

**TELEKOM MALAYSIA BERHAD**

Reg. No.: 198401016183 (128740-P)

(Incorporated in Malaysia)

The Board of Directors of Telekom Malaysia Berhad is pleased to announce the following unaudited results of the Group for the financial period ended 30 June 2024. The Group has restated the comparative figures in our financial statements due to a change in the presentation of Government grants. Details are provided in part A, note 14, in accordance with the relevant financial reporting standards.

**UNAUDITED CONSOLIDATED INCOME STATEMENT**

	2ND QUARTER ENDED		FINANCIAL PERIOD ENDED	
	30/06/2024	30/06/2023	30/06/2024	30/06/2023
	RM Million	RM Million (RESTATED)	RM Million	RM Million (RESTATED)
OPERATING REVENUE	2,907.9	2,958.6	5,744.9	5,744.5
OPERATING COSTS				
- depreciation, impairment and amortisation	(538.5)	(555.2)	(1,076.8)	(1,224.5)
- net impairment loss on financial and contract assets	(7.7)	(20.0)	(10.4)	(22.9)
- other operating costs	(1,812.9)	(1,806.9)	(3,484.5)	(3,467.1)
OTHER OPERATING INCOME (net)	63.9	53.5	90.4	73.3
OPERATING PROFIT BEFORE OTHER GAINS AND FINANCE COST	612.7	630.0	1,263.6	1,103.3
OTHER GAINS (net)	3.5	0.7	4.0	1.3
OPERATING PROFIT BEFORE FINANCE COST	616.2	630.7	1,267.6	1,104.6
FINANCE INCOME	27.5	22.4	58.6	42.7
FINANCE COST	(84.1)	(105.9)	(163.1)	(184.9)
FOREIGN EXCHANGE GAINS/(LOSSES) ON BORROWINGS	3.7	(61.4)	(30.0)	(58.4)
NET FINANCE COST	(52.9)	(144.9)	(134.5)	(200.6)
ASSOCIATE				
- share of results (net of tax)	2.2	3.0	4.5	5.8
PROFIT BEFORE TAX AND ZAKAT	565.5	488.8	1,137.6	909.8
TAX AND ZAKAT (part B, note 5)	(161.5)	82.6	(305.8)	(7.0)
<b>PROFIT FOR THE FINANCIAL PERIOD</b>	<b>404.0</b>	<b>571.4</b>	<b>831.8</b>	<b>902.8</b>
ATTRIBUTABLE TO:				
- equity holders of the Company	396.4	568.7	821.2	898.8
- non-controlling interests	7.6	2.7	10.6	4.0
<b>PROFIT FOR THE FINANCIAL PERIOD</b>	<b>404.0</b>	<b>571.4</b>	<b>831.8</b>	<b>902.8</b>
EARNINGS PER SHARE (sen) (part B, note 11)				
- basic	10.3	14.9	21.4	23.5
- diluted	10.3	14.8	21.4	23.4

(The above unaudited consolidated income statement should be read in conjunction with the audited financial statements for the financial year ended 31 December 2023)

**UNAUDITED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

	2ND QUARTER ENDED		FINANCIAL PERIOD ENDED	
	30/06/2024	30/06/2023	30/06/2024	30/06/2023
	RM Million	RM Million	RM Million	RM Million
<b>PROFIT FOR THE FINANCIAL PERIOD</b>	<b>404.0</b>	571.4	<b>831.8</b>	902.8
<b>OTHER COMPREHENSIVE INCOME</b>				
<b>Items that will not be reclassified</b>				
<b>subsequently to income statement:</b>				
- decrease in fair value of equity investments at fair value through other comprehensive income (FVOCI)	-	(8.0)	-	(8.0)
<b>Items that may be reclassified</b>				
<b>subsequently to income statement:</b>				
- increase in fair value of investments at fair value through other comprehensive income (FVOCI)	-	0.4	<b>0.1</b>	1.2
- reclassification adjustments relating to FVOCI investments disposed	<b>(0.1)</b>	#	<b>0.2</b>	#
- increase/(decrease) in fair value of receivables at FVOCI	<b>1.2</b>	(1.7)	<b>1.4</b>	2.5
- cash flow hedge:				
- increase in fair value of cash flow hedge	<b>0.2</b>	20.1	<b>12.4</b>	23.5
- change in fair value of currency basis	<b>(2.5)</b>	1.3	<b>(4.4)</b>	(3.3)
- reclassification of foreign exchange gains/(losses) on borrowings	<b>1.7</b>	(25.3)	<b>(10.9)</b>	(25.4)
- currency translation differences				
- subsidiaries	<b>(2.4)</b>	16.3	<b>15.4</b>	4.4
- associate	<b>5.2</b>	0.2	<b>5.0</b>	0.1
Other comprehensive income/(loss) for the financial period	<b>3.3</b>	3.3	<b>19.2</b>	(5.0)
<b>TOTAL COMPREHENSIVE INCOME FOR THE FINANCIAL PERIOD</b>	<b>407.3</b>	574.7	<b>851.0</b>	897.8
ATTRIBUTABLE TO:				
- equity holders of the Company	<b>399.7</b>	572.0	<b>840.4</b>	893.8
- non-controlling interests	<b>7.6</b>	2.7	<b>10.6</b>	4.0
<b>TOTAL COMPREHENSIVE INCOME FOR THE FINANCIAL PERIOD</b>	<b>407.3</b>	574.7	<b>851.0</b>	897.8

