
Depreciation of right-of-use assets (ROU) (note 23)	**285.9**	279.5
Impairment of ROU (note 23)	**5.3**	-
Amortisation of intangible assets (note 22)	**221.3**	206.9
Write-off/retirement of PPE (note 21)	**1.2**	4.2
Write-off/retirement of intangible assets (note 22)	**5.7**	-
TOTAL DEPRECIATION, IMPAIRMENT AND AMORTISATION	**2,178.7**	2,149.4

6(b). OTHER OPERATING COSTS

	The Group		The Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Domestic, international outpayment and commission	**2,043.8**	1,783.5	**-**	-
Leased lines	**60.5**	69.3	**-**	-
Maintenance	**543.8**	553.6	**-**	-
Materials/customer equipment and installation	**644.7**	506.1	**-**	-
Rental	**64.1**	36.6	**-**	-
Rental - short-term leases (note 23(a))	**29.9**	32.8	**-**	-
Staff costs	**3,047.7**	2,831.0	**7.9**	7.9
Staff costs capitalised into PPE	**(94.2)**	(94.8)	**-**	-
Universal Service Provision contribution	**360.0**	344.5	**-**	-
Utilities	**323.2**	359.4	**-**	-
Others	**970.8**	963.5	**27.4**	29.4
TOTAL OTHER OPERATING COSTS	**7,994.3**	7,385.5	**35.3**	37.3
Staff costs include:				
- salaries, allowances, overtime and bonus	**1,974.2**	2,044.0	**-**	-
- contribution to Employees Provident Fund (EPF)	**342.7**	354.0	**-**	-
- voluntary separation	**366.8**	68.9	**-**	-
- other staff benefits	**261.9**	261.4	**-**	-
- remuneration of Executive Director of the Company				
- salaries, allowances and bonus	**3.9**	3.9	**3.9**	3.9
- contribution to EPF	**0.8**	0.5	**0.8**	0.5
- remuneration of Non-Executive Directors of the Company				
- fees	**2.4**	2.5	**2.4**	2.5
- allowances	**0.8**	1.0	**0.8**	1.0
Others include:				
- group auditors' remuneration				
- statutory audit fees				
- Ernst & Young PLT	**3.0**	2.9	**0.4**	0.4
- member firms of Ernst & Young PLT	**0.4**	0.3	**-**	-
- audit related fees	**0.8**	0.8	**-**	-
- tax and other non-audit fees	**#**	0.9	**-**	-

Amount less than RM0.1 million

Estimated money value of benefits-in-kind of Directors amounted to RM1.3 million (2024: RM1.3 million) for the Group and the Company.

In ensuring independence of the external auditors, the Board Audit Committee has policies governing the engagement of the external auditors for non-audit services and the related approval process that has to be adhered to before any such non-audit services commence.

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7. OTHER OPERATING INCOME (net)

	The Group		The Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Dividend income from equity securities - unquoted	**10.2**	10.7	**-**	-
Income from sales of scrap	**258.7**	101.7	**-**	-
Interest income from subsidiaries (note 25)	**-**	-	**0.9**	1.7
Profit on disposal of PPE	**1.9**	1.3	**-**	-
Penalty on breach of contract	**5.7**	3.7	**-**	-
Rental income from land and buildings	**5.3**	4.2	**-**	-
Income from training and related activities	**1.9**	1.0	**-**	-
Government grants	**45.1**	46.9	**-**	-
Others	**25.4**	22.5	**-**	-
TOTAL OTHER OPERATING INCOME (net)	**354.2**	192.0	**0.9**	1.7

8. OTHER GAINS/(LOSSES) (net)

	The Group and the Company	
	2025 RM	2024 RM
Fair value movement of financial assets at FVTPL		
- equity securities quoted on the Bursa Securities	**(0.7)**	0.1
- investment in technology investment fund	**(3.3)**	(37.2)
- investment in fixed income unit trust fund	**1.2**	1.4
Gain on disposal of investment in technology investment fund	**239.7**	20.4
Investments at FVOCI		
- reclassification from fair value reserves	**0.3**	(0.3)
TOTAL OTHER GAINS/(LOSSES) (net)	**237.2**	(15.6)

9. NET FINANCE (COST)/INCOME

The Group	2025 Conventional Foreign RM	2025 Conventional Domestic RM	2025 Islamic Principles RM	2025 Total RM	2024 Conventional Foreign RM	2024 Conventional Domestic RM	2024 Islamic Principles RM	2024 Total RM
Finance income from								
- short-term bank deposits	**30.2**	**11.0**	**42.5**	**83.7**	34.3	11.0	60.7	106.0
- other deposits	**-**	**8.4**	**-**	**8.4**	-	15.1	-	15.1
- staff loans	**-**	**-**	**6.2**	**6.2**	-	0.2	5.5	5.7
- unwinding of discount on lease receivables	**-**	**4.5**	**-**	**4.5**	-	0.9	-	0.9
TOTAL FINANCE INCOME	**30.2**	**23.9**	**48.7**	**102.8**	34.3	27.2	66.2	127.7
Finance cost on								
- borrowings from financial institutions and debentures	**(134.2)**	**-**	**(0.1)**	**(134.3)**	(63.7)	-	(0.2)	(63.9)
- Islamic Medium Term Notes	**-**	**-**	**(104.9)**	**(104.9)**	-	-	(141.2)	(141.2)
- unwinding of discount on provisions	**-**	**(1.9)**	**-**	**(1.9)**	-	(1.4)	-	(1.4)
- interest and finance charges paid/payable for lease liabilities (note 23(a))	**-**	**(88.8)**	**-**	**(88.8)**	-	(96.2)	-	(96.2)
- amortisation of interest subsidy on staff loan	**-**	**-**	**(2.3)**	**(2.3)**	-	(0.1)	(2.0)	(2.1)
TOTAL FINANCE COST	**(134.2)**	**(90.7)**	**(107.3)**	**(332.2)**	(63.7)	(97.7)	(143.4)	(304.8)
Foreign exchange revaluation on borrowings								
- gains	**112.9**	**-**	**-**	**112.9**	50.0	-	-	50.0
- reclassification of foreign exchange loss from other comprehensive income	**(24.2)**	**-**	**-**	**(24.2)**	(13.3)	-	-	(13.3)
TOTAL FOREIGN EXCHANGE GAINS ON BORROWINGS	**88.7**	**-**	**-**	**88.7**	36.7	-	-	36.7
NET FINANCE COST	**(15.3)**	**(66.8)**	**(58.6)**	**(140.7)**	7.3	(70.5)	(77.2)	(140.4)

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9. NET FINANCE (COST)/INCOME (CONTINUED)

The Company	2025 Conventional Foreign RM	2025 Conventional Domestic RM	2025 Islamic Principles RM	2025 Total RM	2024 Conventional Foreign RM	2024 Conventional Domestic RM	2024 Islamic Principles RM	2024 Total RM
Finance income from								
- short-term bank deposits	**13.7**	**2.0**	**7.8**	**23.5**	25.6	1.9	10.2	37.7
- other deposits	**-**	**6.4**	**-**	**6.4**	-	9.6	-	9.6
TOTAL FINANCE INCOME	**13.7**	**8.4**	**7.8**	**29.9**	25.6	11.5	10.2	47.3
Finance cost on								
- borrowings from financial institutions and debentures	**(134.2)**	**-**	**-**	**(134.2)**	(63.7)	-	-	(63.7)
TOTAL FINANCE COST	**(134.2)**	**-**	**-**	**(134.2)**	(63.7)	-	-	(63.7)
Foreign exchange revaluation on borrowings								
- gains	**61.4**	**-**	**-**	**61.4**	32.7	-	-	32.7
- reclassification of foreign exchange loss from other comprehensive income	**(24.2)**	**-**	**-**	**(24.2)**	(13.3)	-	-	(13.3)
TOTAL FOREIGN EXCHANGE GAINS ON BORROWINGS	**37.2**	**-**	**-**	**37.2**	19.4	-	-	19.4
NET FINANCE (COST)/INCOME	**(83.3)**	**8.4**	**7.8**	**(67.1)**	(18.7)	11.5	10.2	3.0

10. TAX AND ZAKAT

	The Group		The Company	
	2025 RM	2024 RM	2025 RM	2024 RM
The tax charge/(credit) for the Group and the Company comprise:				
Current tax				
Current year	**477.3**	198.6	**7.4**	13.9
(Over)/under accrual in prior years (net)	**(125.2)**	140.6	**(9.3)**	124.5
Deferred Tax (net)				
Origination and reversal of temporary differences	**29.8**	(209.9)	**-**	(110.5)
TOTAL TAX	**381.9**	129.3	**(1.9)**	27.9
Zakat	**10.4**	9.0	**4.1**	4.7
TAX AND ZAKAT	**392.3**	138.3	**2.2**	32.6

The relationship between tax and profit before tax and zakat can be explained by the numerical reconciliation between tax expense and the product of accounting profit multiplied by the Malaysian tax rate as follows:

	The Group		The Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Profit Before Tax and Zakat	**2,126.4**	2,177.2	**1,564.3**	1,386.9
Tax calculated at the applicable Malaysian tax rate of 24%	**510.3**	522.5	**375.4**	332.9
Tax effects of:				
- share of results of associate and jointly controlled entity	**(1.0)**	(1.9)	**-**	-
- expenses not deductible for taxation purposes	**75.7**	86.0	**20.9**	9.6
- income not subject to taxation	**(68.4)**	(16.9)	**(400.3)**	(344.3)
- expenses allowed for double deduction	**(13.8)**	(15.1)	**-**	-
- utilisation of previously unrecognised tax losses and unabsorbed capital allowances	**-**	(549.8)	**-**	-
- current year tax losses not recognised	**11.4**	15.7	**11.4**	15.7
- (over)/under accrual of income tax (net)	**(125.2)**	140.6	**(9.3)**	124.5
- recognition of prior years' temporary differences	**(7.1)**	(51.8)	**-**	(110.5)
TOTAL TAX	**381.9**	129.3	**(1.9)**	27.9

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11. EARNINGS PER SHARE (sen)

(a) Basic earnings per share

Basic earnings per share of the Group was calculated by dividing the net profit attributable to equity holders by the weighted average number of issued and paid-up ordinary shares of the Company in issue during the financial year.

	The Group	
	2025	**2024**
Profit attributable to equity holders of the Company (RM million)	**1,713.0**	2,016.9
Weighted average number of ordinary shares (million)	**3,837.7**	3,837.7
Basic earnings per share (sen) attributable to equity holders of the Company	**44.6**	52.6

(b) Diluted earnings per share

Diluted earnings per share for the current financial year was calculated by dividing the net profit attributable to equity holders of the Company by the weighted average number of issued and paid-up ordinary shares adjusted for conversion of all dilutive potential ordinary shares granted to employees under a Long-Term Incentive Plan (LTIP) (note 14) that is an employee share scheme which will vest subject to certain performance conditions being met.

	The Group	
	2025	**2024**
Profit attributable to equity holders of the Company (RM million)	**1,713.0**	2,016.9
Weighted average number of ordinary shares (million)	**3,837.7**	3,837.7
Adjustment for dilutive effect of LTIP (million)	**#**	0.5
Weighted average number of ordinary shares (million)	**3,837.7**	3,838.2
Diluted earnings per share (sen) attributable to equity holders of the Company	**44.6**	52.5

Amount less than RM0.1 million

12. DIVIDENDS IN RESPECT OF ORDINARY SHARES

Dividends approved and paid in respect of ordinary shares:

The Company	2025 Dividend per share Sen	2025 Amount of single-tier dividend RM	2024 Dividend per share Sen	2024 Amount of single-tier dividend RM
Second interim single-tier dividend paid in respect of the financial year ended 31 December 2023	-	-	10.5	402.9
Final single-tier dividend paid in respect of the financial year ended 31 December 2023	-	-	5.0	191.9
Interim single-tier cash dividend paid in respect of the financial year ended 31 December 2024	-	-	12.5	479.7
Second interim single-tier cash dividend paid in respect of the financial year ended 31 December 2024	**12.5**	**479.7**	-	-
Special single-tier dividend paid in respect of the financial year ended 31 December 2024	**6.0**	**230.3**	-	-
Interim single-tier cash dividend paid in respect of the financial year ended 31 December 2025	**12.5**	**479.7**	-	-
DIVIDENDS RECOGNISED AS DISTRIBUTION TO ORDINARY EQUITY HOLDERS OF THE COMPANY	**31.0**	**1,189.7**	28.0	1,074.5

The Board of Directors has declared second interim single-tier dividend of 14.5 sen per share and special single-tier dividend of 4.0 sen per share for the financial year ended 31 December 2025 on 25 February 2026. Both second interim single-tier and special single-tier dividend have been paid on 27 March 2026 to shareholders whose names appear in the Register of Members and Record of Depositors on 13 March 2026. The financial statements for the current financial year do not reflect these proposed dividends. Such dividends will be accounted for in equity as an appropriation of retained earnings in the financial year ending 31 December 2026.

13. SHARE CAPITAL

The Company	2025 Number of shares	2025 RM	2024 Number of shares	2024 RM
Issued and fully paid:				
Ordinary shares				
At 1 January	**3,837.7**	**4,070.7**	3,837.6	4,070.2
Issuance of Long-Term Incentive Plan shares (sub-note (c))	#	**0.2**	0.1	0.5
At 31 December – ordinary shares with no par value	**3,837.7**	**4,070.9**	3,837.7	4,070.7
Special Share (sub-note (a))				
At 1 January and 31 December	#	#	#	#
TOTAL ISSUED AND FULLY PAID-UP SHARE CAPITAL	**3,837.7**	**4,070.9**	3,837.7	4,070.7

\# Amount less than RM0.1 million

NOTES TO THE FINANCIAL STATEMENTS
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13. SHARE CAPITAL (CONTINUED)

(a) Special Rights Redeemable Preference Share (Special Share)

The Special Share is held by the Special Shareholder, Minister of Finance, a body corporate established under the Minister of Finance (Incorporation) Act 1957 (MOF Inc.). MOF Inc.'s holding would enable the Government through the Minister of Finance to ensure that certain major decisions affecting the operations of the Company are consistent with the Government's policy. The Special Shareholder, which may only be the Government or any representative or person acting on its behalf, is entitled to receive notice of meetings but does not carry any right to vote at such meetings of the Company. However, the Special Shareholder is entitled to attend and speak at such meetings.

Certain matters, in particular, the alteration of the Articles of Association of the Company relating to the rights of the Special Shareholder, the dissolution of the Company, any substantial acquisitions and disposal of assets, amalgamation, merger and takeover, require the prior consent of the Special Shareholder.

The Special Shareholder has the right to require the Company to redeem the Special Share at par at any time. In a distribution of capital in a winding up of the Company, the Special Shareholder is entitled to the repayment of the capital paid up on the Special Share in priority to any repayment of capital to any other members. The Special Share does not confer any other right to participate in the capital or profits of the Company.

(b) Dividend Reinvestment Scheme (DRS)

On 27 March 2014, the Company announced a proposal to undertake a DRS that provides shareholders of the Company (Shareholders) the option to elect to reinvest, in whole or in part, their cash dividend which includes interim, final, special or any other cash dividend, in new ordinary share(s) in the Company (New TM Share).

The DRS received the approval from the Bursa Securities via its letter dated 7 April 2014 and the Shareholders' approval at the Company's Extraordinary General Meeting (EGM) on 8 May 2014.

Whenever the DRS is made applicable to any dividend distributed, shareholders have the following options to reinvest their cash dividend in New TM Shares (Option to Reinvest):

- to elect to participate by reinvesting in whole or in part the portion of such dividend to which the Option to Reinvest applies (Electable Portion), at the issue price for New TM Shares.

  In the event that only part of the Electable Portion is reinvested, the Shareholders shall receive the remaining portion of the dividend in cash; or

- to elect not to participate in the Option to Reinvest and thereby receive the entire dividend in cash.

The DRS was not made applicable to any of the dividends distributed during the financial years ended 31 December 2015 to 2025 except for the dividend distributed during the financial year ended 2022.

(c) Long-Term Incentive Plan (LTIP)

During the financial year, the Company issued 33,800 new ordinary shares amounting to RM0.2 million pursuant to the vesting of shares from the Restricted Shares (RS) and Performance Shares (PS) granted to employees as disclosed in note 14, detailed as follows:

Number of issued ordinary shares	Issue price per share
33,800	RM6.48

Upon completion on listing and quotation of the above New TM Shares on Main Market Bursa Securities, the total issued and paid-up share capital of the Company was RM4,070,897,940.15 comprising of 3,837,738,480 ordinary shares and 1 Special Rights Redeemable Preference Shares.

14. EMPLOYEE SHARE SCHEME - LONG-TERM INCENTIVE PLAN (LTIP)

On 28 April 2016, shareholders of the Company approved the LTIP and the grants of shares of the Company to eligible employees of the Group and the Company at an EGM. The LTIP is a scheme under which shares may be issued by the Company to employees for no cash consideration. The LTIP was established for a duration of ten (10) years and is to expire in 2026.

The LTIP comprises a Restricted Share (RS) Grant and Performance Share (PS) Grant where for clarification purposes, the main differences in the features of the RS Grant and the PS Grant are the eligibility of the Eligible Employees in terms of their job grades in the Group, the performance metrics to be met which will be determined prior to the grant being made in writing to the Eligible Employees and the vesting periods of the Grant to the Eligible Employees. A committee has been established to administer the LTIP (LTIP Committee) in accordance with the By-Laws governing the LTIP.

Features of LTIP

(i) Eligibility

All employees other than the non-executive or independent Directors of the Company, who has entered into a full-time or fixed-term employment with, and is on the payroll of the Group or the Company are eligible to participate in the scheme (Eligible Employees) subject to fulfilling any other eligibility criteria which may be determined by the LTIP Committee at its sole discretion from time to time. Eligible Employees may elect not to participate in the scheme.

(ii) Maximum number of new ordinary shares of the Company under the LTIP

The total number of new ordinary shares of the Company which may be made available under the LTIP shall not exceed in aggregate ten percent (10%) of the issued and paid-up ordinary share capital of the Company (excluding treasury shares) (Maximum Shares) at any point in time over the duration of the LTIP.

(iii) Basis of allocation and maximum allowable allotment

The total number of new ordinary shares of the Company that can be offered and allotted to any Eligible Employees (as defined in the By-Laws in relation to the LTIP shall be at the absolute discretion of the LTIP Committee) after taking into consideration amongst other factors, the performance, his/her potential for future development and contribution to the success and development of the Group and such other criteria as the LTIP Committee may deem relevant.

Further, not more than 10% of the Company's new ordinary shares available under the LTIP will be allocated to any individual Eligible Employee who, either singly or collectively through persons connected with the Eligible Employees, holds 20% or more of the Company's issued and fully paid-up share capital.

The LTIP Committee shall have sole and absolute discretion in determining whether the shares of the Company available for vesting under the Proposed LTIP are to be granted to the Eligible Employees or any group or groups of Eligible Employees via:

(a) one single Grant (as the case may be) at a time determined by the LTIP Committee; or

(b) several Grants (as the case may be) where the vesting of the Company's shares comprised in those Grants are staggered or made in several tranches at such times and on terms determined by the LTIP Committee.

In the event the LTIP Committee decides that the Grant or vesting of any number of shares of the Company under LTIP is to be staggered, the number of shares to be granted in each Grant and the timing for the vesting of the same shall be decided by the LTIP Committee at its sole and absolute discretion. Each Grant shall be separate and independent from the others.

(iv) Duration of the LTIP

The LTIP shall continue to be in force for a period of ten (10) years commencing from the effective date of implementation of the Proposed LTIP, being the date on which full compliance with the relevant requirements under the By-Laws and the Listing Requirements in relation to the Proposed LTIP, have been obtained and/or met.

On the expiry of the LTIP, any Grants which have yet to be vested (whether fully or partially) shall be deemed terminated and be null and void. Notwithstanding anything set out in the By-Laws and subject to compliance with the Main Market Listing Requirements of Bursa Securities in relation to the LTIP, the LTIP may be terminated at any time during its term.