# Amount less than RM0.1 million

(The above unaudited consolidated statement of comprehensive income should be read in conjunction with the audited financial statements for the financial year ended 31 December 2023)

<b>UNAUDITED CONSOLIDATED STATEMENT OF FINANCIAL POSITION</b>		
	<b>AS AT 30/06/2024 RM Million</b>	<b>AS AT 31/12/2023 RM Million (RESTATED)</b>
SHARE CAPITAL	4,070.7	4,070.2
OTHER RESERVES	160.6	141.9
RETAINED PROFITS	5,177.3	4,950.9
<b>TOTAL CAPITAL AND RESERVES ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY</b>	<b>9,408.6</b>	<b>9,163.0</b>
<b>NON-CONTROLLING INTERESTS</b>	<b>158.1</b>	<b>159.6</b>
<b>TOTAL EQUITY</b>	<b>9,566.7</b>	<b>9,322.6</b>
Borrowings	3,577.7	3,536.8
Lease liabilities	1,576.3	1,634.5
Deferred tax liabilities	1,035.4	1,127.0
Trade and other payables	163.6	192.8
<b>NON-CURRENT LIABILITIES</b>	<b>6,353.0</b>	<b>6,491.1</b>
	<b>15,919.7</b>	<b>15,813.7</b>
Property, plant and equipment	11,295.5	11,796.8
Intangible assets	868.0	896.3
Right-of-use assets	1,256.2	1,263.6
Associate	104.6	100.1
Equity investments at fair value through other comprehensive income (FVOCI)	136.6	136.5
Investments at fair value through profit or loss (FVTPL)	155.8	150.1
Receivables at FVOCI	55.3	49.7
Other non-current receivables/assets	634.6	610.9
Derivative financial instruments	157.8	149.8
Deferred tax assets	19.0	19.1
<b>NON-CURRENT ASSETS</b>	<b>14,683.4</b>	<b>15,172.9</b>
Inventories	207.7	204.6
Trade and other receivables	2,228.7	2,275.0
Contract assets	693.8	644.3
Contract cost assets	320.0	357.3
Receivables at FVOCI	2.8	2.6
Investments at fair value through other comprehensive income (FVOCI)	68.8	70.4
Investments at fair value through profit or loss (FVTPL)	4.0	3.3
Financial assets at fair value through profit or loss (FVTPL)	2.4	2.3
Cash and bank balances	2,783.6	2,955.2
<b>CURRENT ASSETS</b>	<b>6,311.8</b>	<b>6,515.0</b>
Trade and other payables	2,572.0	3,033.3
Contract liabilities	1,199.1	1,247.9
Customer deposits	115.6	135.5
Borrowings	625.7	1,226.4
Lease liabilities	219.4	223.1
Tax and zakat	343.7	8.0
<b>CURRENT LIABILITIES</b>	<b>5,075.5</b>	<b>5,874.2</b>
<b>NET CURRENT ASSETS</b>	<b>1,236.3</b>	<b>640.8</b>
	<b>15,919.7</b>	<b>15,813.7</b>
<b>NET ASSETS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY (sen)</b>	<b>245.2</b>	<b>238.8</b>

(The above unaudited consolidated statement of financial position should be read in conjunction with the audited financial statements for the financial year ended 31 December 2023)

**UNAUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2024

	Attributable to equity holders of the Company								Total Equity RM Million
	Share Capital RM Million	FVOCI Reserve RM Million	Hedging Reserve RM Million	Cost of Hedging Reserve RM Million	Long Term Incentive Plan Reserve RM Million	Currency Translation Differences RM Million	Retained Profits RM Million	Non- controlling Interests RM Million	
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 period	-	-	-	-	-	-	821.2	10.6	831.8
Other comprehensive income									
Items that may be reclassified subsequently to income statement:									
- increase in fair value of investments at fair value through other comprehensive income (FVOCI)	-	0.1	-	-	-	-	-	-	0.1
- reclassification adjustments relating to FVOCI investments disposed	-	0.2	-	-	-	-	-	-	0.2
- increase in fair value of receivables at FVOCI	-	1.4	-	-	-	-	-	-	1.4
- cash flow hedge:									
- increase in fair value of cash flow hedge	-	-	12.4	-	-	-	-	-	12.4
- change in fair value of currency basis	-	-	-	(4.4)	-	-	-	-	(4.4)
- reclassification of foreign exchange loss on borrowings	-	-	(10.9)	-	-	-	-	-	(10.9)
- currency translation differences									
- subsidiaries	-	-	-	-	-	15.4	-	-	15.4
- associate	-	-	-	-	-	5.0	-	-	5.0
Total comprehensive income/(loss) for the financial period	-	1.7	1.5	(4.4)	-	20.4	821.2	10.6	851.0
Transactions with owners:									
- 2nd interim single-tier dividend paid for the financial year ended 31 December 2023 (part A, note 6)	-	-	-	-	-	-	(402.9)	-	(402.9)
- final single-tier dividend paid for the financial year ended 31 December 2023 (part A, note 6)	-	-	-	-	-	-	(191.9)	-	(191.9)
- dividends paid to non-controlling interests	-	-	-	-	-	-	-	(12.1)	(12.1)
- Long Term Incentive Plan (LTIP):									
- transfer from LTIP reserve upon issuance of shares on vesting (part A, note 5(b))^	0.5	-	-	-	(0.5)	-	-	-	-
Total transactions with owners	0.5	-	-	-	(0.5)	-	(594.8)	(12.1)	(606.9)
<b>At 30 June 2024</b>	<b>4,070.7</b>	<b>91.2</b>	<b>(7.0)</b>	<b>6.5</b>	<b>11.8</b>	<b>58.1</b>	<b>5,177.3</b>	<b>158.1</b>	<b>9,566.7</b>

^ Issuance of shares pursuant to the Group's LTIP RS.