14. EMPLOYEE SHARE SCHEME - LONG-TERM INCENTIVE PLAN (LTIP) (CONTINUED)

(v) Ranking of the shares issued under the LTIP

The new shares issued under the LTIP shall be subject to the provisions of the memorandum and Articles of Association of the Company. The new shares, shall, upon issuance and allotment, rank equally in all respects with the then existing shares of the Company, except that they shall not be entitled to any dividend, rights, allotment and/or other distribution, the entitlement date of which is prior to the date on which the new shares are allotted to the grantees pursuant to the LTIP.

(vi) Restrictions on Transfer

The new shares issued under the LTIP will be subject to such restriction on transfer upon the terms and conditions in accordance with the By-Laws.

The Group and the Company implemented the LTIP with effect from 29 September 2016, after having obtained all required approvals and complied with the requirements pertaining to the LTIP.

Restricted Shares (RS)

Under the RS, selected Eligible Employees of the Group and the Company will be vested shares of the Company over the duration of the LTIP Period (as determined by the LTIP Committee for each tranche of RS respectively), subject to individual performance metrics being met and the achievement of certain operational measures, including but not limited to a profit after tax target and/or other financial measures as may be relevant in accordance with terms and conditions stipulated and determined by the LTIP Committee in its sole and absolute discretion.

In the event that the performance metrics are not met over the period set by the LTIP Committee as being applicable to the RS Grantees, the RS Grant will not be vested to them at the end of the said period.

Performance Shares (PS)

Under the PS, selected Eligible Employees and Executive Directors of the Group and the Company will be vested shares of the Company over the duration of the LTIP Period (as determined by the LTIP Committee for each tranche of PS respectively), subject to individual performance metrics being met and the achievement of certain market based indicators.

In the event that the performance metrics are not met over the period set by the LTIP Committee as being applicable to the PS Grantees, a roll over feature may extend the performance period and vesting date by one year.

(a) The total number of the RS and PS granted for the Group and the Company, percentage of shares to be vested and the vesting period are as follows:

The Group and the Company

			Entitlement over the Company's Shares	
RS/PS	Grant Date	Vesting Date	Number of Shares Granted	Reference Price per unit (RM)[1]
RS				
Grant 1	1 December 2016	31 July 2019	9,219,500	6.15
Grant 2	1 June 2017	3 August 2020	9,401,200	6.47
Grant 3	17 June 2019	1 June 2022	15,274,100	4.06
Grant 4	17 August 2020	17 August 2023	15,028,100	3.76
PS[2]				
Grant 1	1 June 2017	1 June 2020 / 1 June 2021[3]	1,928,100	6.35
Grant 2	4 December 2017	30 November 2020 / 30 November 2021[3]	1,854,200	6.26
Grant 3	17 June 2019	1 June 2022 / 1 June 2023	1,001,500	4.06
Grant 4	20 December 2019	15 December 2022 / 15 December 2023	1,117,800	3.85
Grant 5	17 August 2020	17 August 2023 / 16 August 2024	1,436,600	3.76
Grant 6	4 December 2020	30 November 2023 / 29 November 2024	1,127,300	5.10

[1] Refers to the price at reference date for the purpose of granting the number of shares to the employees. For PS, this is based on a volume weighted-average price (VWAP).
[2] In the event that certain performance metrics are not met over the period set by the LTIP Committee as being applicable to the PS Grantees, a roll over feature may extend the performance period and vesting date by one year.
[3] The performance period and vesting date had been extended to 1 June 2021 and 30 November 2021 respectively and subsequently lapsed with no further extension.

14. EMPLOYEE SHARE SCHEME - LONG-TERM INCENTIVE PLAN (LTIP) (CONTINUED)

Performance Shares (PS) (continued)

(b) The fair value of the RS and PS granted in which MFRS 2 “Share-based Payments” applies, were estimated using the Monte Carlo simulation model. The significant inputs in the model are as follows:

	Entitlement Over the Company’s Share Reference Price per unit (RM)			
RS	**Grant 1**	**Grant 2**	**Grant 3**	**Grant 4**
Reference price	6.15	6.47	4.06	3.76
Grant Date	1 December 2016	1 June 2017	17 June 2019	17 August 2020
Vesting Date	31 July 2019	3 August 2020	1 June 2022	17 August 2023
Closing Share Price at Grant Date	6.15	6.47	4.06	3.76

	Entitlement Over the Company’s Share Reference Price per unit (RM)					
PS	**Grant 1**	**Grant 2**	**Grant 3**	**Grant 4**	**Grant 5**	**Grant 6**
Reference price	6.35	6.26	4.06	3.85	3.76	5.10
Grant Date	1 June 2017	4 December 2017	17 June 2019	20 December 2019	17 August 2020	4 December 2020
Vesting Date	1 June 2020/ 1 June 2021	30 November 2020/ 30 November 2021	1 June 2022/ 1 June 2023	15 December 2022/ 15 December 2023	17 August 2023/ 16 August 2024	30 November 2023/ 29 November 2024
Closing Share Price at Grant Date	6.47	5.97	4.06	3.85	3.76	5.10

(c) There was no granting of new RS and PS pursuant to the LTIP during the financial year ended 31 December 2025.

15. OTHER RESERVES

	The Group		The Company	
	2025 RM	**2024 RM**	**2025 RM**	**2024 RM**
FVOCI reserve	**100.1**	92.7	**98.2**	91.0
Hedging reserve	**-**	(1.3)	**-**	(1.3)
Cost of hedging reserve	**-**	3.7	**-**	3.7
Long-term incentive plan reserve	**-**	11.8	**-**	11.3
Currency translation differences arising from translation of:				
- subsidiaries	**(13.9)**	21.4	**-**	-
- associate	**1.9**	7.4	**-**	-
TOTAL OTHER RESERVES	**88.1**	135.7	**98.2**	104.7

16. RETAINED PROFITS

As at 31 December 2025, all of the Company’s retained profits is available for tax exempt dividend distribution to shareholders.

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17. BORROWINGS

The Group	2025 Weighted Average Rate of Finance	2025 Non-current RM	2025 Current RM	2025 Total RM	2024 Weighted Average Rate of Finance	2024 Non-current RM	2024 Current RM	2024 Total RM
DOMESTIC								
Unsecured								
Borrowings from financial institutions (note 46)	**3.98%**	**-**	**3.0**	**3.0**	4.31%	-	3.0	3.0
Borrowings under Islamic principles								
- Islamic Medium Term Notes (sub-note (a))	**4.66%**	**1,549.7**	**-**	**1,549.7**	4.69%	1,549.6	300.0	1,849.6
Total Domestic	**4.66%**	**1,549.7**	**3.0**	**1,552.7**	4.69%	1,549.6	303.0	1,852.6
FOREIGN								
Unsecured								
Borrowings under Islamic principles								
- Euro Medium Term Notes (sub-note (b))	**3.53%**	**-**	**507.7**	**507.7**	3.54%	558.9	-	558.9
Debentures (sub-note (c)) (note 46)	**-**	**-**	**-**	**-**	7.88%	-	1,077.8	1,077.8
Other borrowings (note 46)	**-**	**1.2**	**0.2**	**1.4**	-	1.4	0.2	1.6
Total Foreign	**3.52%**	**1.2**	**507.9**	**509.1**	6.39%	560.3	1,078.0	1,638.3
TOTAL BORROWINGS (note 43)	**4.38%**	**1,550.9**	**510.9**	**2,061.8**	5.49%	2,109.9	1,381.0	3,490.9

	2025 Domestic RM	2025 Foreign RM	2025 Total RM	2024 Domestic RM	2024 Foreign RM	2024 Total RM
The Group's non-current borrowings are repayable as follows:						
After one year and up to five years	**1,549.7**	**0.8**	**1,550.5**	1,549.6	559.3	2,108.9
After five years and up to ten years	**-**	**0.4**	**0.4**	-	1.0	1.0
	1,549.7	**1.2**	**1,550.9**	1,549.6	560.3	2,109.9

The Company	2025 Weighted Average Rate of Finance	2025 Non-current RM	2025 Current RM	2025 Total RM	2024 Weighted Average Rate of Finance	2024 Non-current RM	2024 Current RM	2024 Total RM
FOREIGN								
Unsecured								
Debentures (sub-note (c))	**-**	**-**	**-**	**-**	7.88%	-	1,077.8	1,077.8
Other borrowings (note 46)	**-**	**1.2**	**0.2**	**1.4**	-	1.4	0.2	1.6
Total Foreign	**-**	**1.2**	**0.2**	**1.4**	7.86%	1.4	1,078.0	1,079.4
TOTAL BORROWINGS (note 43)	**-**	**1.2**	**0.2**	**1.4**	7.86%	1.4	1,078.0	1,079.4

17. BORROWINGS (CONTINUED)

	2025 Foreign RM	2024 Foreign RM
The Company's non-current borrowings are repayable as follows:		
After one year and up to five years	**0.8**	0.4
After five years and up to ten years	**0.4**	1.0
	1.2	1.4

(a) On 30 August 2013, the Company received approval from the Securities Commission Malaysia for the establishment of an Islamic Commercial Papers (ICP) programme and Islamic Medium Term Notes (IMTN) programme with a total combined limit of up to RM3.0 billion in nominal value, which have respective tenures of 7 and 20 years from the date of first issue. The ICP shall have a tenure of not more than 12 months whilst the IMTN between 1 to 20 years provided that the respective debt securities mature before the expiry of the respective programmes.

On 28 September 2018, the Company received approval from the Securities Commission Malaysia for the establishment of an ICP programme and IMTN programme with a total combined limit of up to RM4.0 billion in nominal value, which have respective tenures of 7 and 30 years from the date of first issue. The ICP shall have a tenure of not more than 12 months whilst the IMTN between 1 to 30 years provided that the respective debt securities mature before the expiry of the respective programmes.

On 27 November 2025, the Group repaid in full, at its nominal value, the RM300.0 million IMTN at 4.88% per annum upon its maturity date.

The IMTN in issue as at the financial year end comprise the following (at nominal value):

	The Group	
	2025 RM	2024 RM
IMTN RM3.0 billion issued on 30 August 2013		
IMTN due in 2025 (4.88%)	**-**	300.0
IMTN due in 2027 (4.58%)	**500.0**	500.0
IMTN due in 2028 (4.73%)	**250.0**	250.0
IMTN RM4.0 billion issued on 28 September 2018		
IMTN due in 2028 (4.68%)	**800.0**	800.0
	1,550.0	1,850.0

There was no outstanding balance for both programmes as at the financial year end.

(b) Multi-Currency Euro Medium Term Notes (EMTN) Sukuk programme

On 3 March 2015, the Company through its wholly-owned subsidiary, Tulip Maple Berhad (Tulip Maple), received approval from the Securities Commission Malaysia for the establishment of an EMTN Sukuk programme of up to USD750.0 million in nominal value (or its equivalent in foreign currencies).

On 25 February 2016, Tulip Maple issued a 10-year USD50.0 million Sukuk due on 25 February 2026. The Sukuk carries a periodic distribution rate of 3.7% per annum payable semi-annually in arrears on 25 August and 25 February of each financial year commencing August 2016.

On 15 November 2016, Tulip Maple issued a 10-year USD75.0 million Sukuk due on 15 November 2026. The Sukuk carries a periodic distribution rate of 3.422% per annum payable semi-annually in arrears on 15 May and 15 November of each financial year commencing May 2017.

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17. BORROWINGS (CONTINUED)

(b) Multi-Currency Euro Medium Term Notes (EMTN) Sukuk programme (continued)

The carrying value of EMTN in issue comprise the following:

	The Group	
	2025 RM	2024 RM
EMTN due in 2026 (3.70%)	**203.1**	223.4
EMTN due in 2026 (3.422%)	**304.6**	335.5
	507.7	558.9

(c) Debentures consist of the following:

	The Group and the Company	
	2025 RM	2024 RM
USD240.9 million (2024: USD240.9 million) 7.875% Debentures due in 2025	**-**	1,077.8

Upon maturity on 1 August 2025, the Group repaid in full, at its nominal value, the remaining USD240.9 million Debentures.

18. LEASE LIABILITIES

	2025				2024			
	Average Incremental Borrowing Rate	Non-current RM	Current RM	Total RM	Average Incremental Borrowing Rate	Non-current RM	Current RM	Total RM
The Group								
Lease liabilities (notes 43 and 46)	**5.06%**	**1,360.5**	**257.0**	**1,617.5**	5.17%	1,441.5	258.4	1,699.9

The Group's maturity profile of lease liabilities is disclosed in note 45.

The Group had total cash outflows for leases of RM434.5 million in 2025 (2024: RM429.0 million).

19. DERIVATIVE FINANCIAL INSTRUMENTS AND HEDGING TRANSACTIONS

	Contract or notional amount RM	Fair value Assets RM	Fair value changes during the financial year RM
The Group and the Company			
2025			
Derivatives accounted for under hedge accounting			
Cross currency interest rate swaps - cash flow hedge (sub-note (i))			
- Less than 1 year (sub-note (i)) (note 46)	**-**	**-**	**(136.5)**
TOTAL	**-**	**-**	**(136.5)**
2024			
Derivatives accounted for under hedge accounting			
Cross currency interest rate swaps - cash flow hedge (sub-note (i))			
- Less than 1 year (sub-note (i)) (note 46)	310.5	136.5	(13.3)
TOTAL	310.5	136.5	(13.3)

The cumulative gains or losses on the hedged items attributable to the hedged risk is taken to OCI.

(i) Hedge accounting has been applied for the above cash flow hedge where the underlying hedged item is the hedged portion of the recurring semi-annual coupon payment and final settlement of the remaining USD240.9 million 7.875% Debentures due 1 August 2025 as disclosed in note 17(c). Upon maturity of the cash flow hedge and settlement of the related borrowings, the cumulative fair value and foreign exchange impact previously recognised in equity was reclassified to profit or loss. Accordingly, there are no outstanding derivative financial instruments as of 31 December 2025.

Fair values of financial derivative instruments are the present values of their future cash flows. Favourable fair value indicates amount receivable by the Group and the Company if the contracts are terminated or vice versa. The Group and the Company are exposed to credit risk where the fair value of the contract is favourable, where the counterparty is required to pay the Group or the Company in the event of contract termination.

The maximum exposure to credit risk at the reporting date is the carrying amount of the derivative assets as presented on the Statements of Financial Position.

Summarised below is the derivative hedging transaction entered into by the Company:

Cross Currency Interest Rate Swap (CCIRS) Contracts
Underlying Liability
USD240.9 million 7.875% Debentures due in 2025

In 1995, the Company issued USD300.0 million 7.875% Debentures, of which the remaining USD240.9 million is due in 2025.

Hedging Instruments

On 17 October 2011, the Company entered into a CCIRS agreement with a notional amount of USD50.0 million that entitles it to receive interest at a fixed rate of 7.875% per annum on USD notional amount and obliges it to pay interest at a fixed rate of 7.875% on the RM notional amount (calculated at a pre-determined exchange rate). The swap matured on 1 August 2025. On the maturity date, the Company received the USD notional amount and paid the counterparty an equivalent RM amount of RM154.0 million.

On 2 December 2011, the Company entered into another CCIRS agreement with a notional amount of USD50.0 million that entitles it to receive interest at a fixed rate of 7.875% per annum on USD notional amount and obliges it to pay interest at a fixed rate of 7.875% on the RM notional amount (calculated at a pre-determined exchange rate). The swap matured on 1 August 2025. On the maturity date, the Company received the USD notional amount and paid the counterparty an equivalent RM amount of RM156.5 million.

The CCIRS contracts effectively converted part of the USD liability into RM liability.

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20. DEFERRED TAX

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred taxes relate to the same tax authority. The following amounts, determined after appropriate offsetting, are presented on the Statements of Financial Position:

	The Group		The Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Subject to income tax:				
Deferred tax assets	**24.2**	22.8	**-**	-
Deferred tax liabilities	**(946.7)**	(920.9)	**-**	-
TOTAL DEFERRED TAX	**(922.5)**	(898.1)	**-**	-
At 1 January	**(898.1)**	(1,107.9)	**-**	-
Current year charged/(credited) to the Income Statement arising from (note 10):				
- property, plant and equipment and intangible assets	**4.6**	112.8	**-**	-
- right-of-use assets	**22.1**	(66.2)	**-**	-
- lease liabilities	**(22.9)**	169.7	**-**	-
- contract liabilities	**(9.4)**	(6.6)	**-**	110.5
- contract assets and others	**(38.1)**	(13.6)	**-**	-
- tax losses	**-**	(9.1)	**-**	-
- provisions and others	**13.9**	22.9	**-**	-
	(29.8)	209.9	**-**	110.5
- currency translation differences	**5.4**	(0.1)	**-**	-
Effect of internal reorganisation	**-**	-	**-**	(110.5)
At 31 December	**(922.5)**	(898.1)	**-**	-

20. DEFERRED TAX (CONTINUED)

Breakdown of cumulative balances by each type of temporary difference:

	The Group	
	2025 RM	2024 RM
(a) Deferred tax assets		
Lease liabilities	**378.0**	400.9
Contract liabilities	**278.5**	287.9
Provisions and others	**520.5**	506.6
	1,177.0	1,195.4
Currency translation differences	**5.9**	0.5
	1,182.9	1,195.9
Offsetting	**(1,158.7)**	(1,173.1)
Total deferred tax assets after offsetting	**24.2**	22.8
(b) Deferred tax liabilities		
Property, plant and equipment and intangible assets	**1,676.4**	1,681.0
Right-of-use assets	**253.1**	275.2
Contract assets and others	**175.9**	137.8
	2,105.4	2,094.0
Offsetting	**(1,158.7)**	(1,173.1)
Total deferred tax liabilities after offsetting	**946.7**	920.9

The unutilised tax losses and unabsorbed capital/other tax allowances of subsidiaries for which no deferred tax asset has been recognised on the Statement of Financial Position are as follows:

	The Group	
	2025 RM	2024 RM
Unutilised tax losses	**88.1**	79.2
Unabsorbed capital and investment tax allowances	**685.3**	1,049.8
	773.4	1,129.0

The benefits of these tax losses and credits will only be obtained if the relevant subsidiaries derive future assessable income of a nature and amount sufficient for the benefits to be utilised. Deferred tax assets have not been recognised in respect of these losses as they may not be used to offset taxable profits elsewhere in the Group, they have arisen in subsidiaries that have been loss-making and there are no other tax planning opportunities or other evidence of recoverability in the near future.

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20. DEFERRED TAX (CONTINUED)

(a) Under the Malaysian Finance Act 2018 which was gazetted on 27 December 2018, the Group's unutilised tax losses will be imposed with a time limit of utilisation. Effective from year of assessment 2018, unutilised tax losses in a year of assessment can only be carried forward for a maximum period of seven (7) consecutive years of assessment. The Malaysian Finance Act 2021 has subsequently extended the utilisation period to ten (10) years. With that, the expiry dates of the Group's tax losses are summarised below:

	The Group	
	2025 RM	2024 RM
Year of assessment 2028	**9.1**	9.1
Year of assessment 2031	**15.9**	15.9
Year of assessment 2032	**8.8**	8.8
Year of assessment 2033	**38.2**	38.2
Year of assessment 2034	**7.7**	7.2
Year of assessment 2035	**8.4**	-
	88.1	79.2

(b) Unabsorbed investment tax allowances with the following expiry:

	The Group	
	2025 RM	2024 RM
Year of assessment 2025	**-**	356.9

(c) The Group is within the OECD scope of the Pillar Two Global Anti Base Erosion ("GloBE") Model Rules. Pillar Two legislation has been enacted in Malaysia effective 1 January 2025. At the same time, Pillar Two legislation has also been enacted in other jurisdictions in which the Group operates, namely Australia, Hong Kong, Indonesia, Singapore, the United Arab Emirates, and the United Kingdom. The legislation for Australia and the United Kingdom is effective for the financial years beginning on or after 1 January 2024, whereas the legislation for Hong Kong, Indonesia, Singapore, and the United Arab Emirates is effective from the financial years beginning on or after 1 January 2025.

The Group has performed an assessment of its potential exposure to Pillar Two income taxes based on the relevant Group entities' financial information for FY2025. Based on the Transitional Country by Country Report Safe Harbour assessment carried out, the Group does not expect a material exposure to Pillar Two income taxes in all jurisdictions where it is currently operating. The Group has applied the exception to recognising and disclosing information about the deferred tax assets and liabilities related to Pillar Two income taxes.