(The above unaudited consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the financial year ended 31 December 2023)

**UNAUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2023**

	Attributable to equity holders of the Company								Total Equity RM Million
	Share Capital RM Million	FVOCI Reserve RM Million	Hedging Reserve RM Million	Cost of Hedging Reserve RM Million	Long Term Incentive Plan Reserve RM Million	Currency Translation Differences RM Million	Retained Profits RM Million	Non- controlling Interests RM Million	
At 1 January 2023	3,986.5	99.1	(13.2)	16.8	81.9	35.4	3,730.0	152.6	8,089.1
Profit for the financial period	-	-	-	-	-	-	898.8	4.0	902.8
Other comprehensive income									
Items that will not be reclassified subsequently to income statement:									
- decrease in fair value of equity investments at FVOCI	-	(8.0)	-	-	-	-	-	-	(8.0)
Items that may be reclassified subsequently to income statement:									
- increase in fair value of investments at fair value through other comprehensive income (FVOCI)	-	1.2	-	-	-	-	-	-	1.2
- reclassification adjustments relating to FVOCI investments disposed	-	#	-	-	-	-	-	-	#
- increase in fair value of receivables at FVOCI	-	2.5	-	-	-	-	-	-	2.5
- cash flow hedge:									
- increase in fair value of cash flow hedge	-	-	23.5	-	-	-	-	-	23.5
- change in fair value of currency basis	-	-	-	(3.3)	-	-	-	-	(3.3)
- reclassification of foreign exchange loss on borrowings	-	-	(25.4)	-	-	-	-	-	(25.4)
- currency translation differences	-	-	-	-	-	4.4	-	-	4.4
- subsidiaries	-	-	-	-	-	0.1	-	-	0.1
- associate	-	-	-	-	-	-	-	-	-
Total comprehensive (loss)/income for the financial period	-	(4.3)	(1.9)	(3.3)	-	4.5	898.8	4.0	897.8
Transactions with owners:									
- final interim dividend paid for the financial year ended 31 December 2022	-	-	-	-	-	-	(286.6)	-	(286.6)
- dividends declared to non-controlling interests	-	-	-	-	-	-	-	(7.5)	(7.5)
- Long Term Incentive Plan (LTIP):									
- ordinary shares granted*	-	-	-	-	11.3	-	-	-	11.3
- transfer from LTIP reserve upon issuance of shares on vesting^	5.0	-	-	-	(5.0)	-	-	-	-
Total transactions with owners	5.0	-	-	-	6.3	-	(286.6)	(7.5)	(282.8)
<b>At 30 June 2023</b>	<b>3,991.5</b>	<b>94.8</b>	<b>(15.1)</b>	<b>13.5</b>	<b>88.2</b>	<b>39.9</b>	<b>4,342.2</b>	<b>149.1</b>	<b>8,704.1</b>

# Amount less than RM0.1 million

\* The apportionment over the vesting period of the fair value of the Group's granting of TM shares made to eligible employees of TM and its subsidiaries subject to fulfilment of relevant vesting conditions.

^ Issuance of shares pursuant to the Group's LTIP RS.

(The above unaudited consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the financial year ended 31 December 2023)

**UNAUDITED CONSOLIDATED STATEMENT OF CASH FLOWS**

	FINANCIAL PERIOD ENDED	
	30/06/2024	30/06/2023
	RM Million	RM Million
Receipts from customers	5,464.2	5,704.3
Payments to suppliers and employees	(3,599.9)	(3,908.4)
Payments to suppliers for short-term lease and leases of low-value assets	(18.0)	(17.8)
Payments of finance cost	(116.0)	(153.3)
Payments of income taxes and zakat (net)	(25.4)	(181.3)
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	<b>1,704.9</b>	<b>1,443.5</b>
Contribution for purchase of property, plant and equipment	122.2	213.7
Disposal of property, plant and equipment	3.4	2.8
Purchase of property, plant and equipment and intangible assets	(516.9)	(1,397.2)
Purchase of equity investments at fair value to other comprehensive income	(0.1)	-
Disposal/Maturity of current investments at fair value through other comprehensive income	18.1	4.1
Purchase of current investments at fair value through other comprehensive income	(16.1)	(4.7)
Purchase of investments at fair value through profit or loss	(0.8)	(6.6)
Long term deposits	(8.3)	(8.3)
Deposit with maturity exceeding 3 months	0.2	-
Repayments of loans by employees	8.8	7.7
Loans to employees	(17.3)	(8.6)
Disposal of housing loan	-	127.6
Interest/Profit received	49.4	30.5
<b>CASH FLOWS USED IN INVESTING ACTIVITIES</b>	<b>(357.4)</b>	<b>(1,039.0)</b>
Proceeds from borrowings	-	30.0
Repayments of borrowings	(601.1)	(295.0)
Repayments of lease liabilities	(220.4)	(293.2)
Dividend paid to shareholders (part A, note 6)	(594.8)	(286.6)
Dividend paid to non-controlling interests	(12.1)	(5.1)
<b>CASH FLOWS USED IN FINANCING ACTIVITIES</b>	<b>(1,428.4)</b>	<b>(849.9)</b>
NET DECREASE IN CASH AND CASH EQUIVALENTS	(80.9)	(445.4)
EFFECT OF EXCHANGE RATE CHANGES	20.1	1.8
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL PERIOD	2,697.9	2,344.3
<b>CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL PERIOD</b>	<b>2,637.1</b>	<b>1,900.7</b>

(The above unaudited consolidated statement of cash flows should be read in conjunction with the audited financial statements for the financial year ended 31 December 2023)

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**PART A: EXPLANATORY NOTES PURSUANT TO MFRS 134**

**1. Basis of Preparation**

The unaudited interim financial statements for the 2nd quarter and financial period ended 30 June 2024 of the Group have been prepared in accordance with Malaysian Financial Reporting Standards (MFRS) 134 “Interim Financial Reporting” issued by Malaysian Accounting Standards Board (MASB), paragraph 9.22 and Appendix 9B of the Bursa Malaysia Securities Berhad Main Market Listing Requirements, and should be read in conjunction with the Group’s audited financial statements for the financial year ended 31 December 2023. The accounting policies, method of computation and basis of consolidation applied in the unaudited interim financial statements are consistent with those used in the preparation of the 2023 audited financial statements, except for the changes arising from the adoption of the amendments to MFRS issued by MASB that are effective for the Group’s financial year beginning on 1 January 2024.

**(a) The amendments to published standards that are effective and applicable for the Group’s financial year beginning on 1 January 2024**

The amendments to published standards issued by MASB that are effective and applicable for the Group’s financial year beginning on 1 January 2024 are as follows:

Amendments to MFRS 16	Lease Liability in a Sale and Leaseback
Amendments to MFRS 101	Classification of Liabilities as Current or Non-current
Amendments to MFRS 107 and MFRS 7	Supplier Finance Arrangements

The adoption of the above applicable amendments to published standards has not led to any material impact on the Group’s financial result, position or disclosure for the current or previous periods, nor any of the Group’s significant accounting policies.

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**PART A: EXPLANATORY NOTES PURSUANT TO MFRS 134**

**1. Basis of Preparation (continued)**

**(b) New standards and amendments to published standards that have been issued but not yet effective and have not been adopted**

The new standards and amendments to published standards that have been issued but are not yet effective and have not been adopted early by the Group are as follows:

**Effective for annual periods beginning on or after 1 January 2025**

Amendments to MFRS 121	Lack of Exchangeability
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**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
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**Effective for annual periods beginning on or after 1 January 2027**

MFRS 18	Presentation and Disclosure in Financial Statements
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MFRS 19	Subsidiaries without Public Accountability: Disclosures
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**Effective for annual periods to be announced by MASB**

Amendments to MFRS 10 and MFRS 128	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture
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The adoption of the above applicable new standards and amendments to published standards are not expected to have a material impact on the financial statements of the Group.

**2. Seasonal or Cyclical Factors**

The operations of the Group were not materially affected by any seasonal or cyclical factors.

**3. Unusual Items Affecting Assets, Liabilities, Equity, Net Income or Cash Flows**

There were no unusual items affecting assets, liabilities, equity, net income or cash flows due to their nature, size or incidence for the 2nd quarter and financial period ended 30 June 2024.



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**PART A: EXPLANATORY NOTES PURSUANT TO MFRS 134**

**4. Material Changes in Estimates**

There were no material changes in estimates reported in the prior financial year that may have given rise to a material impact on the financials reported by the Group for the 2nd quarter and financial period ended 30 June 2024.

**5. Issuances, Repurchases and Repayments of Debt and Equity Securities**

**(a) Repayment of Islamic Medium-Term Notes (IMTN)**

On 20 March 2024, the Group repaid in full, at its nominal value, the RM300.0 million IMTN at 4.82% per annum upon its maturity date. The IMTN was issued as part of the RM3.0 billion IMTN Programme, as disclosed in note 17(b) of the Group's audited financial statements for the financial year ended 31 December 2023.

On 27 June 2024, the Group repaid in full, at its nominal value, the RM300.0 million IMTN at 4.738% per annum upon its maturity date. The IMTN was issued as part of the RM3.0 billion IMTN Programme, as disclosed in note 17(b) of the Group's audited financial statements for the financial year ended 31 December 2023.

**(b) Long Term Incentive Plan (LTIP)**

During the current financial period, the Company issued 76,400 new ordinary shares amounting to RM0.5 million pursuant to the vesting of shares from the Restricted Shares and Performance Shares under the LTIP granted to employees as described in note 14 of the audited financial statements for the financial year ended 31 December 2023.

The new ordinary shares were listed and allotted on the Main Market of Bursa Securities on 31 May 2024. There has been no further grant of new LTIP tranches during the current financial period.

**6. Dividends Paid**

(a) The 2nd interim single-tier dividend of 10.5 sen per share amounting to RM402.9 million in respect of the financial year ended 31 December 2023 declared on 23 February 2024 was paid on 29 March 2024.