21. PROPERTY, PLANT AND EQUIPMENT

The Group	Telecom-munications Network RM	Movable Plant and Equipment RM	Computer Support Systems RM	Land (sub-note (c)) RM	Buildings RM	Capital Work-In-Progress RM	Total RM
Net Book Value							
As at 1 January 2025	**7,464.5**	**221.3**	**339.3**	**911.5**	**1,563.1**	**929.6**	**11,429.3**
Additions (sub-note (b))	**317.9**	**47.6**	**3.3**	**-**	**1.8**	**1,389.1**	**1,759.7**
Assetisation	**509.4**	**-**	**353.3**	**0.2**	**186.0**	**(1,048.9)**	**-**
Disposals	**(0.6)**	**(0.1)**	**-**	**-**	**-**	**-**	**(0.7)**
Charged to Income Statement	**-**	**-**	**-**	**-**	**-**	**(121.0)**	**(121.0)**
Reversal/(Write-off/Retirement) (note 6(a))	**13.8**	**(2.9)**	**-**	**-**	**(0.6)**	**(11.5)**	**(1.2)**
Depreciation (note 6(a))	**(1,268.7)**	**(92.6)**	**(166.9)**	**(1.1)**	**(130.0)**	**-**	**(1,659.3)**
Currency translation differences	**0.4**	**(0.1)**	**(0.2)**	**-**	**(2.5)**	**-**	**(2.4)**
Transfer from/(to) intangible assets (note 22)	**3.8**	**-**	**(0.5)**	**-**	**-**	**-**	**3.3**
Reclassification	**(18.0)**	**16.8**	**15.7**	**-**	**(14.5)**	**-**	**-**
At 31 December 2025	**7,022.5**	**190.0**	**544.0**	**910.6**	**1,603.3**	**1,137.3**	**11,407.7**
At 31 December 2025							
Cost	**41,365.3**	**1,662.0**	**3,980.5**	**938.9**	**4,973.6**	**1,138.3**	**54,058.6**
Accumulated depreciation	**(33,183.5)**	**(1,472.0)**	**(3,384.0)**	**(25.6)**	**(3,266.7)**	**-**	**(41,331.8)**
Accumulated impairment	**(1,159.3)**	**-**	**(52.5)**	**(2.7)**	**(103.6)**	**(1.0)**	**(1,319.1)**
Net Book Value	**7,022.5**	**190.0**	**544.0**	**910.6**	**1,603.3**	**1,137.3**	**11,407.7**
Net Book Value							
As at 1 January 2024 (restated)	7,559.3	260.4	390.5	912.6	1,614.3	1,059.7	11,796.8
Additions (sub-note (b))	376.0	34.0	4.7	-	12.3	1,047.2	1,474.2
Assetisation	838.9	11.7	92.0	-	77.6	(1,020.2)	-
Disposals	(1.5)	(2.8)	(0.1)	-	(0.1)	-	(4.5)
Charged to Income Statement	-	-	-	-	-	(148.5)	(148.5)
Reversal/(Write-off/Retirement) (note 6(a))	0.3	(0.4)	1.0	-	0.4	(5.5)	(4.2)
Depreciation (note 6(a))	(1,291.3)	(83.8)	(140.6)	(1.1)	(142.0)	-	(1,658.8)
Currency translation differences	(5.9)	1.4	3.9	-	(0.8)	(3.1)	(4.5)
Transfer to intangible assets (note 22)	(0.3)	-	(10.3)	-	-	-	(10.6)
Transfer to right-of-use assets (note 23)	(10.6)	-	-	-	-	-	(10.6)
Reclassification	(0.4)	0.8	(1.8)	-	1.4	-	-
At 31 December 2024	7,464.5	221.3	339.3	911.5	1,563.1	929.6	11,429.3
At 31 December 2024							
Cost	41,585.8	1,729.9	4,277.3	938.7	4,854.4	930.6	54,058.6
Accumulated depreciation	(32,960.2)	(1,508.6)	(3,884.1)	(24.5)	(3,187.7)	-	(41.565.1)
Accumulated impairment	(1,161.1)	-	(53.9)	(2.7)	(103.6)	(1.0)	(1,319.1)
Net Book Value	7,464.5	221.3	339.3	911.5	1,563.1	929.6	11,429.3

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21. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

(a) Review of useful life

The Group reviews the useful life of its property, plant and equipment on annual basis, which takes into consideration factors such as business plan and strategies, expected level of usage, changes in technology, climate related matters, latest findings in research and development and updated practises of the telecommunication industry.

(b) Government grants of RM817.6 million (2024: RM913.6 million) relating to assets, were deducted before arriving at the carrying amount of property, plant and equipment as at 31 December 2025.

The additions are net of Government grants recognised amounting to RM13.5 million (2024: RM12.8 million).

(c) Details of land are as follows:

The Group	Freehold RM	Leasehold (sub-note (i)) RM	Other Land (sub-note (ii)) RM	Total RM
Net Book Value				
At 1 January 2025	**812.6**	**70.7**	**28.2**	**911.5**
Depreciation	**-**	**(1.1)**	**-**	**(1.1)**
Assetisation	**-**	**0.2**	**-**	**0.2**
At 31 December 2025	**812.6**	**69.8**	**28.2**	**910.6**
At 31 December 2025				
Cost	**815.2**	**95.1**	**28.6**	**938.9**
Accumulated depreciation	**-**	**(25.2)**	**(0.4)**	**(25.6)**
Accumulated impairment	**(2.6)**	**(0.1)**	**-**	**(2.7)**
Net Book Value	**812.6**	**69.8**	**28.2**	**910.6**
Net Book Value				
At 1 January 2024	812.6	71.8	28.2	912.6
Depreciation	-	(1.1)	-	(1.1)
At 31 December 2024	812.6	70.7	28.2	911.5
At 31 December 2024				
Cost	815.2	94.9	28.6	938.7
Accumulated depreciation	-	(24.1)	(0.4)	(24.5)
Accumulated impairment	(2.6)	(0.1)	-	(2.7)
Net Book Value	812.6	70.7	28.2	911.5

(i) Leasehold land comprise the following:

	The Group	
	2025 RM	2024 RM
Long-term leasehold land	**50.7**	51.1
Short-term leasehold land	**19.1**	19.6
Total	**69.8**	70.7

Long-term leasehold land has remaining unexpired lease period of 50 years and above.

(ii) The title deeds pertaining to other land have not yet been registered in the name of the Group. Pending finalisation with the relevant authorities, these lands have not been classified according to their tenures.

Other land will be reclassified accordingly as and when the title deeds pertaining to these lands have been registered.

22. INTANGIBLE ASSETS

The Group	Goodwill RM	Telecom-munication Spectrum RM	Infrastructure Software RM	Application Software RM	Other Intangible Assets* RM	Software Development RM	Total RM
Net Book Value							
At 1 January 2025	**309.6**	**193.0**	**28.5**	**253.9**	**43.9**	**10.6**	**839.5**
Additions (sub-note (b))	**-**	**-**	**#**	**7.2**	**24.9**	**133.9**	**166.0**
Assetisation	**-**	**-**	**7.8**	**122.3**	**10.5**	**(140.6)**	**-**
Amortisation (note 6(a))	**-**	**(69.3)**	**(14.2)**	**(110.6)**	**(27.2)**	**-**	**(221.3)**
Write-off/Retirement (note 6(a))	**-**	**-**	**(0.4)**	**(5.3)**	**-**	**-**	**(5.7)**
Reclassification	**-**	**-**	**(0.2)**	**0.2**	**-**	**-**	**-**
Transfer from/(to) property, plant and equipment (note 21)	**-**	**-**	**0.2**	**(3.5)**	**-**	**-**	**(3.3)**
At 31 December 2025	**309.6**	**123.7**	**21.7**	**264.2**	**52.1**	**3.9**	**775.2**
At 31 December 2025							
Cost	**366.7**	**389.4**	**102.0**	**859.0**	**210.2**	**3.9**	**1,931.2**
Accumulated amortisation	**-**	**(245.4)**	**(79.5)**	**(575.4)**	**(158.1)**	**-**	**(1,058.4)**
Accumulated impairment	**(57.1)**	**(20.3)**	**(0.8)**	**(19.4)**	**-**	**-**	**(97.6)**
Net Book Value	**309.6**	**123.7**	**21.7**	**264.2**	**52.1**	**3.9**	**775.2**
Net Book Value							
At 1 January 2024 (restated)	309.6	262.2	33.2	242.1	46.2	3.0	896.3
Additions (sub-note (b))	-	-	-	8.8	19.0	111.7	139.5
Assetisation	-	-	3.9	100.2	-	(104.1)	-
Amortisation (note 6(a))	-	(69.2)	(9.1)	(107.3)	(21.3)	-	(206.9)
Transfer from property, plant and equipment (note 21)	-	-	0.5	10.1	-	-	10.6
At 31 December 2024	309.6	193.0	28.5	253.9	43.9	10.6	839.5
At 31 December 2024							
Cost	366.7	389.4	103.7	788.8	178.9	10.6	1,838.1
Accumulated amortisation	-	(176.1)	(74.4)	(516.8)	(135.0)	-	(902.3)
Accumulated impairment	(57.1)	(20.3)	(0.8)	(18.1)	-	-	(96.3)
Net Book Value	309.6	193.0	28.5	253.9	43.9	10.6	839.5

Amount less than RM0.1 million.

* Other intangible assets comprise the fair value of acquired development expenditure incurred in the design, development and testing of products and services, software and programme rights of subsidiaries.

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22. INTANGIBLE ASSETS (CONTINUED)

(a) **Impairment test for goodwill**

The Group undertakes an annual test for impairment of its cash-generating units to which goodwill is allocated as follows:

	2025 RM	2024 RM
Business-to-Business (B2B)	**308.4**	308.4
Others	**1.2**	1.2
	309.6	309.6

The recoverable amount of the cash-generating unit is determined based on value-in-use calculation.

The following key assumptions have been applied in the value-in-use calculation:

	2025	2024
Pre-tax discount rate	**14.1%**	13.3%
Terminal growth rate	**1.0%**	1.0%

The discount rates applied to the cash flow forecasts are benchmarked against local peers at the date of the assessment of the cash-generating units. Pre-tax discount rates are derived by removing tax cash flows from the post-tax value-in-use, and by iteration, identify the pre-tax discount rate that makes the present value of the adjusted cash flows equal to the value-in-use calculated using the post-tax cash flows.

Terminal growth rate represents the growth rate applied to extrapolate cash flow beyond five year financial budget period which takes into consideration the current and projected inflation and average growth rate for the telecommunication industry in Malaysia.

Impact of possible change in key assumptions used

The Group's review includes an impact assessment of changes in key assumptions. Based on the sensitivity analysis performed, management has concluded that no reasonably possible change in assumptions would cause the carrying amount of the B2B cash-generating unit to exceed its recoverable amount.

(b) Government grants of RM2.8 million (2024: RM0.1 million) relating to assets, were deducted before arriving at the carrying amount of intangible assets as at 31 December 2025.

The additions are the net of Government grants recognised amounting to nil (2024: nil).

(c) The Group reviews the useful life of its intangible assets on an annual basis, which takes into consideration factors such as business plan and strategies, expected level of usage, changes in technology, latest findings in research and development and evolving industry practices. During the financial year, the useful lives of infrastructure software was revised and the net impact of this change in estimates was RM11.9 million increase in amortisation.

23. RIGHT-OF-USE ASSETS

The Group	Telecommu-nications Network RM	Movable Plant and Equipment RM	Land RM	Buildings RM	Total RM
Net Book Value					
As at 1 January 2025	**547.7**	**45.6**	**258.9**	**330.7**	**1,182.9**
Additions (sub-note (b))	**76.3**	**11.1**	**1.0**	**103.0**	**191.4**
Modification	**8.7**	**(0.5)**	**0.1**	**34.0**	**42.3**
Termination	**(7.6)**	**-**	**(0.1)**	**(9.7)**	**(17.4)**
Depreciation (note 6(a) and sub-note (a))	**(116.0)**	**(21.8)**	**(13.3)**	**(134.8)**	**(285.9)**
Impairment (note 6(a))	**(5.3)**	**-**	**-**	**-**	**(5.3)**
At 31 December 2025	**503.8**	**34.4**	**246.6**	**323.2**	**1,108.0**
At 31 December 2025					
Cost	**1,078.9**	**127.6**	**328.7**	**1,278.6**	**2,813.8**
Accumulated depreciation	**(569.8)**	**(93.2)**	**(82.1)**	**(336.0)**	**(1,081.1)**
Accumulated impairment	**(5.3)**	**-**	**-**	**(619.4)**	**(624.7)**
Net Book Value	**503.8**	**34.4**	**246.6**	**323.2**	**1,108.0**
Net Book Value					
As at 1 January 2024 (restated)	564.0	63.9	259.8	375.9	1,263.6
Additions (sub-note (b))	89.5	1.3	1.1	130.0	221.9
Modification	15.5	(0.2)	11.0	(18.5)	7.8
Termination	(28.4)	-	(0.1)	(13.0)	(41.5)
Depreciation (note 6(a) and sub-note (a))	(103.5)	(19.4)	(12.9)	(143.7)	(279.5)
Transfer from property, plant and equipment (note 21)	10.6	-	-	-	10.6
At 31 December 2024	547.7	45.6	258.9	330.7	1,182.9
At 31 December 2024					
Cost	1,011.9	115.7	328.1	1,242.3	2,698.0
Accumulated depreciation	(464.2)	(70.1)	(69.2)	(269.2)	(872.7)
Accumulated impairment	-	-	-	(642.4)	(642.4)
Net Book Value	547.7	45.6	258.9	330.7	1,182.9

(a) The following amounts relating to leases are disclosed in the Income Statement:

	2025 RM	2024 RM
Depreciation of right-of-use assets (note 6(a))	**285.9**	279.5
Interest expense on lease liabilities (note 9)	**88.8**	96.2
Expenses relating to short-term leases (note 6(b))	**29.9**	32.8
Expenses relating to lease of low-value assets that are not shown above as short-term leases	**5.1**	1.3

(b) Government grants of RM5.1 million (2024: RM9.7 million) relating to right-of-use assets, were deducted before arriving at the carrying amount of right-of-use assets as at 31 December 2025.

The addition are net of Government grants recognised amounting to nil (2024: nil).

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24. SUBSIDIARIES

The Company	2025 Malaysia RM	2025 Overseas RM	2025 Total RM	2024 Malaysia RM	2024 Overseas RM	2024 Total RM
Unquoted investments, at cost (sub-note (a))	**8,589.7**	**22.0**	**8,611.7**	8,357.1	22.0	8,379.1
Accumulated impairment	**(7.7)**	**-**	**(7.7)**	(7.7)	-	(7.7)
	8,582.0	**22.0**	**8,604.0**	8,349.4	22.0	8,371.4
Equity contributions						
- Options granted to employees of subsidiaries	**13.1**	**-**	**13.1**	13.1	-	13.1
- LTIP granted to employees of subsidiaries	**43.7**	**-**	**43.7**	43.7	-	43.7
NET INVESTMENTS IN SUBSIDIARIES	**8,638.8**	**22.0**	**8,660.8**	8,406.2	22.0	8,428.2

Accumulated impairment of investment in subsidiaries

	The Company 2025 RM	The Company 2024 RM
At 31 December	**7.7**	7.7

(a) During the current financial year, the Company strengthened its strategic investment in the development of TM Nxera data centre facility in Johor via a cash injection of RM232.6 million through TM DC Holdings Sdn Bhd.

The Group's effective equity interest in the subsidiaries, their respective principal activities and countries of incorporation are listed in note 50. Other than as disclosed in note 50, the proportion of the Group's voting rights in the subsidiaries held by the Group do not differ from the proportion of ordinary shares held or the Group's effective equity interests in the subsidiaries.

There are no significant restrictions on the ability of the subsidiaries to transfer funds in the form of dividends and other capital distributions or for loans or advances being made or repaid, to (or from) the Group.

Set out below are the summarised financial information for each subsidiary which has non-controlling interests that are material to the Group, before any inter-company eliminations:

	Fiberail Sdn Bhd 2025 RM	Fiberail Sdn Bhd 2024 RM	Fibrecomm Network (M) Sdn Bhd 2025 RM	Fibrecomm Network (M) Sdn Bhd 2024 RM
Summarised Income Statement				
Revenue	**180.7**	173.7	**148.1**	127.7
Profit before income tax	**37.0**	32.8	**44.3**	24.5
Income tax expense	**(11.0)**	(8.8)	**(11.6)**	(5.5)
Profit after tax and total comprehensive income	**26.0**	24.0	**32.7**	19.0
Total comprehensive income attributed to non-controlling interests	**12.0**	11.0	**16.0**	9.3
Dividends paid to non-controlling interests	**5.1**	12.1	**5.7**	2.7

24. SUBSIDIARIES (CONTINUED)

Set out below are the summarised financial information for each subsidiary which has non-controlling interests that are material to the Group, before any inter-company eliminations: (continued)

	Fiberail Sdn Bhd		Fibrecomm Network (M) Sdn Bhd	
	2025 RM	2024 RM	2025 RM	2024 RM
Summarised Statement of Financial Position				
Current assets	**226.7**	199.6	**129.8**	114.3
Current liabilities	**(134.7)**	(132.2)	**(45.6)**	(51.6)
Total net current assets	**92.0**	67.4	**84.2**	62.7
Non-current assets	**237.5**	266.4	**70.2**	81.4
Non-current liabilities	**(96.8)**	(103.3)	**(12.3)**	(21.9)
Total net non-current assets	**140.7**	163.1	**57.9**	59.5
Net assets	**232.7**	230.5	**142.1**	122.2
Cumulative non-controlling interests	**107.0**	106.0	**69.6**	59.9
Summarised Statement of Cash Flows				
Cash generated from operations	**31.6**	61.6	**23.1**	27.9
Interest paid	**-**	-	**(0.7)**	(0.7)
Income tax (paid)/refund	**(8.1)**	(9.1)	**(4.8)**	4.4
Cash flows from operating activities	**23.5**	52.5	**17.6**	31.6
Cash flows used in investing activities	**(10.5)**	(16.3)	**(1.4)**	(5.7)
Cash flows used in financing activities	**(42.7)**	(46.1)	**(8.5)**	(11.0)
Net (decrease)/increase in cash and cash equivalents	**(29.7)**	(9.9)	**7.7**	14.9
Effect of exchange rate changes	**-**	-	**(1.0)**	(1.2)
Cash and cash equivalents at beginning of the financial year	**162.5**	172.4	**27.4**	13.7
Cash and cash equivalents at end of the financial year	**132.8**	162.5	**34.1**	27.4

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25. LOANS AND ADVANCES TO SUBSIDIARIES

	The Company	
	2025 RM	2024 RM
Loans and advances to subsidiaries	**15.4**	20.0
Accumulated impairment	**(3.4)**	(3.4)
Loans and advances to subsidiaries (net)	**12.0**	16.6
Current portion	**2.5**	3.4
Non-current portion	**9.5**	13.2
Loans and advances to subsidiaries (note 43)	**12.0**	16.6

Loans and advances to subsidiaries represent shareholder loans and advances for working capital purposes. These loans and advances are unsecured and bear interest ranging from 4.12% to 6.00% (2024: 4.12% to 6.89%) and will mature between 1 to 3 years (2024: 1 to 4 years).