(b) The final single-tier dividend of 5.0 sen per share amounting to RM191.9 million in respect of the financial year ended 31 December 2023 declared on 23 February 2024 was paid on 19 April 2024.

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**PART A: EXPLANATORY NOTES PURSUANT TO MFRS 134**

**7. Segmental Information**

Segmental revenue information for the Group are as follows:

	<b>2nd Quarter Ended</b>		<b>Financial Period Ended</b>	
	<b>30/06/2024</b>	<b>30/06/2023</b>	<b>30/06/2024</b>	<b>30/06/2023</b>
	<b>RM Million</b>	<b>RM Million</b>	<b>RM Million</b>	<b>RM Million</b>
		<b>(RESTATED)</b>		<b>(RESTATED)</b>
Unifi	1,386.2	1,408.9	2,782.4	2,844.4
TM One	740.6	706.2	1,413.6	1,384.3
TM Global	751.5	822.5	1,494.3	1,484.9
Others/Shared Services	73.0	82.3	138.1	186.7
Eliminations	(43.4)	(61.3)	(83.5)	(155.8)
<b>Total</b>	<b>2,907.9</b>	<b>2,958.6</b>	<b>5,744.9</b>	<b>5,744.5</b>

The prior year comparatives have been restated for better comparability with current year's disclosures.

**8. Material Events Subsequent to the End of the Quarter**

There are no material events subsequent to the reporting date that require disclosure or adjustment to the unaudited interim financial statements except for the disclosure on Proposed Joint Venture as disclosed in part B, note 6.

**9. Effects of Changes in the Composition of the Group**

There are no changes in the composition of the Group for the 2nd quarter and financial period ended 30 June 2024 save as disclosed below:

**TM DC Educuity Sdn Bhd (TM DC Educuity)**

On 21 May 2024, TM DC Educuity was incorporated as an indirect wholly-owned subsidiary of Telekom Malaysia Berhad (TM), established as an investment holding company with activities of providing infrastructure for hosting, data processing services and related activities.

**10. Changes in Contingent Liabilities Since the Last Annual Balance Sheet Date**

Other than the material litigation disclosed in part B, note 10 of this announcement, there were no other material changes in contingent liabilities since the audited financial statements of the Group for the financial period ended 30 June 2024.

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**PART A: EXPLANATORY NOTES PURSUANT TO MFRS 134**

**11. Capital Commitments**

(a)	<b>Group</b> <b>As at 30/06/2024</b> <b>RM Million</b>	<b>As at 31/12/2023</b> <b>RM Million</b> <b>(RESTATED)</b>
<b>Property, plant and equipment:</b>		
Commitments in respect of expenditures approved and contracted for (excluding commitments with approved Government grants)	<b>1,868.3</b>	2,328.0
(b)	<b>Group</b> <b>As at 30/06/2024</b> <b>RM Million</b>	<b>As at 31/12/2023</b> <b>RM Million</b>
The Group's remaining capital commitment in a Technology Investment Fund (disclosed as part of the Group's Non-Current Investments at FVTPL)	<b>15.1</b>	14.8

Refer to note 30(c) of the audited financial statements of the Group for the financial year ended 31 December 2023.

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**12. Related Party Transactions**

Khazanah Nasional Berhad (Khazanah) is a major shareholder with 20.10% equity interest as at 30 June 2024 and is a related party of the Group. Khazanah is a wholly-owned entity of MOF Inc, which is in turn owned by the Ministry of Finance, a ministry of the Federal Government of Malaysia. Therefore, the Government of Malaysia and bodies controlled or jointly controlled by the Government of Malaysia are also related parties to the Group.

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 of the respective reporting dates are as follows:

	Total amount of individually significant transactions for the financial period ended		Corresponding outstanding balances as at	
	30/06/2024 RM Million	30/06/2023 RM Million	30/06/2024 RM Million	31/12/2023 RM Million
<b>Sales and Receivables</b>	<b>355.3</b>	403.3	<b>105.8</b>	47.5

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 period was RM14.9 million (YTD June 2023: RM21.7 million) with corresponding receivables of RM251.0 million (31 December 2023: RM329.6 million).

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

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**13. Fair Value**

The disclosure should be read in conjunction with note 48 of the Group's audited financial statements for the financial year ended 31 December 2023.

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

The following table presents the Group's financial assets that are measured at fair value as at the respective reporting date. There were no liabilities measured at fair value at the end of the period ended and comparative year.

	As at 30/06/2024				As at 31/12/2023			
	Level 1 RM	Level 2 RM	Level 3 RM	Total RM	Level 1 RM	Level 2 RM	Level 3 RM	Total RM
<b>Assets</b>								
Financial assets at fair value through profit or loss								
- quoted securities	2.4	-	-	2.4	2.3	-	-	2.3
Derivatives accounted for under hedge accounting	-	157.8	-	157.8	-	149.8	-	149.8
Investments at fair value through OCI	-	68.8	-	68.8	-	70.4	-	70.4
Investments at fair value through profit or loss	-	94.4	65.4	159.8	-	93.1	60.3	153.4
Equity investments at fair value through OCI	-	-	136.6	136.6	-	-	136.5	136.5
Receivables at fair value through OCI	-	-	58.1	58.1	-	-	52.3	52.3
<b>Total</b>	<b>2.4</b>	<b>321.0</b>	<b>260.1</b>	<b>583.5</b>	<b>2.3</b>	<b>313.3</b>	<b>249.1</b>	<b>564.7</b>

There have not been any changes to the valuation techniques applied for the different financial instruments since 31 December 2023 and there were no transfers of any instruments between level 1, 2 and 3 of the fair valuation hierarchy during the financial period.