Movement in balances and provision for impairment of loans and advances to subsidiaries are disclosed below:

	The Company	
	2025 RM	2024 RM
At 1 January	**16.6**	26.7
Additional loan to subsidiaries (note 38)	**-**	5.0
Repayments from subsidiaries (note 38)	**(3.6)**	(15.6)
Reversal of impairment on loans and advances to subsidiaries	**-**	1.2
Foreign exchange difference	**(1.0)**	(0.7)
Interest charged (note 7)	**0.9**	1.7
Reclassified as other receivables	**(0.9)**	(1.7)
At 31 December	**12.0**	16.6

Provisions for impairment of loans and advances to subsidiaries

	The Company	
	2025 RM	2024 RM
At 1 January	**3.4**	5.6
Reversal of impairment on loans and advances to subsidiaries	**-**	(1.2)
Write-off	**-**	(1.0)
At 31 December (note 4(a))	**3.4**	3.4

26. ASSOCIATE AND JOINTLY CONTROLLED ENTITY

	The Group	
	2025 RM	2024 RM
Share of net assets of an associate and jointly controlled entity		
Unquoted investments	**337.2**	109.8
The Group's share of profit of an associate and jointly controlled entity	**4.3**	8.1
The Group's share of assets and liabilities of an associate is as follows:		
Non-current assets	**72.9**	72.5
Current assets	**34.1**	38.1
Non-current liabilities	**(0.4)**	(0.9)
Current liabilities	**(1.0)**	(1.1)
Net assets	**105.6**	108.6
The Group's share of assets and liabilities of the jointly controlled entity is as follows:		
Non-current assets	**231.9**	1.9
Current assets	**116.3**	9.2
Current liabilities	**(116.6)**	(9.9)
Net assets	**231.6**	1.2

During the current financial year, the Group injected RM232.6 million into ST Dynamo DC Sdn Bhd (ST Dynamo DC), a jointly controlled entity. Following this investment, the Group's share of ST Dynamo DC's net assets increased to RM231.6 million as at the current financial year end.

The Group's associate and jointly controlled entity are not material to the financial position, financial performance and cash flows of the Group.

The Group's effective equity interest in the associate and jointly controlled entity, which is unquoted, its principal activities and country of incorporation are listed in note 51.

There are no contingent liabilities relating to the Group's interest in the associate and jointly controlled entity, and there are no significant restrictions on the ability of the associate and jointly controlled entity to transfer funds in the form of dividend to the Group.

27(a). EQUITY INVESTMENTS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME (FVOCI)

Equity investments at FVOCI comprise of individual unquoted equity investments.

	The Group and the Company	
	2025 RM	2024 RM
At 1 January	**138.8**	136.5
Fair value changes transferred to OCI	**6.6**	2.3
At 31 December (notes 43 and 46)	**145.4**	138.8

The equity investments are represented primarily by the Group's and the Company's investments in Asean Cableship Pte Ltd and Labuan Reinsurance (L) Ltd. The dividends received by the Group and the Company during the financial year amounted to RM10.2 million (2024: RM10.7 million).

At initial recognition, the Group and the Company have irrevocably elected to present fair value changes of non-trading equity investments above in OCI. The Group and the Company consider this classification to be more relevant as these instruments are strategic investments of the Group and the Company and not held for trading purpose.

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27(b). INVESTMENTS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME (FVOCI)

Investments in listed and unlisted bonds are classified as FVOCI, as the Group's and the Company's business model is achieved by collecting contractual cash flows and selling of these assets. The contractual cash flows of these investments are solely payment of principal and interest.

	The Group and the Company	
	2025 RM	2024 RM
At 1 January	**72.9**	70.4
Additions	**30.6**	26.1
Fair value changes transferred to OCI	**0.9**	0.2
Disposals	**(27.6)**	(24.1)
Accretion of finance income (net)	**0.1**	0.3
Reversal of impairment	**0.2**	-
At 31 December (notes 43 and 46)	**77.1**	72.9

The credit quality of investments in listed and unlisted bonds is as follows:

	The Group and the Company	
	2025 RM	2024 RM
AAA	**26.1**	30.4
AA	**46.1**	37.5
A	**3.4**	5.0
Malaysian Government Securities	**1.5**	-
	77.1	72.9

Provision for impairment of investments at FVOCI

	The Group and the Company	
	2025 RM	2024 RM
At 31 December (note 4(a))	**1.0**	1.2

27(c). INVESTMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS (FVTPL)

Investment in a technology investment fund, fixed income unit trust fund and certain investments in a rated Corporate Social Responsibility (CSR) sukuk are classified as financial assets at FVTPL. The investments do not meet the MFRS 9 criteria for classification at amortised cost, because their cash flows do not represent solely payments of principal and interest.

	The Group and the Company	
	2025 RM	2024 RM
At 1 January	**111.3**	153.4
Additional investment	**1.2**	2.8
Fair value changes through profit or loss (net)	**237.6**	(15.4)
Disposals	**(239.7)**	(24.6)
Foreign exchange difference	**(1.5)**	(4.9)
At 31 December	**108.9**	111.3
Current portion	**1.5**	0.2
Non-current portion	**107.4**	111.1
TOTAL INVESTMENTS AT FVTPL (notes 43 and 46)	**108.9**	111.3

28. RECEIVABLES AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME (FVOCI)

	The Group	
	2025 RM	2024 RM
At 1 January	**61.1**	52.3
Additions (including interest)	**8.4**	15.7
Repayments (net of conversion)	**(8.3)**	6.5
Amortisation of prepayment	**(0.1)**	(1.4)
Impairment reclassification to other non-current receivables/assets	**-**	0.6
Fair value changes transferred to OCI	**0.2**	0.4
At 31 December	**61.3**	61.1
Current portion	**3.0**	3.0
Non-current portion	**58.3**	58.1
TOTAL RECEIVABLES AT FVOCI (net) (note 46)	**61.3**	61.1

Receivables at FVOCI comprises housing loans extended to employees. These loans are disposed to a third party when certain pre-determined conditions are met. Details of the housing loans to employees are as disclosed in note 29(i).

Provision for impairment of receivables at FVOCI

	The Group	
	2025 RM	2024 RM
As at 1 January	**10.2**	10.8
Impairment reclassification to other non-current receivables/assets	**-**	(0.6)
At 31 December (note 4(a))	**10.2**	10.2

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29. OTHER NON-CURRENT RECEIVABLES/ASSETS

	The Group	
	2025 RM	2024 RM
Staff loans at amortised cost		
- under Islamic principles	**19.0**	17.6
Total staff loans (sub-note (i))	**19.0**	17.6
Other non-current receivables (note 46)		
- other deposits	**29.9**	29.8
- other receivables	**81.9**	35.4
Staff loans and other non-current receivables, representing financial assets at amortised cost (note 43)	**130.8**	82.8
Other non-current assets		
- prepayments (sub-note (ii))	**151.5**	241.2
Prepaid employee benefits	**13.9**	13.6
	296.2	337.6
Staff loans receivable within twelve (12) months included under other receivables (note 32)	**(5.0)**	(4.9)
TOTAL OTHER NON-CURRENT RECEIVABLES/ASSETS	**291.2**	332.7

Provision for impairment of other non-current receivables/assets

	The Group	
	2025 RM	2024 RM
At 1 January	**2.9**	2.3
Impairment reclassification from impairment of receivables at FVOCI	**-**	0.6
At 31 December (note 4(a))	**2.9**	2.9

(i) Staff loans comprise housing, vehicle, computer and club membership loans offered to employees with contractual financing cost of 4.0% per annum on a reducing balance basis except for club membership loans which are free of financing cost.

Housing loans are classified as receivables at FVOCI as disclosed in note 28 whilst the remaining staff loans are classified as receivables at amortised cost under note 29. There is no single significant credit risk exposure as the amount is mainly receivable from individuals. Staff loans inclusive of financing cost, are repayable in equal monthly instalments as follows:

- Housing loans - maximum tenure is up to employee retirement age (at 60 years of age)
- Vehicle loans - maximum of 9 years for new cars and 7 years for second hand cars
- Computer loans - 3 years

Credit risk arising from staff loans is mitigated by the enforcement of salary deductions as a mode of repayment. In addition, collateral is obtained for the following:

- Housing loans - registered land charges and assignments over the properties financed
- Vehicle loans - ownership claims over the vehicles financed

During the current financial year, there were no disposal of employees housing loans under the Sale and Purchase (S&P) Agreement entered into on 27 May 2009 with AmMortgage One Berhad (AmMortgage One), a wholly-owned subsidiary of AmBank (M) Berhad (AmBank). In line with the S&P Agreement, a Servicing Agreement between the Company, AmMortgage One and AmBank was also executed, reflecting the outsourcing of the Company's mortgage servicing operations to AmBank.

29. OTHER NON-CURRENT RECEIVABLES/ASSETS (CONTINUED)

(ii) Included in non-current prepayment is unutilised capacity of RM127.3 million (2024: RM146.1 million) from the Access Agreement with Digital Nasional Berhad (DNB), which the Group is entitled to utilise before the expiry of the contract by end of 2032.

30. INVENTORIES

	The Group	
	2025 RM	2024 RM
Telecommunications equipment	**25.4**	13.7
Capacity held for resale	**254.3**	147.8
Land held for sale	**39.9**	39.9
Others	**1.0**	0.3
TOTAL INVENTORIES	**320.6**	201.7

31. CONTRACT COST ASSETS

	The Group	
	2025 RM	2024 RM
Asset recognised from costs incurred to obtain and fulfil a contract at 1 January	**262.6**	357.3
- Addition from customer contracts with service yet to be delivered as performance obligations are not yet satisfied	**264.3**	259.9
- Amortisation	**(288.7)**	(354.6)
Asset recognised from costs incurred to obtain and fulfil a contract at 31 December	**238.2**	262.6

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32. TRADE AND OTHER RECEIVABLES

	The Group		The Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Receivables from external customers	**1,373.8**	1,449.6	**-**	-
Receivables from subsidiaries	**-**	-	**-**	0.7
Receivables from associate	**1.1**	-	**-**	-
	1,374.9	1,449.6	**-**	0.7
Impairment				
- external customers	**(603.5)**	(611.9)	**-**	-
	771.4	837.7	**-**	0.7
Accrued earnings*	**311.3**	210.5	**-**	-
Total trade receivables (net)	**1,082.7**	1,048.2	**-**	0.7
Other receivables from subsidiaries	**-**	-	**258.3**	249.0
Other receivables	**481.9**	803.8	**46.1**	394.2
Impairment of other receivables				
- external customers	**(154.4)**	(135.9)	**-**	-
- subsidiaries	**-**	-	**(0.5)**	(0.5)
Total trade and other receivables, representing financial assets at amortised cost (note 43)	**1,410.2**	1,716.1	**303.9**	643.4
Prepayments	**471.8**	505.8	**0.5**	1.2
Grant recoverable	**279.4**	249.1	**-**	-
Tax recoverable	**140.6**	42.1	**2.9**	-
Staff loans (note 29)	**5.0**	4.9	**-**	-
	896.8	801.9	**3.4**	1.2
TOTAL TRADE AND OTHER RECEIVABLES (net)	**2,307.0**	2,518.0	**307.3**	644.6

* Included in accrued earnings are unbilled amounts for leasing contracts for services rendered in the ordinary course of business.

Certain amounts of trade receivables have been subjected to offsetting with trade payables where these balances are from transactions transacted with the same counterparty and are settled on net basis, summarised as follows:

	2025			2024		
	Gross amount of trade receivables RM	Gross amount of trade payables and accruals set off against trade receivables (note 35) RM	Net amount of trade receivables RM	Gross amount of trade receivables RM	Gross amount of trade payables and accruals set off against trade receivables (note 35) RM	Net amount of trade receivables RM
The Group	**1,104.1**	**(21.4)**	**1,082.7**	1,078.3	(30.1)	1,048.2
The Company	**-**	**-**	**-**	0.7	-	0.7

For trade receivables and trade payables subject to netting arrangements above, each agreement between the Group and the counterparties is carried out on net settlement basis, including events of default.

Movement and balance analysis of loss allowance is disclosed under note 4(a)(ii).

32. TRADE AND OTHER RECEIVABLES (CONTINUED)

The Group and the Company are not exposed to major concentrations of credit risk due to the diversified customer base. The analysis of trade receivables by business clusters is considered the most appropriate disclosure of credit concentration. In addition, credit risk is mitigated to a certain extent by cash deposits (note 36) and bankers' guarantee obtained from customers amounting to RM9.8 million (2024: RM39.0 million) at the Group. The Group and the Company consider the provision of impairment at the reporting date to be adequate to cover the potential financial loss.

Credit terms of trade receivables range from 30 to 90 days (2024: 30 to 90 days).

The maximum exposure to credit risk at the reporting date is the carrying amount of each class of receivable mentioned above.

The Group's recovery of trade and other receivables written off for financial year ended 31 December 2025 is RM7.5 million (2024: RM8.5 million).

33. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (FVTPL)

	The Group and the Company	
	2025 RM	2024 RM
Equity securities quoted on the Bursa Securities (notes 43 and 46), representing total financial assets at FVTPL	**1.8**	2.5

34. CASH AND BANK BALANCES

	The Group		The Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Deposits with licensed banks (note 46):				
- Conventional	**904.4**	916.0	**289.3**	488.2
- Islamic principles	**1,008.1**	1,611.8	**1.5**	279.3
Total deposits with licensed banks	**1,912.5**	2,527.8	**290.8**	767.5
Cash and bank balances (note 46):				
- Conventional	**546.9**	459.9	**6.3**	6.6
- Islamic principles	**163.4**	108.5	**0.4**	0.5
TOTAL CASH AND BANK BALANCES (note 43)	**2,622.8**	3,096.2	**297.5**	774.6
Less:				
Money held in trust (sub-note (a))/Deposits pledged	**(135.6)**	(118.7)	**-**	-
Deposit with maturity exceeding 3 months	**(1.5)**	(4.4)	**-**	-
TOTAL CASH AND CASH EQUIVALENTS	**2,485.7**	2,973.1	**297.5**	774.6

(a) Included in money held in trust at the Group are the bank balances amounting USD33.2 million (RM134.9 million) (2024: USD26.4 million (RM118.0 million)) of a consortium of international telecommunications companies investing jointly in an international submarine cable. It is held in trust by one of the subsidaries as its function as the appointed central billing party to the consortiums.

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34. CASH AND BANK BALANCES (CONTINUED)

The deposits are placed mainly with a number of creditworthy financial institutions. There is no major concentration of deposits in any single financial institution. The credit quality of the financial institutions in which cash and deposits are placed is as follows:

	The Group		The Company	
	2025 RM	2024 RM	2025 RM	2024 RM
AAA	**398.6**	409.7	**0.4**	3.1
AA	**1,765.0**	1,588.7	**290.8**	562.6
A	**448.8**	834.4	**6.3**	33.6
NR (sub-note (b))	**10.4**	263.4	**-**	175.3
	2,622.8	3,096.2	**297.5**	774.6

(b) Mainly comprise deposits placed with foreign financial instituitions holding sovereign equivalent ratings.

Deposits have maturities ranging from overnight to 90 days (2024: from overnight to 90 days) for the Group and overnight to 30 days (2024: from overnight to 30 days) for the Company. Bank balances are deposits held at call with banks.

The weighted average interest rate of deposits as at 31 December 2025 was 3.71% (2024: 4.30%) and 3.78% (2024: 4.56%) for the Group and the Company respectively.

35. TRADE AND OTHER PAYABLES

	The Group		The Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Trade payables and accruals	**1,989.2**	1,818.6	**-**	4.2
Money held in trust (note 34(a))/Deposits pledged	**135.6**	118.7	**-**	-
Deposits and trust monies	**34.4**	36.9	**-**	-
Finance cost payable	**19.6**	50.6	**-**	29.8
Payables to subsidiaries (sub-note (a))	**-**	-	**163.3**	119.6
Other payables and accruals	**666.7**	823.2	**4.5**	9.1
Total trade and other payables, representing financial liabilities at amortised cost (notes 43 and 46)	**2,845.5**	2,848.0	**167.8**	162.7
Payable for Universal Service Provision	**359.6**	306.8	**-**	-
Deferred revenue	**110.3**	127.6	**-**	-
Duties and other taxes payable	**89.7**	80.5	**-**	-
Provision for voluntary separation (sub-note (b))	**280.2**	15.0	**-**	-
Provision for dismantling cost	**34.7**	31.5	**-**	-
	3,720.0	3,409.4	**167.8**	162.7
Current portion	**3,610.9**	3,270.4	**167.8**	162.7
Non-current portion (sub-note (c))	**109.1**	139.0	**-**	-
TOTAL TRADE AND OTHER PAYABLES	**3,720.0**	3,409.4	**167.8**	162.7

(a) Includes excess funds of subsidiaries managed and invested by the Company, which are interest bearing as disclosed in note 40(b)(ii).

35. TRADE AND OTHER PAYABLES (CONTINUED)

(b) Provision for voluntary separation for eligible employees

During the current financial year, the Group received a significant number of voluntary separation requests from employees seeking early retirement or career transition. Employees with approved requests were compensated through special incentives and designated benefits, payable over a period of 12 months.

The expected financial impact of the scheme has been recognised in the financial statements based on the number of employees whose request have been approved as at the financial year end. Compensation will be paid in tranches within 12 months from the approval date.

(c) Non-current portion of trade and other payables consist of the following:

	The Group		The Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Deferred revenue	**80.0**	113.0	**-**	-
Provision for dismantling cost	**29.1**	26.0	**-**	-
	109.1	139.0	**-**	-

Certain amount of trade payables and accruals have been subjected to offsetting with trade receivables where these balances are from transactions transacted with the same counterparties and are settled on net basis, summarised as follows:

	2025			2024		
	Gross amount of trade payables and accruals RM	Gross amount of trade receivables set off against trade payables and accruals (note 32) RM	Net amount of trade payables and accruals RM	Gross amount of trade payables and accruals RM	Gross amount of trade receivables set off against trade payables and accruals (note 32) RM	Net amount of trade payables and accruals RM
The Group	**2,010.6**	**(21.4)**	**1,989.2**	1,848.7	(30.1)	1,818.6
The Company	**-**	**-**	**-**	4.2	-	4.2

Credit terms of trade and other payables excluding accruals vary from 30 to 90 days (2024: 30 to 90 days) depending on the terms of the contracts.

36. CUSTOMER DEPOSITS

	The Group	
	2025 RM	2024 RM
Telephone services	**62.1**	87.7
Data services	**12.0**	8.8
TOTAL CUSTOMER DEPOSITS (notes 43 and 46)	**74.1**	96.5

Customer deposits are refundable as and when the customers terminate their services.