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**13. Fair Value (continued)**

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

There have not been any significant changes in the differences between the carrying amount and fair value of financial instruments carried at other than fair value from the disclosures in note 48(b) of the Group's audited financial statements for the financial year ended 31 December 2023, other than below:

	As at 30/06/2024		As at 31/12/2023	
	Carrying amount RM Million	Net fair value RM Million	Carrying amount RM Million	Net fair value RM Million
<b>Liabilities</b>				
Borrowings	4,203.4	4,330.9	4,763.2	4,883.8

**14. Changes in Accounting Policies**

**(a) Changes to Presentation of Government Grant**

During the previous quarter ended 31 March 2024, the Group changed its accounting policy by revising the presentation of Government grants. Government grants, which were previously deferred and recognised in the Income Statement over the financial period necessary to match them with the costs they were intended to compensate, are now deducted from the corresponding costs in the Income Statement. Government grants relating to the purchase of assets, which were previously included as deferred income and credited to the Income Statement on a straight-line basis over the estimated useful lives of the related assets, are now deducted from the cost of the related assets and recognised in the Income Statement over the lives of the depreciable assets by way of reduced depreciation charges.

The change in the presentation provides a more reliable and relevant information on the Group's financial position and financial performance. In addition, this strategically aligns the accounting policy with the core business objectives of the Group.

**(b) Impact from Changes in Presentation of Government Grant**

The change has been applied retrospectively in accordance with MFRS 108 Accounting Policies, Changes in Accounting Estimates and Errors, and the impact on the comparative disclosures is as follows:

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**14. Changes in Accounting Policies (continued)**

**(b) Impact from Changes in Presentation of Government Grant (continued)**

<b>Income Statement for Financial Period Ended</b>	<b>As previously reported (RM Million)</b>	<b>Effect of the changes (RM Million)</b>	<b>As restated (RM Million)</b>
<b><u>30 June 2023</u></b>			
OPERATING REVENUE	6,050.0	(305.5)	5,744.5
OPERATING COSTS			
- depreciation, impairment and amortisation	(1,428.5)	204.0	(1,224.5)
- other operating costs	(3,548.1)	81.0	(3,467.1)
OTHER OPERATING INCOME (net)	52.8	20.5	73.3
<b>Statement of Financial Position</b>	<b>As previously reported (RM Million)</b>	<b>Effect of the changes (RM Million)</b>	<b>As restated (RM Million)</b>
<b><u>As at 31 December 2023</u></b>			
<b><u>Non-current Liabilities</u></b>			
Deferred income	1,414.8	(1,414.8)	-
Trade and other payables	25.9	166.9	192.8
<b><u>Non-current Assets</u></b>			
Property, plant and equipment	13,026.4	(1,229.6)	11,796.8
Intangible assets	903.0	(6.7)	896.3
Right-of-use assets	1,275.2	(11.6)	1,263.6

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**14. Changes in Accounting Policies (continued)**

**(b) Impact from Changes in Presentation of Government Grant (continued)**

Statement of Financial Position	As previously reported (RM Million)	Effect of the changes (RM Million)	As restated (RM Million)
<b><u>As at 1 January 2023</u></b>			
<b><u>Non-current Liabilities</u></b>			
Deferred income	1,630.7	(1,630.7)	-
Trade and other payables	24.6	60.6	85.2
<b><u>Non-current Assets</u></b>			
Property, plant and equipment	13,547.0	(1,555.1)	11,991.9
Intangible assets	745.8	(0.4)	745.4
Right-of-use assets	1,153.7	(14.6)	1,139.1



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## PART B: EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD

### 1. Review of Performance

#### (a) 2nd Quarter 2024 vs 2nd Quarter 2023

##### (i) Group Performance

Group's operating revenue decreased by 1.7% (RM50.7 million) to RM2,907.9 million, compared to RM2,958.6 million in the same quarter last year. The decline was mainly from voice services, whilst internet and data services revenue continued to show steady growth.

Correspondingly, operating profit before other gains and finance cost declined by 2.7% (RM17.3 million) from RM630.0 million to RM612.7 million.

Group's profit after tax and non-controlling interests (PATAMI) was RM396.4 million for the quarter ended, reflecting a 30.3% (RM172.3 million) decrease from the RM568.7 million recorded in 2nd quarter 2023. The decrease was primarily caused by the one-time recognition of tax losses in the previous year.

##### (ii) Revenue by Customer Segments

###### Unifi

Unifi maintained a steady growth of broadband subscribers in the current quarter compared to the same quarter last year. However, a decrease in voice and mobile device revenue resulted in a drop in operating revenue, decreasing by 1.6% (RM22.7 million) to RM1,386.2 million, down from RM1,408.9 million in the same quarter of the previous year.

###### TM One

TM One recorded operating revenue of RM740.6 million in the current quarter, improved by 4.9% (RM34.4 million), from RM706.2 million in the same corresponding quarter last year. The increase was due to the one-off revenue recognition related to a recent arbitration settlement.