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37. CASH FLOWS FROM OPERATING ACTIVITIES

	The Group		The Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Receipts from customers	**11,802.5**	11,406.3	**23.5**	354.3
Payments to suppliers and employees	**(7,723.5)**	(6,710.0)	**(54.5)**	(468.3)
Receipts from/(Payments to) money held in trust/deposits pledged	**16.9**	(135.7)	**-**	-
Payments to suppliers for short-term lease and leases of low-value assets	**(35.0)**	(34.1)	**-**	-
Payments of finance cost	**(180.0)**	(217.5)	**(71.4)**	(64.4)
Payments of income taxes and zakat (net)	**(362.0)**	(298.4)	**(21.7)**	(12.3)
Dividends received	**-**	-	**1,405.7**	1,383.8
TOTAL CASH FLOWS FROM OPERATING ACTIVITIES	**3,518.9**	4,010.6	**1,281.6**	1,193.1

38. CASH FLOWS (USED IN)/FROM INVESTING ACTIVITIES

	The Group		The Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Investment in a subsidiary	**-**	-	**(232.6)**	(1.8)
Contribution from Government grants for purchase of property, plant and equipment	**135.5**	265.5	**-**	-
Disposal of property, plant and equipment	**2.6**	5.8	**-**	-
Purchase of property, plant and equipment and intangible assets	**(1,736.9)**	(1,380.9)	**-**	-
Investment in a jointly controlled entity	**(232.6)**	(1.8)	**-**	-
Disposal/Maturity of current investments at FVOCI	**27.6**	24.1	**27.6**	24.1
Purchase of current investments at FVOCI	**(30.6)**	(26.1)	**(30.6)**	(26.1)
Purchase of investments at FVTPL	**(1.2)**	(2.8)	**(1.2)**	(2.8)
Disposal of/Distribution from investment at FVTPL	**239.7**	24.6	**239.7**	24.6
Long-term deposits	**293.8**	(16.6)	**293.8**	(16.6)
Deposits with maturity exceeding 3 months	**2.9**	(1.5)	**-**	-
Additional loan to subsidiaries	**-**	-	**-**	(5.0)
Repayments from subsidiaries - loans and advances	**-**	-	**3.6**	15.6
Repayments of loans by employees	**17.0**	14.7	**-**	-
Loans to employees	**(15.1)**	(23.1)	**-**	-
Interest/Profit received	**90.1**	105.9	**23.8**	24.7
Dividends received	**10.2**	10.0	**-**	-
TOTAL CASH FLOWS (USED IN)/FROM INVESTING ACTIVITIES	**(1,197.0)**	(1,002.2)	**324.1**	36.7

39. CASH FLOWS USED IN FINANCING ACTIVITIES

	The Group		The Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Repayments of borrowings	**(1,206.8)**	(1,223.7)	**(906.8)**	(0.2)
Repayments of lease liabilities	**(399.5)**	(394.9)	**-**	-
Dividend paid to shareholders	**(1,189.7)**	(1,074.5)	**(1,189.7)**	(1,074.5)
Dividend paid to non-controlling interests	**(13.4)**	(15.4)	**-**	-
TOTAL CASH FLOWS USED IN FINANCING ACTIVITIES	**(2,809.4)**	(2,708.5)	**(2,096.5)**	(1,074.7)

39. CASH FLOWS USED IN FINANCING ACTIVITIES (CONTINUED)

Changes in liabilities arising from financing activities:

	At 1 January 2025 RM	Cash Flow RM	Non-cash changes Interest Accretion RM	Foreign Exchange Movement RM	New Leases RM	Others RM	At 31 December 2025 RM
The Group							
Borrowings	**(3,490.9)**	**1,206.8**	**(0.6)**	**222.9**	**-**	**-**	**(2,061.8)**
Lease liabilities	**(1,699.9)**	**399.5**	**(88.8)**	**-**	**(184.1)**	**(44.2)**	**(1,617.5)**
	(5,190.8)	**1,606.3**	**(89.4)**	**222.9**	**(184.1)**	**(44.2)**	**(3,679.3)**

	At 1 January 2025 RM	Cash Flow RM	Non-cash changes Interest Accretion RM	Foreign Exchange Movement RM	New Leases RM	Others RM	At 31 December 2025 RM
The Company							
Borrowings	**(1,079.4)**	**906.8**	**(0.1)**	**171.3**	**-**	**-**	**(1.4)**

	At 1 January 2024 RM	Cash Flow RM	Non-cash changes Interest Accretion RM	Foreign Exchange Movement RM	New Leases RM	Others RM	At 31 December 2024 RM
The Group							
Borrowings	(4,763.2)	1,223.7	(1.4)	50.0	-	-	(3,490.9)
Lease liabilities	(1,857.6)	394.9	(96.2)	-	(154.3)	13.3	(1,699.9)
	(6,620.8)	1,618.6	(97.6)	50.0	(154.3)	13.3	(5,190.8)

	At 1 January 2024 RM	Cash Flow RM	Non-cash changes Interest Accretion RM	Foreign Exchange Movement RM	New Leases RM	Others RM	At 31 December 2024 RM
The Company							
Borrowings	(1,112.1)	0.2	(0.2)	32.7	-	-	(1,079.4)

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40. SIGNIFICANT RELATED PARTY DISCLOSURES

Set out below are the significant related party transactions and balances, in addition to related party transactions and balances mentioned elsewhere in the financial statements:

(a) Significant transactions with subsidiaries and associate

The Company has significant related party transactions with its subsidiaries and associate, as listed below:

BlueTel Networks Pte Ltd
Fiberail Sdn Bhd
Fibrecomm Network (M) Sdn Bhd
GITN Sdn Berhad
TM Technology Services Sdn Bhd
Telekom Malaysia (Australia) Pty Ltd
Telekom Malaysia (Hong Kong) Limited
Telekom Malaysia (S) Pte Ltd
Telekom Malaysia (UK) Limited
Telekom Malaysia (USA) Inc
Telekom Research & Development Sdn Bhd
TM Facilities Sdn Bhd
TMF Autolease Sdn Bhd
Universiti Telekom Sdn Bhd
VADS Business Process Sdn Bhd

	The Group	
	2025 RM	2024 RM
(i) Sales of goods and rendering of services to an associate		
- telecommunications related services	**7.2**	8.0
(ii) Purchases of goods and services from an associate		
- telecommunications related services	**46.0**	44.1

	The Company	
	2025 RM	2024 RM
(iii) Dividend and interest income from subsidiaries	**1,419.1**	1,423.7

(b) Year end balances arising from:

	The Group		The Company	
	2025 RM	2024 RM	2025 RM	2024 RM
(i) Sales/Purchases of goods/services				
- receivables from subsidiaries	**-**	-	**-**	0.7
- receivables from associate	**1.1**	-	**-**	-
- payables to subsidiaries	**-**	-	**163.3**	119.6
- payables to associate	**-**	3.3	**-**	-
(ii) Other receivables				
- receivables from subsidiaries	**-**	-	**257.8**	248.5

The above receivables from/payables to related parties arise mainly from sale/purchase transactions with credit terms of 30 to 90 days and payment on behalf. The receivables/payables are unsecured and interest free.

Other payables to subsidiaries mainly comprise of Government grants received on behalf of a subsidiary.

40. SIGNIFICANT RELATED PARTY DISCLOSURES (CONTINUED)

Set out below are the significant related party transactions and balances, in addition to related party transactions and balances mentioned elsewhere in the financial statements: (continued)

(c) Key management personnel

Key management personnel are the persons who have authority and responsibility for planning, directing and controlling the activities of the Group or the Company either directly or indirectly. Consistent with the previous financial year, key management personnel has been defined as the Directors (executive and non-executive) of the Company and heads or senior management officers who are members of the Management Committee for the Group and the Company respectively.

Whenever exist, related party transactions also include transactions with entities that are controlled, jointly controlled or significantly influenced directly or indirectly by any key management personnel or their close family members.

	The Group		The Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Key management personnel compensation[@]				
- fees	**2.4**	2.5	**2.4**	2.5
- salaries, allowances and bonus	**21.6**	22.4	**-**	-
- LTIP	**-**	0.3	**-**	-
- contribution to Employees Provident Fund	**3.2**	3.1	**-**	-
- estimated monetary value of benefits	**1.7**	1.8	**1.0**	1.1

[@] Includes the Directors' remuneration (whether executive or otherwise) as disclosed in note 6(b).

(d) Government-related entities

(i) Employees Provident Fund (EPF)

During the current financial year ended, the EPF, Malaysia's national retirement savings fund established under the Employees Provident Fund Act 1991, became a related party of TM pursuant to MFRS 124 Related Party Disclosures. EPF held an effective equity interest of approximately 22.51% in TM as of 31 December 2025.

Accordingly, EPF and its controlled entities and joint ventures (excluding associates) are deemed related parties of TM. During the financial year, there were no related party transactions with EPF or its related entities that were material, either individually or in aggregate.

(ii) Khazanah Nasional Berhad (Khazanah)

As disclosed in the previous financial year, Khazanah is a major shareholder of the Group, holding 20.10% equity interest as of 31 December 2025.

Khazanah is wholly-owned by the Government of Malaysia (Government) through the Minister of Finance (Incorporated), with one share held by the Federal Lands Commissioner (Incorporated). Accordingly, the Government and entities controlled or jointly controlled by the Government are deemed related parties of the Group.

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40. SIGNIFICANT RELATED PARTY DISCLOSURES (CONTINUED)

Set out below are the significant related party transactions and balances, in addition to related party transactions and balances mentioned elsewhere in the financial statements: (continued)

(d) Government-related entities (continued)

(iii) RPT disclosures

The individually significant transactions that the Group entered into with identified related parties and their corresponding balances for the provision of telecommunications-related services as at the respective reporting dates are as follows:

	Total amount of individually significant transactions		Corresponding outstanding balances	
	2025 RM	2024 RM	2025 RM	2024 RM
The Group				
Sales and Receivables	**747.2**	787.3	**32.9**	53.9

The Group also has individually significant contracts with other Government-related entities where the Group was provided funding for projects of which the amortisation of grants to the Income Statement in the current financial year was RM31.4 million (2024: RM38.0 million). There were no corresponding receivables recorded as at the reporting date (2024: RM118.7 million).

The Group also has transactions with other Government and EPF related entities for the provision of telecommunication and related services and equipment. These transactions are not individually significant but are collectively important and occur in the normal course of business.

41. CAPITAL AND OTHER COMMITMENTS

	The Group	
	2025 RM	2024 RM
(a) Property, plant and equipment		
Commitments in respect of expenditures approved and contracted for	**2,349.3**	2,249.3

	The Group and the Company	
	2025 RM	2024 RM
(b) Investments at FVTPL		
The Group's remaining capital commitment in a technology investment fund (disclosed as part of the Group's Non-current Investment at FVTPL)	**10.6**	11.6

	The Group	
	2025 RM	2024 RM
(c) Amount approved and committed		
Donation via Yayasan Telekom Malaysia	**29.4**	24.8

41. CAPITAL AND OTHER COMMITMENTS (CONTINUED)

	The Group	
	2025 RM	2024 RM
(d) ST Dynamo DC Sdn Bhd (ST Dynamo DC)		
The Group's remaining committed equity funding in a jointly controlled entity, ST Dynamo DC	**353.3**	585.9

42. SEGMENT INFORMATION

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker (CODM), who is responsible for allocating resources and assessing performance of the operating segments including deciding on the overall strategic decisions.

The Group has identified a single reportable segment of providing fixed-mobile convergence services which offers integrated broadband, mobile and data services, digital content as well as other innovative solutions for the purpose of disclosure under MFRS 8 "Operating Segments".

The converged business unit remains supported by Others, which includes shared services divisions, all business enabler divisions such as Group Network and Information Technology, and subsidiaries that do not fall under the said business clusters.

Customer segment revenue:

	The Group	
	2025 RM	2024 RM
Business-to-Consumer (B2C)	**5,674.2**	5,633.3
Business-to-Business (B2B)	**2,782.8**	2,906.2
Carrier-to-Carrier (C2C)	**3,292.6**	3,061.4
Others	**284.7**	282.6
Inter-segment	**(162.3)**	(171.1)
Total	**11,872.0**	11,712.4

By Geographical Location

The Group operates in a few countries as disclosed in note 50. Accordingly, the segmentation of the Group's operations by geographical location is segmented into Malaysia and other countries. The overseas operation is not further segregated as no individual overseas country contributed more than 10.0% of the consolidated operating revenue or assets.

In presenting information for geographical segments of the Group, sales are based on the country in which the customers are located. Total assets and capital expenditure are determined based on where the assets are located.

	Operating Revenue		Capital Expenditure	
	2025 RM	2024 RM	2025 RM	2024 RM
Malaysia	**10,571.8**	10,530.4	**1,743.0**	1,468.5
Other countries	**1,300.2**	1,182.0	**182.7**	145.2
	11,872.0	11,712.4	**1,925.7**	1,613.7

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43. FINANCIAL INSTRUMENTS BY CATEGORY

	At amortised cost RM	At FVOCI RM	At FVTPL RM	Other financial liabilities at amortised cost RM	Total RM
The Group					
2025					
Financial Assets					
Equity investments at FVOCI (note 27(a))	-	145.4	-	-	145.4
Investments at FVTPL (note 27(c))	-	-	108.9	-	108.9
Investments at FVOCI (note 27(b))	-	77.1	-	-	77.1
Staff loans and other non-current receivables/ assets (excluding prepayments and prepaid employee benefits) (note 29)	130.8	-	-	-	130.8
Trade and other receivables (excluding prepayments, grant recoverable, tax recoverable and staff loans) (note 32)	1,410.2	-	-	-	1,410.2
Receivables at FVOCI (note 28)	-	61.3	-	-	61.3
Financial assets at FVTPL (note 33)	-	-	1.8	-	1.8
Cash and bank balances (note 34)	2,622.8	-	-	-	2,622.8
Total	4,163.8	283.8	110.7	-	4,558.3
Financial Liabilities					
Borrowings (note 17)	-	-	-	2,061.8	2,061.8
Lease liabilities (note 18)	-	-	-	1,617.5	1,617.5
Trade and other payables (excluding statutory liabilities, deferred revenue, provision for voluntary separation and provision for dismantling cost) (note 35)	-	-	-	2,845.5	2,845.5
Customer deposits (note 36)	-	-	-	74.1	74.1
Total	-	-	-	6,598.9	6,598.9

43. FINANCIAL INSTRUMENTS BY CATEGORY (CONTINUED)

	At amortised cost RM	At FVOCI RM	At FVTPL RM	Derivatives at FVTPL accounted for under hedge accounting RM	Other financial liabilities at amortised cost RM	Total RM
The Group						
2024						
Financial Assets						
Derivative financial instruments (note 19)	-	-	-	136.5	-	136.5
Equity investments at FVOCI (note 27(a))	-	138.8	-	-	-	138.8
Investments at FVTPL (note 27(c))	-	-	111.3	-	-	111.3
Investments at FVOCI (note 27(b))	-	72.9	-	-	-	72.9
Staff loans and other non-current receivables/ assets (excluding prepayments and prepaid employee benefits) (note 29)	82.8	-	-	-	-	82.8
Trade and other receivables (excluding prepayments, grant recoverable, tax recoverable and staff loans) (note 32)	1,716.1	-	-	-	-	1,716.1
Receivables at FVOCI (note 28)	-	61.1	-	-	-	61.1
Financial assets at FVTPL (note 33)	-	-	2.5	-	-	2.5
Cash and bank balances (note 34)	3,096.2	-	-	-	-	3,096.2
Total	4,895.1	272.8	113.8	136.5	-	5,418.2
Financial Liabilities						
Borrowings (note 17)	-	-	-	-	3,490.9	3,490.9
Lease liabilities (note 18)	-	-	-	-	1,699.9	1,699.9
Trade and other payables (excluding statutory liabilities, deferred revenue, provision for voluntary separation and provision for dismantling cost) (note 35)	-	-	-	-	2,848.0	2,848.0
Customer deposits (note 36)	-	-	-	-	96.5	96.5
Total	-	-	-	-	8,135.3	8,135.3

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43. FINANCIAL INSTRUMENTS BY CATEGORY (CONTINUED)

	At amortised cost RM	At FVOCI RM	At FVTPL RM	Derivatives at FVTPL accounted for under hedge accounting RM	Other financial liabilities at amortised cost RM	Total RM
The Company						
2025						
Financial Assets						
Loans and advances to subsidiaries (note 25)	**12.0**	**-**	**-**	**-**	**-**	**12.0**
Equity investments at FVOCI (note 27(a))	**-**	**145.4**	**-**	**-**	**-**	**145.4**
Investments at FVTPL (note 27(c))	**-**	**-**	**108.9**	**-**	**-**	**108.9**
Investments at FVOCI (note 27(b))	**-**	**77.1**	**-**	**-**	**-**	**77.1**
Trade and other receivables (excluding prepayments) (note 32)	**303.9**	**-**	**-**	**-**	**-**	**303.9**
Financial assets at FVTPL (note 33)	**-**	**-**	**1.8**	**-**	**-**	**1.8**
Cash and bank balances (note 34)	**297.5**	**-**	**-**	**-**	**-**	**297.5**
Total	**613.4**	**222.5**	**110.7**	**-**	**-**	**946.6**
Financial Liabilities						
Borrowings (note 17)	**-**	**-**	**-**	**-**	**1.4**	**1.4**
Trade and other payables (note 35)	**-**	**-**	**-**	**-**	**167.8**	**167.8**
Total	**-**	**-**	**-**	**-**	**169.2**	**169.2**

	At amortised cost RM	At FVOCI RM	At FVTPL RM	Derivatives at FVTPL accounted for under hedge accounting RM	Other financial liabilities at amortised cost RM	Total RM
The Company						
2024						
Financial Assets						
Derivative financial instruments (note 19)	-	-	-	136.5	-	136.5
Loans and advances to subsidiaries (note 25)	16.6	-	-	-	-	16.6
Equity investments at FVOCI (note 27(a))	-	138.8	-	-	-	138.8
Investments at FVTPL (note 27(c))	-	-	111.3	-	-	111.3
Investments at FVOCI (note 27(b))	-	72.9	-	-	-	72.9
Trade and other receivables (excluding prepayments) (note 32)	643.4	-	-	-	-	643.4
Financial assets at FVTPL (note 33)	-	-	2.5	-	-	2.5
Cash and bank balances (note 34)	774.6	-	-	-	-	774.6
Total	1,434.6	211.7	113.8	136.5	-	1,896.6
Financial Liabilities						
Borrowings (note 17)	-	-	-	-	1,079.4	1,079.4
Trade and other payables (note 35)	-	-	-	-	162.7	162.7
Total	-	-	-	-	1,242.1	1,242.1

44. FAIR VALUES

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date.

(a) Financial Instruments Carried at Fair Value

The table below analyses financial instruments carried at fair value, by valuation method. The different levels of valuations are:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1).
- Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (Level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (Level 3). The following table presents the Group's and the Company's financial assets and liabilities that are measured at fair value at 31 December.

	2025				2024			
	Level 1 RM	Level 2 RM	Level 3 RM	Total RM	Level 1 RM	Level 2 RM	Level 3 RM	Total RM
The Group								
Assets								
Financial assets at FVTPL								
- quoted securities	**1.8**	**-**	**-**	**1.8**	2.5	-	-	2.5
Derivatives accounted for under hedge accounting	**-**	**-**	**-**	**-**	-	136.5	-	136.5
Investments at FVOCI	**-**	**77.1**	**-**	**77.1**	-	72.9	-	72.9
Investments at FVTPL	**-**	**94.8**	**14.1**	**108.9**	-	92.4	18.9	111.3
Equity investments at FVOCI	**-**	**-**	**145.4**	**145.4**	-	-	138.8	138.8
Receivables at FVOCI	**-**	**-**	**61.3**	**61.3**	-	-	61.1	61.1
Total	**1.8**	**171.9**	**220.8**	**394.5**	2.5	301.8	218.8	523.1
The Company								
Assets								
Financial assets at FVTPL								
- quoted securities	**1.8**	**-**	**-**	**1.8**	2.5	-	-	2.5
Derivatives accounted for under hedge accounting	**-**	**-**	**-**	**-**	-	136.5	-	136.5
Investments at FVOCI	**-**	**77.1**	**-**	**77.1**	-	72.9	-	72.9
Investments at FVTPL	**-**	**94.8**	**14.1**	**108.9**	-	92.4	18.9	111.3
Equity investments at FVOCI	**-**	**-**	**145.4**	**145.4**	-	-	138.8	138.8
Total	**1.8**	**171.9**	**159.5**	**333.2**	2.5	301.8	157.7	462.0

The fair value of financial instruments traded in active markets is based on quoted market prices at the reporting date. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. The quoted market price used for financial assets held by the Group and the Company is the current bid price. These instruments are included in Level 1. Instruments included in Level 1 comprise of equity securities quoted on the Bursa Securities classified as fair value through profit or loss.

The fair value of financial instruments that are not traded in an active market (for example over-the-counter derivatives) is determined by using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in Level 2.

If one or more of the significant inputs is not based on observable market data, the instrument is included in Level 3.

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44. FAIR VALUES (CONTINUED)

(a) Financial Instruments Carried at Fair Value (continued)

Specific valuation techniques used to value financial instruments include:

- Quoted market prices or dealer quotes for similar instruments.
- The fair value of interest rate swaps is calculated as the present value of the estimated future cash flows based on observable yield curves.
- The fair value of forward foreign exchange contracts is determined using forward exchange rates at the reporting date, with the resulting value discounted back present value.
- Fair value of staff loans and long-term receivables are determined through discounting future cash flows at market observable borrowing rates reflective of the credit ratings of the individuals from whom the receivables are due.
- Fair value of borrowings and long-term payables are based on the expected cost and cash outflows if the borrowings and amount due are to be unwound or settled immediately.
- Other techniques, such as discounted cash flow analysis, are used to determine fair value for the remaining financial instruments.

All of the resulting fair value estimates are included in Level 2 except for staff loans, investments in non-traded equity security and a technology investment fund. There were no transfers of any instruments between Level 1, 2 and 3 of the fair valuation hierarchy during the current financial year.