###### TM Global

Due to lower international voice service revenue, TM Global's operating revenue declined by 8.6% (RM71.0 million), from RM822.5 million in the second quarter of last year to RM751.5 million in the current quarter. This decline was cushioned by stronger performance in data services and other product lines, which continued to show improvement.

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### 1. Review of Performance (continued)

#### (b) Year-on-Year

##### (i) Group Performance

For the financial period under review, the Group recorded a similar level of operating revenue of RM5,744.9 million compared to the RM5,744.5 million recorded during the 1st half of 2023, with an increase from internet and data services, except for voice.

Lower operating costs led to the increase of the Group's operating profit before other gains and finance cost by 14.5% (RM160.3 million), reported at RM1,263.6 million compared to RM1,103.3 million in the 1st half of 2023.

Group's profit after tax and non-controlling interests (PATAMI) for the current financial period was RM821.2 million, an 8.6% (RM77.6 million) decrease from RM898.8 million recorded in the corresponding period last year, which included utilisation of tax losses.

##### (ii) Segment Performance

#### Unifi

Unifi continues to record an increase in cumulative broadband subscribers in the current period ended 30 June 2024 compared to the corresponding period last year. This cushioned the impact of the decrease in voice and mobile device revenue, with operating revenue of RM2,782.4 million in the current period, 2.2% (RM62.0 million) lower than the RM2,844.4 million in the 1st half of 2023.

#### TM One

TM One recorded operating revenue of RM1,413.6 million in the 1st half of 2024, marking a 2.1% (RM29.3 million) increase, from RM1,384.3 million in the corresponding period last year. The positive momentum is being driven by the one-time revenue from the recent arbitration settlement.

#### TM Global

TM Global recorded operating revenue of RM1,494.3 million for the 1st half of 2024, a 0.6% (RM9.4 million) growth from RM1,484.9 million revenue reported for the same period last year. This growth was primarily driven by strong performance in data services, despite lower revenue from international voice services.

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#### **2. Comparison with Preceding Quarter's Results**

The Group's operating revenue of RM2,907.9 million in the current quarter ended was a 2.5% (RM70.9 million) increase from the RM2,837.0 million recorded in the preceding quarter, driven by growth in data, other telecommunication and non-telecommunication related services.

Increased operating costs in the current quarter led to a 5.9% (RM38.2 million) decrease in operating profit before other gains and finance cost, reported at RM612.7 million compared to RM650.9 million in the previous quarter.

Consequently, the Group's PATAMI decreased 6.7% (RM28.4 million) from RM424.8 million in the preceding quarter to RM396.4 million in the current quarter.

#### **3. Prospects for the Current Financial Year**

##### **Economic Outlook**

The Malaysian economy continues to improve, recording a GDP growth of 5.9%<sup>1</sup> in the second quarter of 2024 in comparison to 4.2% in the first quarter. This growth is underpinned by higher household spending, improving exports, stronger expansion in investment activities and positive domestic labour market conditions.

Bank Negara Malaysia (BNM) has kept the Overnight Policy Rate (OPR) unchanged at 3.0% during the first 7 months of 2024 as inflationary pressures are being managed and the Ringgit continue to outperform regional currencies. The Malaysian economy is expected to steadily grow in 2024, driven by favorable factors as outlined above.

##### **Business Outlook**

The operating environment remains highly competitive, especially in the retail sector, affecting business performance. Our six-month year-to-date revenue is similar compared to the previous year, mainly due to challenges faced by Unifi. Nevertheless, TM One has managed to maintain a positive momentum against the demanding backdrop contributed by the one-off revenue recognition from the recent arbitration settlement, while TM Global has maintained its business resilience amidst global market challenges.

Growing our core business remains our top priority while we remain steadfast in optimising cost and sustaining healthy financial standing as we strive to deliver optimal returns for our shareholders. This is reflected in the increased Interim Dividend declared for 2024 at 12.5 sen per share from 9.5 sen in the previous year.

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**3. Prospects for the Current Financial Year (continued)**

**Business Outlook (continued)**

TM proactively adapts its business strategy to identify new growth areas for the future while strengthening its core business. We have entered into partnership with Nxera, Singtel's data center arm, to build an advanced AI-ready data center in Johor. This partnership demonstrates our commitment to delivering top-quality data center solutions, supported by new submarine cables and the expansion of our existing data centers, reinforcing our position as the preferred digital hub for the ASEAN region.

TM continues to support 5G ecosystem in Malaysia and provide high quality converged digital offerings across various segments of our customers. We remain confident in achieving our goal of becoming a Digital Powerhouse by 2030 and maintaining a positive outlook for the year, aligned with our 2024 issued market guidance.

<sup>1</sup>Bank Negara Malaysia (BNM) Quarterly Bulletin 2Q 2024 dated 16 August 2024

**4. Variance of Actual Profit from Forecast Profit/Profit Guarantee**

The Group has not provided any profit forecast or profit guarantee in any public document in respect of the 2nd quarter and financial period ended 30 June 2024.