The following table shows a reconciliation from the opening balance to the closing balance for fair value measurements at Level 3 of the fair value hierarchy:

	Receivable at FVOCI RM	Non-traded Equity Investments at FVOCI (sub-note (i)) RM	Technology investment fund and Corporate Social Responsibility Sukuk RM
The Group			
Assets			
At 1 January 2024	52.3	136.5	60.3
Addition during the year	15.7	-	1.7
Repayments (net of conversion)	(6.5)	-	-
Disposal	-	-	(21.4)
Amortisation of prepayment	(1.4)	-	-
Impairment reclassification to other non-current receivables/assets	0.6	-	-
Foreign exchange difference	-	-	(4.9)
Fair value changes	0.4	2.3	(16.8)
At 31 December 2024	**61.1**	**138.8**	**18.9**
Addition during the year	**8.4**	**-**	**-**
Repayments (net of conversion)	**(8.3)**	**-**	**-**
Disposal	**-**	**-**	**(239.7)**
Amortisation of prepayment	**(0.1)**	**-**	**-**
Foreign exchange difference	**-**	**-**	**(1.5)**
Fair value changes	**0.2**	**6.6**	**236.4**
At 31 December 2025	**61.3**	**145.4**	**14.1**

44. FAIR VALUES (CONTINUED)

(a) Financial Instruments Carried at Fair Value (continued)

The following table shows a reconciliation from the opening balance to the closing balance for fair value measurements at Level 3 of the fair value hierarchy: (continued)

	Non-traded Equity Investments at FVOCI (sub-note (i)) RM	Technology investment fund and Corporate Social Responsibility Sukuk RM
The Company		
Assets		
At 1 January 2024	136.5	60.3
Addition during the year	-	1.7
Disposal	-	(21.4)
Foreign exchange difference	-	(4.9)
Fair value changes	2.3	(16.8)
At 31 December 2024	**138.8**	**18.9**
Disposal	**-**	**(239.7)**
Foreign exchange difference	**-**	**(1.5)**
Fair value changes	**6.6**	**236.4**
At 31 December 2025	**145.4**	**14.1**

(i) The fair valuation of non-traded equity investment is based on discounted future cash flows derived from the budgets and forecasts of the investee entity, duly approved by its Board of Directors. The future cash flows are discounted based on discount factors of comparable entities which are publicly listed whenever available, as well as industry benchmarks, having considered historical ability of the investee in meeting its previous budgets and forecasts. The Group also has Board representation in the investee through which due understanding of actual and forecasted performance are used by the Group in assessing the appropriateness of the estimates and assumptions used in arriving to the valuation.

Although the Group and the Company believe that estimates of fair value are appropriate, the use of different methodologies or assumptions could lead to different measurements of fair value. For fair value measurement in Level 3, if the discount rate used in the discounted cash flow analysis and multiples where applied is to differ by 5.0% from management's estimates, the carrying amount of non-traded equity investments would be approximately RM8.1 million lower or RM8.5 million higher (2024: RM7.5 million lower or RM7.9 million higher). The carrying amount of staff loans at Level 3 at the Group would approximately be RM3.1 million (2024: RM3.0 million) lower or higher if discount rate used in the valuation is to differ by 5.0% from management's estimates. The carrying amount of technology investment fund and Corporate Social Responsibility Sukuk would be an estimated RM0.7 million (2024: RM0.9 million) lower or higher if the discount rate used in the valuation were to differ by 5.0% from management's estimates. The significant unobservable inputs used in the fair value measurement of non-traded equity investments, technology investment fund, Corporate Social Responsibility Sukuk and staff loan are the risk-adjusted discount rates used in the valuation.

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44. FAIR VALUES (CONTINUED)

(b) Financial Instruments Other Than Those Carried at Fair Value

Except for those as disclosed below, the carrying amounts of the financial assets and financial liabilities of the Group and the Company are reasonable approximation of fair values, either due to their short term nature or that they are floating rate instruments that are repriced to market interest rate on or near the reporting date. The following instruments are at Level 3 in the fair value hierarchy, save for borrowings, which are at Level 2.

	The Group				The Company			
	2025		2024		2025		2024	
	Carrying amount RM	Net fair value RM	Carrying amount RM	Net fair value RM	Carrying amount RM	Net fair value RM	Carrying amount RM	Net fair value RM
Assets								
Staff loans	**19.0**	**13.1**	17.6	12.0	**-**	**-**	-	-
Other non-current receivables	**111.8**	**111.8**	65.2	65.2	**-**	**-**	-	-
Liabilities								
Borrowings	**2,061.8**	**2,119.3**	3,490.9	3,555.5	**1.4**	**1.4**	1,079.4	1,094.5

Assets

In assessing the fair value of non-traded financial instruments, the Group and the Company use a variety of methods and make assumptions that are based on market conditions existing at each reporting date. Where impairment is made in respect of any investment, the carrying amount net of impairment made is deemed to be a close approximation of its fair value.

The fair values of staff loans and other non-current receivables/assets were estimated by discounting the estimated future cash flows using the prevailing market rates for similar credit risks and remaining period to maturity, respectively.

Collaterals are taken for staff loans and the Directors are of the opinion that the potential losses in the event of default will be covered by the collateral values on individual loan basis.

Liabilities

The fair value of quoted bonds was estimated using the respective quoted offer price. For unquoted borrowings with fixed interest rate, the fair values were estimated by discounting the estimated future cash flows using the prevailing market rates for similar credit risks and remaining period to maturity.

The financial liabilities will be realised at their carrying amounts and not at their fair values as the Directors have no intention to settle these liabilities other than in accordance with their contractual obligations.

45. LIQUIDITY RISK

The following table analyses the maturity profile of the Group's and the Company's financial liabilities based on contractual undiscounted cash flows:

	Less than 1 year RM	>1 year to 2 years RM	>2 years to 5 years RM	>5 years RM	Total contractual undiscounted cash flow RM	Difference from carrying amount RM	Carrying amount as per Statement of Financial Position RM
The Group							
2025							
Borrowings	**(594.0)**	**(566.6)**	**(1,086.4)**	**(0.4)**	**(2,247.4)**	**185.6**	**(2,061.8)**
Lease liabilities	**(338.9)**	**(338.2)**	**(534.7)**	**(1,086.2)**	**(2,298.0)**	**680.5**	**(1,617.5)**
Trade and other payables (excluding statutory liabilities, deferred revenue, provision for voluntary separation and provision for dismantling cost)	**(2,845.5)**	**-**	**-**	**-**	**(2,845.5)**	**-**	**(2,845.5)**
Customer deposits	**(74.1)**	**-**	**-**	**-**	**(74.1)**	**-**	**(74.1)**
Total	**(3,852.5)**	**(904.8)**	**(1,621.1)**	**(1,086.6)**	**(7,465.0)**	**866.1**	**(6,598.9)**
2024							
Borrowings	(1,595.0)	(643.0)	(1,652.5)	(1.0)	(3,891.5)	400.6	(3,490.9)
Lease liabilities	(346.3)	(327.2)	(577.6)	(1,205.2)	(2,456.3)	756.4	(1,699.9)
Trade and other payables (excluding statutory liabilities, deferred revenue, provision for voluntary separation and provision for dismantling cost)	(2,848.0)	-	-	-	(2,848.0)	-	(2,848.0)
Customer deposits	(96.5)	-	-	-	(96.5)	-	(96.5)
Total	(4,885.8)	(970.2)	(2,230.1)	(1,206.2)	(9,292.3)	1,157.0	(8,135.3)
The Company							
2025							
Borrowings	**(0.2)**	**(0.2)**	**(0.6)**	**(0.4)**	**(1.4)**	**-**	**(1.4)**
Trade and other payables	**(167.8)**	**-**	**-**	**-**	**(167.8)**	**-**	**(167.8)**
Total	**(168.0)**	**(0.2)**	**(0.6)**	**(0.4)**	**(169.2)**	**-**	**(169.2)**
2024							
Borrowings	(1,186.5)	(0.1)	(0.2)	(1.0)	(1,187.8)	108.4	(1,079.4)
Trade and other payables	(162.7)	-	-	-	(162.7)	-	(162.7)
Total	(1,349.2)	(0.1)	(0.2)	(1.0)	(1,350.5)	108.4	(1,242.1)

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46. INTEREST RATE MATURITY ANALYSIS

The table below summarises the Group's and the Company's interest rate profile. Included in the tables are the Group's and the Company's financial assets and liabilities at their carrying amounts, categorised by the earlier of repricing or contractual maturity dates. As such the spread of balances between the ageing brackets in the table below may not necessarily coincide with those shown in the liquidity risk schedule in note 45 or the repayment schedules in note 17. The Group's sensitivity to interest rates arises from mismatches in the repricing dates, cash flows and other characteristics of assets and their corresponding liability funding.

		Maturing or repriced (whichever is earlier)								
The Group	**WARF***	**1 year or less RM**	**>1 - 2 years RM**	**>2 - 3 years RM**	**>3 - 4 years RM**	**>4 - 5 years RM**	**More than 5 years RM**	**Total interest sensitive RM**	**Non-interest sensitive RM**	**Total RM**
2025										
Financial assets										
Equity investments at FVOCI (note 27(a))	-	-	-	-	-	-	-	-	145.4	145.4
Investments at FVTPL (note 27(c))										
- non-interest sensitive	-	-	-	-	-	-	-	-	14.1	14.1
- fixed interest rate	2.57%	1.5	93.3	-	-	-	-	94.8	-	94.8
Investments at FVOCI (note 27(b))										
- fixed interest rate	4.29%	77.1	-	-	-	-	-	77.1	-	77.1
Receivables at FVOCI (note 28)										
- balances under Islamic principles	5.93%	-	0.2	0.3	0.3	0.4	60.1	61.3	-	61.3
Staff loans and other non-current receivables/assets (excluding prepayments and prepaid employee benefits) (note 29)										
- non-interest sensitive	-	-	-	-	-	-	-	-	74.8	74.8
- fixed interest rate										
- conventional	4.83%	-	20.0	17.0	-	-	-	37.0	-	37.0
- balances under Islamic principles	8.96%	0.4	1.3	1.8	3.3	4.6	7.6	19.0	-	19.0
Trade and other receivables (excluding prepayments, grant recoverable, tax recoverable and staff loans) (note 32)										
- non-interest sensitive	-	-	-	-	-	-	-	-	1,345.9	1,345.9
- fixed interest rate										
- balances under Islamic principles	3.70%	64.3	-	-	-	-	-	64.3	-	64.3
Financial assets at FVTPL (note 33)	-	-	-	-	-	-	-	-	1.8	1.8
Cash and bank balances (note 34)										
- non-interest sensitive	-	-	-	-	-	-	-	-	710.3	710.3
- fixed interest rate										
- conventional	3.82%	904.4	-	-	-	-	-	904.4	-	904.4
- balances under Islamic principles	3.61%	1,008.1	-	-	-	-	-	1,008.1	-	1,008.1
Total		2,055.8	114.8	19.1	3.6	5.0	67.7	2,266.0	2,292.3	4,558.3
Financial liabilities										
Borrowings (note 17)										
- non-interest sensitive	-	-	-	-	-	-	-	-	1.4	1.4
- floating interest rate	3.98%	3.0	-	-	-	-	-	3.0	-	3.0
- fixed interest rate										
- balances under Islamic principles	4.38%	507.7	500.0	250.0	799.7	-	-	2,057.4	-	2,057.4
Lease liabilities (note 18)	5.06%	257.0	268.0	157.8	114.4	96.7	723.6	1,617.5	-	1,617.5
Trade and other payables (excluding statutory liabilities, deferred revenue, provision for voluntary separation and provision for dismantling cost) (note 35)										
- non-interest sensitive	-	-	-	-	-	-	-	-	2,845.5	2,845.5
Customer deposits (note 36)	-	-	-	-	-	-	-	-	74.1	74.1
Total		767.7	768.0	407.8	914.1	96.7	723.6	3,677.9	2,921.0	6,598.9
Interest sensitivity gap		1,288.1	(653.2)	(388.7)	(910.5)	(91.7)	(655.9)			

* WARF - Weighted Average Rate of Finance as at 31 December.

46. INTEREST RATE MATURITY ANALYSIS (CONTINUED)

The Group	WARF*	1 year or less RM	Maturing or repriced (whichever is earlier) >1 - 2 years RM	>2 - 3 years RM	>3 - 4 years RM	>4 - 5 years RM	More than 5 years RM	Total interest sensitive RM	Non-interest sensitive RM	Total RM
2024										
Financial assets										
Derivative financial instruments (note 19)	-	136.5	-	-	-	-	-	136.5	-	136.5
Equity investments at FVOCI (note 27(a))	-	-	-	-	-	-	-	-	138.8	138.8
Investments at FVTPL (note 27(c))										
- non-interest sensitive	-	-	-	-	-	-	-	-	18.9	18.9
- fixed interest rate	2.66%	0.2	92.2	-	-	-	-	92.4	-	92.4
Investments at FVOCI (note 27(b))										
- fixed interest rate	4.19%	72.9	-	-	-	-	-	72.9	-	72.9
Receivables at FVOCI (note 28)										
- balances under Islamic principles	5.99%	0.1	0.7	0.3	0.5	0.4	59.1	61.1	-	61.1
Staff loans and other non-current receivables/assets (excluding prepayments and prepaid employee benefits) (note 29)										
- non-interest sensitive	-	-	-	-	-	-	-	-	65.2	65.2
- fixed interest rate										
- balances under Islamic principles	10.13%	0.5	1.3	2.3	3.3	3.8	6.4	17.6	-	17.6
Trade and other receivables (excluding prepayments, grant recoverable, tax recoverable and staff loans) (note 32)										
- non-interest sensitive	-	-	-	-	-	-	-	-	1,364.4	1,364.4
- fixed interest rate										
- conventional	3.52%	287.4	-	-	-	-	-	287.4	-	287.4
- balances under Islamic principles	3.70%	64.3	-	-	-	-	-	64.3	-	64.3
Financial assets at FVTPL (note 33)	-	-	-	-	-	-	-	-	2.5	2.5
Cash and bank balances (note 34)										
- non-interest sensitive	-	-	-	-	-	-	-	-	568.4	568.4
- fixed interest rate										
- conventional	4.65%	916.0	-	-	-	-	-	916.0	-	916.0
- balances under Islamic principles	4.11%	1,611.8	-	-	-	-	-	1,611.8	-	1,611.8
Total		3,089.7	94.2	2.6	3.8	4.2	65.5	3,260.0	2,158.2	5,418.2
Financial liabilities										
Borrowings (note 17)										
- non-interest sensitive	-	-	-	-	-	-	-	-	1.6	1.6
- floating interest rate	4.31%	3.0	-	-	-	-	-	3.0	-	3.0
- fixed interest rate										
- conventional	7.88%	1,077.8	-	-	-	-	-	1,077.8	-	1,077.8
- balances under Islamic principles	4.42%	300.0	558.9	500.0	1,049.6	-	-	2,408.5	-	2,408.5
Lease liabilities (note 18)	5.17%	258.4	251.0	175.9	122.4	99.2	793.0	1,699.9	-	1,699.9
Trade and other payables (excluding statutory liabilities, deferred revenue, provision for voluntary separation and provision for dismantling cost) (note 35)										
- non-interest sensitive	-	-	-	-	-	-	-	-	2,848.0	2,848.0
Customer deposits (note 36)	-	-	-	-	-	-	-	-	96.5	96.5
Total		1,639.2	809.9	675.9	1,172.0	99.2	793.0	5,189.2	2,946.1	8,135.3
Interest sensitivity gap		1,450.5	(715.7)	(673.3)	(1,168.2)	(95.0)	(727.5)			

* WARF - Weighted Average Rate of Finance as at 31 December.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

46. INTEREST RATE MATURITY ANALYSIS (CONTINUED)

The table below summarises the Weighted Average Rate of Finance (WARF) as at 31 December by major currencies for each class of financial asset and liability:

The Group	2025 USD	2025 RM	2024 USD	2024 RM
Financial assets				
Investments at FVTPL	**-**	**2.57%**	-	2.66%
Investments at FVOCI	**-**	**4.29%**	-	4.19%
Receivables at FVOCI - fixed interest rate	**-**	**5.93%**	-	5.99%
Staff loans and other non-current receivables/assets (excluding advance payment, prepayment and prepaid employee benefits)	**-**	**6.23%**	-	10.13%
Trade and other receivables (excluding prepayments, grant recoverable, tax recoverable and staff loans)	**-**	**3.70%**	-	3.56%
Cash and bank balances	**3.98%**	**3.53%**	4.93%	4.12%
Financial liabilities				
Borrowings	**3.52%**	**4.65%**	6.39%	4.69%
Lease liabilities	**-**	**5.06%**	-	5.17%

The Company	WARF*	Maturing or repriced (whichever is earlier): 1 year or less RM	>1 - 2 years RM	>2 - 3 years RM	>3 - 4 years RM	>4 - 5 years RM	More than 5 years RM	Total interest sensitive RM	Non-interest sensitive RM	Total RM
2025										
Financial assets										
Loans and advances to subsidiaries (net) (note 25)										
- floating interest rate	**4.78%**	**2.5**	**3.6**	**5.9**	**-**	**-**	**-**	**12.0**	**-**	**12.0**
Equity investments at FVOCI (note 27(a))	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**145.4**	**145.4**
Investments at FVTPL (note 27(c))										
- non-interest sensitive	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**14.1**	**14.1**
- fixed interest rate	**2.57%**	**1.5**	**93.3**	**-**	**-**	**-**	**-**	**94.8**	**-**	**94.8**
Investments at FVOCI (note 27(b))										
- fixed interest rate	**4.29%**	**77.1**	**-**	**-**	**-**	**-**	**-**	**77.1**	**-**	**77.1**
Trade and other receivables (excluding prepayments) (note 32)										
- non-interest sensitive	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**303.9**	**303.9**
Financial assets at FVTPL (note 33)	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**1.8**	**1.8**
Cash and bank balances (note 34)										
- non-interest sensitive	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**6.7**	**6.7**
- fixed interest rate										
- conventional	**3.79%**	**289.3**	**-**	**-**	**-**	**-**	**-**	**289.3**	**-**	**289.3**
- balances under Islamic principles	**2.12%**	**1.5**	**-**	**-**	**-**	**-**	**-**	**1.5**	**-**	**1.5**
Total		**371.9**	**96.9**	**5.9**	**-**	**-**	**-**	**474.7**	**471.9**	**946.6**

* WARF - Weighted Average Rate of Finance as at 31 December.

46. INTEREST RATE MATURITY ANALYSIS (CONTINUED)

		Maturing or repriced (whichever is earlier)								
The Company	**WARF***	**1 year or less RM**	**>1 - 2 years RM**	**>2 - 3 years RM**	**>3 - 4 years RM**	**>4 - 5 years RM**	**More than 5 years RM**	**Total interest sensitive RM**	**Non-interest sensitive RM**	**Total RM**
2025										
Financial liabilities										
Borrowings (note 17)										
- non-interest sensitive	-	-	-	-	-	-	-	-	**1.4**	**1.4**
Trade and other payables (note 35)										
- non-interest sensitive	-	-	-	-	-	-	-	-	**167.8**	**167.8**
Total		-	-	-	-	-	-	-	**169.2**	**169.2**
Interest sensitivity gap		**371.9**	**96.9**	**5.9**	-	-	-			

		Maturing or repriced (whichever is earlier)								
The Company	**WARF***	**1 year or less RM**	**>1 - 2 years RM**	**>2 - 3 years RM**	**>3 - 4 years RM**	**>4 - 5 years RM**	**More than 5 years RM**	**Total interest sensitive RM**	**Non-interest sensitive RM**	**Total RM**
2024										
Financial assets										
Derivative financial instruments (note 19)	-	136.5	-	-	-	-	-	136.5	-	136.5
Loans and advances to subsidiaries (net) (note 25)										
- floating interest rate	4.95%	3.5	-	5.6	7.5	-	-	16.6	-	16.6
Equity investments at FVOCI (note 27(a))	-	-	-	-	-	-	-	-	138.8	138.8
Investments at FVTPL (note 27(c))										
- non-interest sensitive	-	-	-	-	-	-	-	-	18.9	18.9
- fixed interest rate	2.66%	0.2	92.2	-	-	-	-	92.4	-	92.4
Investments at FVOCI (note 27(b))										
- fixed interest rate	4.19%	72.9	-	-	-	-	-	72.9	-	72.9
Trade and other receivables (excluding prepayments) (note 32)										
- non-interest sensitive	-	-	-	-	-	-	-	-	356.0	356.0
- fixed interest rate										
- conventional	3.52%	287.4	-	-	-	-	-	287.4	-	287.4
Financial assets at FVTPL (note 33)	-	-	-	-	-	-	-	-	2.5	2.5
Cash and bank balances (note 34)										
- non-interest sensitive	-	-	-	-	-	-	-	-	7.1	7.1
- fixed interest rate										
- conventional	4.89%	488.2	-	-	-	-	-	488.2	-	488.2
- balances under Islamic principles	3.98%	279.3	-	-	-	-	-	279.3	-	279.3
Total		1,268.0	92.2	5.6	7.5	-	-	1,373.3	523.3	1,896.6

* WARF - Weighted Average Rate of Finance as at 31 December.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

46. INTEREST RATE MATURITY ANALYSIS (CONTINUED)

The Company	WARF*	1 year or less RM	Maturing or repriced (whichever is earlier) >1 - 2 years RM	>2 - 3 years RM	>3 - 4 years RM	>4 - 5 years RM	More than 5 years RM	Total interest sensitive RM	Non-interest sensitive RM	Total RM
2024										
Financial liabilities										
Borrowings (note 17)										
- non-interest sensitive	-	-	-	-	-	-	-	-	1.6	1.6
- fixed interest rate										
- conventional	7.88%	1,077.8	-	-	-	-	-	1,077.8	-	1,077.8
Trade and other payables (note 35)										
- non-interest sensitive	-	-	-	-	-	-	-	-	162.7	162.7
Total		1,077.8	-	-	-	-	-	1,077.8	164.3	1,242.1
Interest sensitivity gap		190.2	92.2	5.6	7.5	-	-			

* WARF - Weighted Average Rate of Finance as at 31 December

The table below summarises the Weighted Average Rate of Finance (WARF) as at 31 December by major currencies for each class of financial asset and liability:

The Company	2025 IDR	2025 USD	2025 RM	2024 IDR	2024 USD	2024 RM
Financial assets						
Loans and advances to subsidiaries	**6.00%**	**-**	**4.47%**	6.89%	-	4.44%
Investments at FVOCI	**-**	**-**	**4.29%**	-	-	2.66%
Investments at FVTPL	**-**	**-**	**2.57%**	-	-	4.19%
Trade and other receivables (excluding prepayments and tax recoverable)	**-**	**-**	**-**	-	-	3.52%
Cash and bank balances	**-**	**4.05%**	**2.64%**	-	4.93%	3.94%
Financial liabilities						
Borrowings	**-**	**-**	**-**	-	7.86%	-

47. CONTINGENT LIABILITIES (UNSECURED)

The Directors are not aware of any proceedings pending against the Company and/or its subsidiaries or of any facts likely to give rise to any proceedings which might materially affect the financial position or business of the Company and/or its subsidiaries.

There were no contingent liabilities or material litigations or guarantees, other than those arising in the ordinary course of the business of the Group and the Company and on these, no material losses are anticipated.

48. SUBSEQUENT EVENTS

On 24 February 2026, the Group issued a notice to Malaysian Communications and Multimedia Commission (MCMC) and DNB to terminate the AA with DNB dated 30 October 2022 in relation to the 5G Wholesale Network Product (Notice).

The Notice is consistent with the provisions of the AA, which grants TM to terminate the agreement within 30 days upon the commercial availability of 5G wholesale services by another operator. On 26 January 2026, U Mobile Sdn Bhd (U Mobile) issued a Reference Access Offer (RAO) following the commercial availability of its 5G services, thereby triggering the Group's contractual termination option. The termination of the AA remains subject to regulatory consent.

As the Notice and the termination option became exercisable post 31 December 2025, this constitutes a non-adjusting event under MFRS 110 "Events after the Reporting Period." The unutilised prepaid capacity under the AA with DNB amounting to RM127.3 million as at 31 December 2025, will therefore no longer be available for utilisation.

On 24 February 2026, U Mobile accepted a letter of award for the provision of 5G Multi-Operator Core Network (MOCN) services from TM Technology Services Sdn Bhd, a wholly-owned subsidiary of TM, which is expected to optimise the Group's mobile access costs in the near term.

Save for the above, there is no other material event subsequent to the reporting date that requires disclosure or adjustment to the financial statements.

49. MATURITY ANALYSIS OF UNDISCOUNTED OPERATING LEASE INCOME

The Group leases out their investment property, buildings and equipment. The Group classified these leases as operating lease, because they do not transfer substantially all of the risks and rewards incidental to the ownership of the assets. The following table sets out the maturity analysis of lease payments, showing the undiscounted lease payments to be received after the reporting date:

	The Group	
	2025 RM	2024 RM
Within 1 year	**5.2**	4.2
In the 2nd year	**3.3**	1.9
In the 3rd year	**1.2**	0.2
Total undiscounted operating lease income	**9.7**	6.3

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

50. LIST OF SUBSIDIARIES AS AT 31 DECEMBER 2025

The subsidiaries are as follows:

	Group's Effective Interest		Paid-up Capital		
Name of Company	2025 %	2024 %	2025 million	2024 million	Principal Activities
Fiberail Sdn Bhd	**54**	54	**RM15.8**	RM15.8	Provision of network connectivity and bandwidth services in Malaysia and project management services in relation to telecommunications
Fibrecomm Network (M) Sdn Bhd	**51**	51	**RM75.0**	RM75.0	Provision of fibre optic transmission network services
GITN Sdn Berhad	**100**	100	**RM50.0**	RM50.0	Provision of managed network services and enhanced value added telecommunication and information technology services
Parkside Properties Sdn Bhd	**100**	100	**RM0.1**	RM0.1	Dormant
Rebung Tower Sdn Bhd	**100**	-	**RM#**	-	Provision of investment holding, ownership, leasing and management of commercial real estates assets, including activities related to financing, operation and tenancy administration
Telekom Malaysia (Australia) Pty Ltd**	**100**	100	**AUD#**	AUD#	Provision of international telecommunications services
Telekom Malaysia (Hong Kong) Limited*	**100**	100	**HKD18.5**	HKD18.5	Provision of international telecommunications services
Telekom Malaysia DMCC*	**100**	100	**AED#**	AED#	Provision of international telecommunications services
Telekom Malaysia (S) Pte Ltd*	**100**	100	**SGD#**	SGD#	Provision of international telecommunications services
Telekom Malaysia (UK) Limited*	**100**	100	**GBP#**	GBP#	Provision of international telecommunications services
Telekom Malaysia (USA) Inc*	**100**	100	**USD#**	USD#	Provision of international telecommunications services
TM Digital Innovation Sdn Bhd	**100**	100	**RM5.0**	RM5.0	Provision of digital solution comprising services and/or software including but not limited to cloud, software as a services (SaaS), consulting, analytics, cloud security, application services, automation, mobility, industry specific solutions covering advisory, migration, development and operations (DevOps) and managed services as well as training/digital upskilling
TM DC Holdings Sdn Bhd	**100**	100	**RM245.0**	RM12.5	Provision of information and communications technology (ICT) services and cloud consumption by designing and leveraging the network and exchange platforms
TM Facilities Sdn Bhd	**100**	100	**RM2.3**	RM2.3	Provision of property development activities

50. LIST OF SUBSIDIARIES AS AT 31 DECEMBER 2025 (CONTINUED)

The subsidiaries are as follows: (continued)

Name of Company	Group's Effective Interest 2025 %	Group's Effective Interest 2024 %	Paid-up Capital 2025 million	Paid-up Capital 2024 million	Principal Activities
TM Global Incorporated° (Dissolved on 16 October 2025)	**-**	100	**-**	USD#	Investment holding
TM Technology Services Sdn Bhd	**100**	100	**RM5,034.0**	RM5,034.0	Provision of network infrastructure facilities, network services and last mile services for fixed and wireless consisting of broadband, messaging and voice
Tulip Maple Berhad	**100**	100	**RM#**	RM#	Special purpose entity
Universiti Telekom Sdn Bhd	**100**	100	**RM705.6**	RM705.6	Managing and administering a private university known as Multimedia University
VADS Berhad	**100**	100	**RM6.1**	RM6.1	Investment holding, provision of managed network services, network system integration services and network centric services
Subsidiaries held through TM DC Holdings Sdn Bhd					
Inneonusa Sdn Bhd (In Liquidation)	**51**	51	**RM15.0**	RM15.0	Provision of ICT system security and smart building services including smart tenant services for building owners, operators, residents and visitors
Lyfe Medini Sdn Bhd (In Liquidation)	**51**	51	**RM2.0**	RM2.0	Provision of innovative and best value smart products and services
TM DC Educity Sdn Bhd	**100**	100	**RM234.4**	RM1.8	Investment holding company focusing on provision of infrastructure for hosting, data processing services and related activities
Subsidiaries held through TM Technology Services Sdn Bhd					
Millercom Sdn Bhd (In Liquidation)	**100**	100	**RM0.3**	RM0.3	Dormant
Packet One (L) Ltd° (Dissolved on 22 February 2026)	**100**	100	**USD#**	USD#	Investment holding
Subsidiary held through TM Facilities Sdn Bhd					
TMF Autolease Sdn Bhd	**100**	100	**RM1.0**	RM1.0	Provision of fleet management services

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

50. LIST OF SUBSIDIARIES AS AT 31 DECEMBER 2025 (CONTINUED)

The subsidiaries are as follows: (continued)

Name of Company	Group's Effective Interest 2025 %	Group's Effective Interest 2024 %	Paid-up Capital 2025 million	Paid-up Capital 2024 million	Principal Activities
Subsidiaries held through Universiti Telekom Sdn Bhd					
Unitele Multimedia Sdn Bhd	**100**	100	**RM1.0**	RM1.0	Provision of training and related services
Telekom Research & Development Sdn Bhd	**100**	100	**RM20.0**	RM20.0	Provision of research and development activities in the areas of communications, hi-tech applications and products and services in related business
Multimedia College Sdn Bhd° (Dissolved on 25 September 2025)	**-**	100	**-**	RM2.0	Ceased operation
Subsidiary held through Unitele Multimedia Sdn Bhd					
MMU Creativista Sdn Bhd	**100**	100	**RM#**	RM#	Provision of digital video and film production and post production
Subsidiaries held through VADS Berhad					
Meganet Communications Sdn Bhd° (Dissolved on 22 October 2025)	**-**	100	**-**	RM11.0	Dormant
VADS Business Process Sdn Bhd	**100**	100	**RM10.0**	RM10.0	Provision of managed contact centre services
VADS e-Services Sdn Bhd (In Liquidation)	**100**	100	**RM1.0**	RM1.0	Ceased operation
VADS Professional Services Sdn Bhd° (Dissolved on 10 June 2025)	**-**	100	**-**	RM#	Dormant
VADS Solutions Sdn Bhd° (Dissolved on 22 October 2025)	**-**	100	**-**	RM1.5	Provision of system integration services
Subsidiary held through VADS Business Process Sdn Bhd					
PT VADS Indonesia (collectively with VADS Berhad)^*	**100**	100	**IDR17,052.8**	IDR17,052.8	Provision of managed contact centre services
Subsidiary consolidated through effective control as defined by MFRS 10					
Yayasan Telekom Malaysia^^	**-**	-	**-**	-	A trust established under the provision of Trustees (Incorporation) Act, 1952, for promotion and advancement of education, research and dissemination of knowledge

50. LIST OF SUBSIDIARIES AS AT 31 DECEMBER 2025 (CONTINUED)

All subsidiaries are incorporated and have place of business in Malaysia except the following:

Name of Company	Place of Incorporation and Place of Business
PT VADS Indonesia	- Indonesia
Telekom Malaysia (Australia) Pty Ltd	- Australia
Telekom Malaysia DMCC	- United Arab Emirates
Telekom Malaysia (Hong Kong) Limited	- Hong Kong
Telekom Malaysia (S) Pte Ltd	- Singapore
Telekom Malaysia (UK) Limited	- United Kingdom
Telekom Malaysia (USA) Inc	- United States of America

AUD Australian Dollar
AED United Arab Emirates Dirham
IDR Indonesian Rupiah
HKD Hong Kong Dollar
SGD Singapore Dollar
GBP Pound Sterling
USD US Dollar

\# Amount less than 0.1 million in their respective currencies.
* Audited by a member firm of Ernst & Young Global Limited which is a separate and independent legal entity from Ernst & Young PLT.
** Local legislations and regulations do not require the preparation of audited financial statements for this entity.
^ VADS Berhad and VADS Business Process Sdn Bhd hold a direct interest of 10.0% and 90.0% respectively in PT VADS Indonesia.
^^ As an entity established under the Trustees (Incorporation) Act, 1952, this entity has an initial contribution of RM13.0 million instead of paid-up capital. The Group has de facto control over Yayasan Telekom Malaysia due to a combination of facts including source of funding and right to appoint the Board of Trustees.
° Subsidiaries dissolved during the financial year via members' voluntary winding up.

51. ASSOCIATE AND JOINTLY CONTROLLED ENTITY AS AT 31 DECEMBER 2025

	Group's Effective Interest		
	2025	2024	
Name of Company	%	%	Principal Activities
(a) Associate held through Telekom Malaysia (S) Pte Ltd			
BlueTel Networks Pte Ltd	**29**	29	Provision of telecommunications and network solutions

BlueTel Networks Pte Ltd is incorporated in Singapore and its financial year end is co-terminous with the Company.

(b) Jointly controlled entity held through TM DC Educity Sdn Bhd			
ST Dynamo DC Sdn Bhd	**51**	51	Development and operation of data centre campus in Johor, Malaysia

ST Dynamo DC Sdn Bhd is incorporated in Malaysia and its financial year end is co-terminous with the Company.

52. CURRENCY

All amounts are expressed in Ringgit Malaysia (RM) unless otherwise stated.

53. APPROVAL OF FINANCIAL STATEMENTS

The financial statements have been approved for issuance in accordance with a resolution of the Board of Directors on 2 April 2026.

STATEMENT BY DIRECTORS

PURSUANT TO SECTION 251(2) OF THE COMPANIES ACT 2016

We, Dato' Zainal Abidin Putih and Amar Huzaimi Md Deris, two of the Directors of Telekom Malaysia Berhad, state that, in the opinion of the Directors, the financial statements on pages 25 to 119 are drawn up so as to exhibit a true and fair view of the state of affairs of the Group and the Company as at 31 December 2025 and of the results and cash flows of the Group and the Company for the financial year ended on that date in accordance with MFRS Accounting Standards, IFRS Accounting Standards and the requirements of the Companies Act 2016 in Malaysia.

In accordance with a resolution of the Directors dated 2 April 2026.

DATO' ZAINAL ABIDIN PUTIH
Director

AMAR HUZAIMI MD DERIS
Director

Kuala Lumpur

STATUTORY DECLARATION

PURSUANT TO SECTION 251(1)(B) OF THE COMPANIES ACT 2016

I, Ahmad Fairus Rahim, the officer primarily responsible for the financial management of Telekom Malaysia Berhad, do solemnly and sincerely declare the financial statements set out on pages 25 to 119 are, in my opinion, correct and I make this solemn declaration conscientiously believing the same to be true, and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly)
declared at Kuala Lumpur)
this 2 April 2026.)

Fairus Rahim

AHMAD FAIRUS RAHIM
MIA No. CA 54384

Before me:

PESURUHJAYA SUMPAH
No. W790
Nama: ZAINUL ABIDIN BIN AHMAD
1 JAN 2026 - 31 DEC 2028
MALAYSIA

No. 59, Jalan Telawi
Bangar Baru
59100 Kuala Lumpur

Commissioner for Oaths
Kuala Lumpur

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF TELEKOM MALAYSIA BERHAD

REGISTRATION NO: 198401016183 [128740-P] (INCORPORATED IN MALAYSIA)

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Telekom Malaysia Berhad, which comprise the statements of financial position as at 31 December 2025 of the Group and of the Company, and income statements and statements of comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the year then ended, and notes to the financial statements, including material accounting policy information, as set out on pages 25 to 119.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 31 December 2025, and of their financial performance and their cash flows for the year then ended in accordance with MFRS Accounting Standards, IFRS Accounting Standards and the requirements of the Companies Act 2016 in Malaysia.

Basis for opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the *Auditors' responsibilities for the audit of the financial statements* section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence and other ethical responsibilities

We are independent of the Group and of the Company in accordance with the By-Laws (on Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants ("By-Laws") and the International Code of Ethics for Professional Accountants (including International Independence Standards) ("IESBA Code") as applicable to audits of financial statements of public interest entities and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the Group and of the Company for the current year. We have determined that there are no key audit matters to communicate in our report on the financial statements of the Company. The key audit matter for the audit of the financial statements of the Group is described below. This matter was addressed in the context of our audit of the financial statements of the Group as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on this matter. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the *Auditors' responsibilities for the audit of the financial statements* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matter below, provide the basis of our audit opinion on the accompanying financial statements.

<u>Revenue recognition due to complex information technology systems and revenue from customised contracts arising from Business-to-Business ("B2B")</u>

(Refer to Note 5 – Operating revenue, Note 2(p)(i) - Material accounting policies: Revenue from contracts with customers under MFRS 15 and Note 3(a) – Critical accounting estimates and judgements: Accounting for contracts with customers)

The Group recognised revenue of RM11,872.0 million for the financial year ended 31 December 2025.

We focused on this area as there is an inherent risk over the accuracy of revenue recognised given the complexity of the information technology system and the interfacing between multiple systems that process large volume of transactions with a combination of different product mix, prices and rates (including customer discounts and incentive arrangements). It also involves key judgements and estimates in applying the revenue recognition policy including determination of stand-alone selling prices.

Included in the revenue are customised contracts arising from B2B which require management to identify the multiple performance obligations and determine the progress for performance obligations identified to be satisfied over time such as installation works and maintenance services. Additional judgements and estimates were made to determine the contract costs incurred and whether contractual rights and obligations are properly recognised.

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF TELEKOM MALAYSIA BERHAD

REGISTRATION NO: 198401016183 [128740-P] (INCORPORATED IN MALAYSIA)

Key audit matters (continued)

Revenue recognition due to complex information technology systems and revenue from customised contracts arising from Business-to-Business ("B2B") (continued)

Our audit response

In addressing this area of audit focus, we performed, amongst others, the following procedures:

- We obtained an understanding of, evaluated the design and tested the operating effectiveness of key controls over the Group's revenue recognition process, which includes involving our information technology specialists to test the operating effectiveness of certain automated controls over the billing systems. We also tested the accuracy of the data interface between the billing systems and general ledger and tested the non-automated controls which include timely updating of approved rate changes in the billing systems. Where appropriate, we also performed test of details by tracing revenue recognition to supporting documents such as invoices, signed service order and acknowledged service acceptance, on a sampling basis;

- We evaluated management's application of the Group's accounting policies including key judgements and estimates made and where relevant, the methodology used by management to determine the standalone selling prices;

- We performed a three-way correlation between receivables, revenue and cash and bank balances using data analytics, including cash anchor testing to determine if cash received relates to revenue;

- For customised contracts arising from B2B, we focused on material contracts which had multiple performance obligations and those which are satisfied over time. Our procedures included testing the operating effectiveness of controls over revenue recognition of customised contracts which include identification of performance obligations, estimation of relative standalone selling price for each performance obligation and the satisfaction of performance obligations identified. We also read the contract terms to ascertain that contractual terms were properly applied and traced revenue recognition to supporting evidence, such as delivery orders or certificate of acceptance for samples selected; and

- We also assessed the adequacy of the Group's disclosures in respect to the accounting policies on revenue recognition.

Information other than the financial statements and auditors' report thereon

The Directors of the Company are responsible for the other information. The other information comprises the Directors' Report and annual report, but does not include the financial statements of the Group and of the Company and our auditors' report thereon.

Our opinion on the financial statements of the Group and of the Company does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Group and of the Company, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Group and of the Company or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the financial statements

The Directors of the Company are responsible for the preparation of financial statements of the Group and of the Company that give a true and fair view in accordance with MFRS Accounting Standards, IFRS Accounting Standards and the requirements of the Companies Act 2016 in Malaysia. The Directors are also responsible for such internal control as the Directors determine is necessary to enable the preparation of financial statements of the Group and of the Company that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Group and of the Company, the Directors are responsible for assessing the Group's and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or the Company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Group and of the Company as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.

- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's or the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that achieves fair presentation.

- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the financial statements of the Group. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Directors, we determine those matters that were of most significance in the audit of the financial statements of the Group and of the Company for the current year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF TELEKOM MALAYSIA BERHAD
REGISTRATION NO: 198401016183 [128740-P] (INCORPORATED IN MALAYSIA)

Report on other legal and regulatory requirements

In accordance with the requirements of the Companies Act 2016 in Malaysia, we report that the subsidiaries of which we have not acted as auditors, are disclosed in Note 50 to the audited financial statements.

Other matters

This report is made solely to the members of the Company, as a body, in accordance with Section 266 of the Companies Act 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

Ernst & Young PLT
202006000003 (LLP0022760-LCA) & AF 0039
Chartered Accountants

Chong Tse Heng
03179/05/2027 J
Chartered Accountant

Kuala Lumpur, Malaysia
2 April 2026

SHARIAH COMPLIANCE DISCLOSURE

DISCLOSURE OF FINANCIAL DATA FOR SHARIAH SCREENING

Pursuant to Paragraph 9.25A of the Main Market Listing Requirements, below are the financial data that are relevant for purpose of Shariah screening by the Shariah Advisory Council of the Securities Commission Malaysia. These include financial data on Shariah non-permissible income arising from the Group's business activities and interest-based financial position.

(a) Group Total Income and Total Assets

	The Group	
Total Income	**2025 RM million**	**2024 RM million**
Revenue	**11,872.0**	11,712.4
Other income	**344.0**	181.3
Interest/Finance income	**102.8**	127.7
Dividend income	**10.2**	10.7
Share of profit of associate	**4.3**	8.1
Total	**12,333.3**	12,040.2
Total Assets	**20,459.2**	21,162.5

(b) Business Activities

		The Group	
Shariah Non-Compliant Activities	**Remarks**	**2025 RM million**	**2024 RM million**
Telecommunications revenue	Entertainment	**237.5**	232.9
Interest income	Conventional	**54.1**	61.5
Total		**291.6**	294.4

(c) Component of Financial Position

(i) Cash Component

	The Group	
Islamic Account/Instruments	**2025 RM million**	**2024 RM million**
Cash and bank balances (exclude cash in hand)	**163.4**	108.5
Deposits with licensed banks	**1,008.1**	1,611.8
Total Cash	**1,171.5**	1,720.3

SHARIAH COMPLIANCE DISCLOSURE

(c) Component of Financial Position (continued)

(i) Cash Component (continued)

	The Group	
Conventional Account/Instruments	2025 RM million	2024 RM million
Cash and bank balances (exclude cash in hand)	**546.4**	459.3
Deposits with licensed banks	**904.4**	916.0
Total Cash	**1,450.8**	1,375.3

(ii) Debt Component

	The Group	
Islamic Financing	2025 RM million	2024 RM million
Current		
Medium Term Notes	**507.7**	300.0
Non-Current		
Medium Term Notes	**1,549.7**	2,108.5
Total Financing	**2,057.4**	2,408.5

	The Group	
Conventional Borrowing	2025 RM million	2024 RM million
Current		
Revolving credit and loans	**3.0**	3.0
Debentures	**-**	1,077.8
Term loans	**0.2**	0.2
Non-Current		
Term loans	**1.2**	1.4
Total Debt	**4.4**	1,082.4

STATISTICS ON SHAREHOLDINGS

AS AT 9 MARCH 2026

ANALYSIS OF SHAREHOLDING

Issued Shares	: 3,837,738,481
Class of Shares	: 3,837,738,480 One (1) Special Rights Redeemable Preference Share (Special Share)
Number of Shareholders	: 31,063
Voting Rights	: • One (1) vote of each ordinary share • Special Share has no voting right other than those referred to in notes 13(a) of the financial statements.

DISTRIBUTION OF ORDINARY SHARES

	Shareholders				Holdings			
	Malaysian		Foreign		Malaysian		Foreign	
Size of Shareholdings	No.	%	No.	%	No.	%	No.	%
Less than 100	2,377	7.65	46	0.15	40,697	0.00	788	0.00
100 - 1,000	10,282	33.10	141	0.45	6,436,632	0.17	89,177	0.00
1,001 - 10,000	15,203	48.94	282	0.91	45,791,066	1.19	1,188,419	0.03
10,001 - 100,000	1,463	4.71	381	1.23	34,608,388	0.90	16,250,044	0.42
100,001 - 191,886,923 (*)	425	1.37	460	1.48	1,614,397,743	42.07	476,552,130	12.42
191,886,924 and above (**)	3	0.01	0	-	1,642,383,396	42.80	0	-
Total	**29,753**	**95.78**	**1,310**	**4.22**	**3,343,657,922**	**87.13**	**494,080,558**	**12.87**

Notes:
* Less than 5% of issued holdings.
** 5% and above of issued holdings.

CLASSIFICATION OF SHAREHOLDERS HOLDING ORDINARY SHARES

	No. of Shareholders		No. of Shares Held		% of Issued Shares	
Category	Malaysian	Foreign	Malaysian	Foreign	Malaysian	Foreign
INDIVIDUALS						
a. Bumiputra	9,598	0	23,162,255	0	0.60	0.00
b. Chinese	14,376	0	47,557,924	0	1.24	0.00
c. Indian	1,133	0	3,119,526	0	0.08	0.00
d. Others	122	282	437,331	2,123,930	0.01	0.06
BODY CORPORATE						
a. Banks/Finance Companies	106	2	901,060,147	646,500	23.48	0.02
b. Investment Trusts/Foundation/Charities	15	0	587,488	0	0.02	0.00
c. Industrial and Commercial Companies	224	8	40,362,069	8,340,267	1.05	0.22
GOVERNMENT AGENCIES/INSTITUTIONS	10	0	763,813,670	0	19.90	0.00
NOMINEES	4,167	1,018	1,563,554,309	482,969,861	40.74	12.58
OTHERS	2	0	3,203	0	0.00	0.00
TOTAL	29,753	1,310	3,343,657,922	494,080,558	87.13	12.87

STATISTICS ON SHAREHOLDINGS
AS AT 9 MARCH 2026

SUBSTANTIAL SHAREHOLDERS

		AS PER REGISTER OF DEPOSITORS			
		No. of Ordinary Shares Held		Percentage (%)	
No.	Shareholders	Direct	Indirect	Direct	Indirect
1	Khazanah Nasional Berhad	771,067,766	-	20.09	-
2	Citigroup Nominees (Tempatan) Sdn Bhd – Employees Provident Fund Board	879,275,957	-	22.91	-
3	Kumpulan Wang Persaraan (Diperbadankan)	356,499,447	48,407,784	9.29	1.26
	Total	**2,006,843,170**	**48,407,784**	**52.29**	**1.26**

		AS PER REGISTER OF SUBSTANTIAL SHAREHOLDERS			
		No. of Ordinary Shares Held		Percentage (%)	
No.	Shareholders	Direct	Indirect	Direct	Indirect
1	Khazanah Nasional Berhad	771,347,766	-	20.10	-
2	Citigroup Nominees (Tempatan) Sdn Bhd – Employees Provident Fund Board	878,842,657	-	22.90	-
3	Kumpulan Wang Persaraan (Diperbadankan)	357,003,198	48,407,784	9.30	1.26
	Total	**2,007,193,621**	**48,407,784**	**52.30**	**1.26**

DIRECTORS' DIRECT AND DEEMED INTEREST IN THE COMPANY
as per Register of Directors' Shareholdings

		No. of Shares Held		
No.	Interest in Company	Direct	Deemed Interest	%
1	Amar Huzaimi Md Deris	319,010	-	0.01
2	Datuk Bazlan Osman	10,000	-	0.00
3	Dr. Tunku Alina Raja Muhd Alias	1,000	-	0.00
	TOTAL	**330,010**	**0**	**0.01**

30 LARGEST SHAREHOLDERS

AS AT 9 MARCH 2026

LIST OF TOP 30 SHAREHOLDERS

as per the Register of Members and Record of Depositors

No.	Name of Shareholders	No. of Shares	%
1	KHAZANAH NASIONAL BERHAD	753,926,166	19.65
2	CITIGROUP NOMINEES (TEMPATAN) SDN BHD – EMPLOYEES PROVIDENT FUND BOARD	531,957,783	13.86
3	KUMPULAN WANG PERSARAAN (DIPERBADANKAN)	356,499,447	9.29
4	CITIGROUP NOMINEES (TEMPATAN) SDN BHD – EMPLOYEES PROVIDENT FUND BOARD (ISLAMIC)	188,488,418	4.91
5	AMANAHRAYA TRUSTEES BERHAD – AMANAH SAHAM BUMIPUTERA	107,644,300	2.81
6	CITIGROUP NOMINEES (TEMPATAN) SDN BHD – EXEMPT AN FOR AIA BHD	61,995,969	1.62
7	AMANAHRAYA TRUSTEES BERHAD – PUBLIC ITTIKAL SEQUEL FUND	54,498,100	1.42
8	MAYBANK NOMINEES (TEMPATAN) SDN BHD – MAYBANK TRUSTEES BERHAD FOR PUBLIC ITTIKAL FUND (N14011970240)	48,250,000	1.26
9	AMANAHRAYA TRUSTEES BERHAD – PUBLIC ISLAMIC DIVIDEND FUND	37,073,339	0.97
10	AMANAHRAYA TRUSTEES BERHAD – AMANAH SAHAM MALAYSIA 3	36,497,500	0.95
11	LEMBAGA TABUNG HAJI	35,339,043	0.92
12	AMANAHRAYA TRUSTEES BERHAD – AMANAH SAHAM MALAYSIA	33,370,900	0.87
13	CITIGROUP NOMINEES (TEMPATAN) SDN BHD – EMPLOYEES PROVIDENT FUND BOARD (ABERDEEN)	32,625,500	0.85
14	CITIGROUP NOMINEES (TEMPATAN) SDN BHD – EMPLOYEES PROVIDENT FUND BOARD (NOMURA)	30,000,000	0.78
15	CARTABAN NOMINEES (TEMPATAN) SDN BHD – PRUDENTIAL ASSURANCE MALAYSIA BERHAD FOR PRULINK STRATEGIC FUND	29,852,192	0.78
16	CITIGROUP NOMINEES (TEMPATAN) SDN BHD – EMPLOYEES PROVIDENT FUND BOARD (ABERISLAMIC)	28,366,400	0.74
17	CITIGROUP NOMINEES (TEMPATAN) SDN BHD – GREAT EASTERN LIFE ASSURANCE (MALAYSIA) BERHAD (PAR 1)	28,094,689	0.73
18	CARTABAN NOMINEES (TEMPATAN) SDN BHD – PAMB FOR PRULINK EQUITY FUND	27,212,863	0.71
19	MAYBANK NOMINEES (TEMPATAN) SDN BHD – MAYBANK TRUSTEES BERHAD FOR PUBLIC REGULAR SAVINGS FUND (N14011940100)	26,500,041	0.69
20	AMANAHRAYA TRUSTEES BERHAD – AMANAH SAHAM MALAYSIA 2 - WAWASAN	25,142,600	0.66
21	CARTABAN NOMINEES (TEMPATAN) SDN BHD – PBTB FOR TAKAFULINK DANA EKUITI	23,630,129	0.62
22	AMANAHRAYA TRUSTEES BERHAD – AMANAH SAHAM BUMIPUTERA 3 - DIDIK	23,500,000	0.61
23	CITIGROUP NOMINEES (TEMPATAN) SDN BHD – KUMPULAN WANG PERSARAAN (DIPERBADANKAN) (ABERDEEN)	20,127,600	0.52
24	CITIGROUP NOMINEES (TEMPATAN) SDN BHD – URUSHARTA JAMAAH SDN BHD (2)	18,491,100	0.48
25	CITIGROUP NOMINEES (TEMPATAN) SDN BHD – URUSHARTA JAMAAH SDN BHD (1)	17,560,700	0.46
26	AMANAHRAYA TRUSTEES BERHAD – PUBLIC ISLAMIC EQUITY FUND	17,350,000	0.45
27	DB (MALAYSIA) NOMINEE (TEMPATAN) SENDIRIAN BERHAD – DEUTSCHE TRUSTEES MALAYSIA BERHAD FOR HONG LEONG VALUE FUND	16,700,000	0.44
28	HSBC NOMINEES (ASING) SDN BHD – JPMCB NA FOR VANGUARD TOTAL INTERNATIONAL STOCK INDEX FUND	16,670,298	0.43
29	PERMODALAN NASIONAL BERHAD	16,648,000	0.43
30	HSBC NOMINEES (ASING) SDN BHD – JPMCB NA FOR VANGUARD EMERGING MARKETS STOCK INDEX FUND	15,889,078	0.41
	TOTAL	**2,659,902,155**	69.31

LIST OF TOP TEN PROPERTIES

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

No.	Location	Description & Existing Use	Year of Acquisition or Revaluation	Tenure (Freehold or Leasehold)	Land Area/ Built-Up Area (Sq. M)	Age of Building (Years)	Total NBV December 2025 (RM million)
1	Iskandar Putri Data Centre (IPDC) 2, Lingkaran Teknologi 1 Taman Teknologi Nusajaya 79250 Nusajaya Johor	Land with Building/ Data Centre	2019	Freehold	32,132/ 29,375	7	318.6
2	TM Complex Cyberjaya Lingkaran Teknokrat Timur 63000 Cyberjaya Selangor	Land with Building/ Office & Data Centre	2012	Freehold	114,549/ 71,047	23	287.0
3	TM Annexe 2 Jalan Pantai Jaya 59200 Kuala Lumpur	Office Tower	2007	Leasehold	876/ 26,875	19	53.0
4	TM Pekeliling Sek 63, Lorong Kuda Off Jalan Tun Razak 50450 Kuala Lumpur	Land with Building/ Exchange (Telecommunications Building)	2012	Freehold	3,275/ 6,781	22	40.5
5	TM Annexe 1 Jalan Pantai Jaya 59200 Kuala Lumpur	Office Tower	2005	Leasehold	909/ 18,562	20	39.1
6	TM Bukit Mahkamah, Jalan Raja Chulan, Bukit Bintang, 50200 Kuala Lumpur	Land with Building/ Office	2018	Freehold	4,237/ 14,066	28	37.4
7	Menara TM Melaka (MITC) No. 2, Jalan Wisma Negeri 75450 Ayer Keroh Melaka	Office Tower	2004	Leasehold 99 Years (7 March 2103)	18,290/ 22,956	17	29.9
8	TM TTDI Ibusawat Telekom Taman Tun Dr. Ismail Wilayah Persekutuan 60000 Kuala Lumpur	Land with Building/ Exchange (Telecommunications Building)	2012	Freehold	6,632/ 11,648	36	24.1
9	Lot 1290 Seksyen 57 2, Jalan Punchak Off Jalan P. Ramlee 50250 Kuala Lumpur	Land	2012	Freehold	3,571	-	23.1
10	TM Training Centre (TMTC) Semarak Jalan Gurney Kiri 54100 Kuala Lumpur	Land with Building/ Training College	2012	Freehold	56,171/ 26,962	27	21.3

NET BOOK VALUE OF LAND & BUILDINGS

AS AT 31 DECEMBER 2025

No.	Location	Freehold No. of Lots	Freehold Area ('000 sq ft)	Leasehold No. of Lots	Leasehold Area ('000 sq ft)	Other Land* No. of Lots	Other Land* Area ('000 sq ft)	Excepted Land** No. of Lots	Excepted Land** Area ('000 sq ft)	Net Book Value of Land*** (RM million)	Net Book Value of Buildings (RM million)
1.	Federal Territory										
	a. Kuala Lumpur	26	1,528	7	714	1	114	-	-	309.9	166.1
	b. Labuan	-	-	7	511	-	-	-	-	0.5	10.8
2.	Selangor	11	10,144	22	1,586	1	100	69	6,073	464.2	550.4
3.	Perlis	-	-	3	36	-	-	9	678	0.1	3.5
4.	Perak	4	17	23	1,118	1	106	83	5,040	4.0	47.2
5.	Pulau Pinang	3	5,052	16	929	-	-	24	5,826	13.4	38.8
6.	Kedah	22	699	11	777	-	-	45	2,866	22.6	45.5
7.	Johor	8	514	34	1,574	5	133	91	6,270	56.0	346.8
8.	Melaka	2	3	23	2,049	-	-	20	3,588	14.2	107.1
9.	Negeri Sembilan	415	23,974	18	465	2	155	47	1,840	38.9	19.2
10.	Terengganu	-	-	17	829	-	-	41	5,648	0.5	26.2
11.	Kelantan	-	-	16	701	-	-	35	2,050	0.5	16.7
12.	Pahang	2	66	30	2,191	4	348	60	5,887	3.6	46.3
13.	Sabah	-	-	14	184	4	162	35	2,634	3.6	62.3
14.	Sarawak	4	46	29	986	10	400	75	7,769	18.5	56.1
15.	Hong Kong	-	-	-	-	-	-	-	-	-	60.0
16.	Singapore	-	-	-	-	-	-	-	-	-	0.3
	Total	**497**	**42,043**	**270**	**14,650**	**28**	**1,518**	**634**	**56,169**	**950.5**	**1,603.3**

* The title deeds pertaining to other land have not yet been registered in the name of the Company. Pending finalisation with the relevant authorities, the lands have not been classified according to their tenure and land areas are based on estimation.

** Excepted land are lands situated outside the Federal Territory which are either alienated land, reserved land owned by the Federal Government or land occupied, used, controlled and managed by the Federal Government for federal purposes (in Melaka, Pulau Pinang, Sabah and Sarawak) as set out in Section 3(2) of the Telecommunication Services (Successor Company) Act, 1985. The Government has agreed to lease these lands to Telekom Malaysia Berhad for a term of 60 years with an option to renew, under article 85 and 86 of the Federal Constitution.

*** Includes land held for property development and land held for sale of a wholly-owned subsidiary.

USAGE OF PROPERTIES

AS AT 31 DECEMBER 2025

No.	Location	Exchanges/ Data Centres	Transmission Stations	Office Buildings	Residential	Stores/ Warehouses	Satellite/ Submarine Cable Stations	Resort	TMpoint/ Primatel/ Business Centre	University/ Training College	Telecom-munications/ Tourism Tower
1.	Federal Territory										
	a. Kuala Lumpur	13	2	6	4	-	-	-	-	1	-
	b. Labuan	1	-	2	-	-	2	-	-	-	-
2.	Selangor	76	9	8	7	3	-	-	3	1	-
3.	Perlis	8	1	1	2	1	-	-	1	-	-
4.	Perak	85	10	3	12	2	-	-	4	1	-
5.	Pulau Pinang	40	1	2	4	2	1	1	4	-	-
6.	Kedah	44	7	1	3	1	-	1	3	-	1
7.	Johor	91	11	3	3	1	1	-	1	-	-
8.	Melaka	29	1	1	1	1	2	-	2	1	-
9.	Negeri Sembilan	45	8	3	2	-	-	-	3	-	-
10.	Terengganu	44	4	2	3	2	1	-	2	1	-
11.	Kelantan	30	2	2	4	2	-	-	-	-	-
12.	Pahang	56	14	2	11	1	3	3	-	-	-
13.	Sabah	46	18	1	3	2	3	1	4	-	-
14.	Sarawak	76	24	2	8	2	3	-	3	1	-
15.	Hong Kong	1	-	-	-	-	-	-	-	-	-

EMPOWERING
GENERATIONS

This cover design reflects TM's journey since inception, highlighting defining moments across generations that have shaped our role in advancing Malaysia's digital progress. Inspired by abstract art, it brings together symbolic elements — from the iconic telephonist of the early years to today's era of human-AI collaboration.

Across eight decades, TM has remained committed to empowering communities and businesses as Malaysia evolves in the digital age.

As new possibilities emerge through technologies such as cloud, artificial intelligence and digital infrastructure, we continue to expand access, enable innovation and help shape a more connected and progressive future for the nation.

YOUR NEXT IS NOW.

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