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**5. Tax**

The tax charge for the Group comprises:

	2nd Quarter Ended		Financial Period Ended	
	30/06/2024	30/06/2023	30/06/2024	30/06/2023
	RM Million	RM Million	RM Million	RM Million
<u>Malaysia</u>				
<b>Income Tax:</b>				
Current year	<b>364.5</b>	(58.6)	<b>372.4</b>	49.8
Prior year	<b>13.9</b>	(1.3)	<b>17.0</b>	(1.3)
<b>Deferred tax (net)</b>	<b>(219.4)</b>	(25.5)	<b>(91.5)</b>	(46.9)
	<b>159.0</b>	(85.4)	<b>297.9</b>	1.6
<u>Overseas</u>				
<b>Income Tax:</b>				
Current year	<b>1.1</b>	1.4	<b>3.7</b>	2.1
Prior year	<b>#</b>	#	<b>0.1</b>	0.4
<b>Deferred tax (net)</b>	<b>(0.7)</b>	-	<b>-</b>	-
	<b>0.4</b>	1.4	<b>3.8</b>	2.5
<b>Taxation</b>	<b>159.4</b>	(84.0)	<b>301.7</b>	4.1
<b>Zakat</b>	<b>2.1</b>	1.4	<b>4.1</b>	2.9
<b>Taxation and Zakat</b>	<b>161.5</b>	(82.6)	<b>305.8</b>	7.0

# Amount less than RM0.1 million

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**PART B: EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD****6. Status of Corporate Proposals****Proposed Joint Venture between TM DC Educuity and Nxera My Pte. Ltd. (Nxera MY) (Proposed JV)**

TM DC Educuity has on 18 June 2024 entered into a conditional joint venture agreement with Nxera MY and ST Dynamo DC Sdn Bhd (ST Dynamo DC) to jointly develop, establish and/or operate greenfield data centre facilities in Johor, Malaysia through the JV Company for purposes of the Proposed Joint Venture (JVA).

Details of the Proposed JV as well as the approvals and consent upon which the Proposed JV is subject to are disclosed in the Group's announcements to Bursa Malaysia Securities (Bursa Securities) on 18 and 24 June 2024. A condition precedent to the JVA is the approval of the non-interested shareholders of TM at an extraordinary general meeting (EGM) for the entry into the JVA.

Subsequently, on 14 August 2024, the Group announced through Bursa Securities that an EGM will no longer be necessary. The JV Parties will complete the Proposed JV in accordance with the terms and conditions of the JVA.

**7. Group Borrowings and Debt Securities****(a) Analysis of the Group's borrowings and debt securities is as follows:**

	As at 30/06/2024		As at 31/12/2023	
	Short Term Borrowings RM Million	Long Term Borrowings RM Million	Short Term Borrowings RM Million	Long Term Borrowings RM Million
<b>Total Unsecured</b>	<b>625.7</b>	<b>3,577.7</b>	1,226.4	3,536.8
<b>Total Borrowings</b>	<b>625.7</b>	<b>3,577.7</b>	1,226.4	3,536.8

**(b) Foreign currency borrowings and debt securities are as follows:**

Foreign Currency	As at 30/06/2024 RM Million	As at 31/12/2023 RM Million
US Dollar	<b>1,726.5</b>	1,685.6
Canadian Dollar	<b>1.8</b>	1.9
<b>Total</b>	<b>1,728.3</b>	1,687.5

**(c) There have not been any significant changes in the Group's borrowings since the end of the previous financial year (as disclosed in note 17 of the Group's audited financial statements for financial year ended 31 December 2023) except for the impact of foreign exchange translation for the financial period ended, as well as the repayment of certain borrowing as disclosed in part A, note 5.**

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(a) Analysis of the Group's Derivative Financial Instruments is as follows:

		Fair value as at 30/06/2024	Fair value as at 31/12/2023
	<b>Contract or notional amount RM Million</b>	<b>Assets RM Million</b>	<b>Assets RM Million</b>
<b>Derivatives (by maturity)</b>			
<u>Cross Currency Interest Rate Swaps (CCIRS)</u>			
- 1 year to 3 years	<b>310.5</b>	<b>157.8</b>	149.8
<b>Total</b>	<b>310.5</b>	<b>157.8</b>	149.8

(b) **Financial Risk Management Objectives and Policies**

There have been no changes since the end of the previous financial year in respect of the following:

- (i) The types of derivative financial contracts entered into and the rationale for entering into such contracts, as well as the expected benefits accruing from these contracts; and
- (ii) The risk management policies are in place for mitigating and controlling the risks associated with these derivative financial instrument contracts.

The details on the above, the valuation and the financial effects of derivative financial instruments that the Group has entered into are discussed in notes 4, 20 and 47 to 50 to the Group's audited financial statements for the financial year ended 31 December 2023.

(c) **Related Accounting Policies**

The related accounting policies of the Group in respect of derivative financial instruments and hedge accounting are disclosed in note 2 to the Group's audited financial statements for the financial year ended 31 December 2023.

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The amount of gains/(losses) arising from fair value changes of derivative financial instruments for the current and cumulative quarters ended 30 June 2024 are as follows:

<b>Derivatives (by maturity)</b>	<b>Contract or notional value RM Million</b>	<b>Fair value RM Million</b>	<b>Losses arising from fair value changes for the quarter RM Million</b>	<b>Gains arising from fair value changes for the period RM Million</b>
<b>Financial Assets</b>				
<u>Cross Currency Interest Rate Swaps (CCIRS)*</u>				
- 1 year to 3 years	310.5	157.8	(2.3)	8.0
<b>Total</b>	<b>310.5</b>	<b>157.8</b>	<b>(2.3)</b>	<b>8.0</b>

\* Cash flow hedges accounted for under hedge accounting.

The fair values of existing interest rate swaps arise from the changes in present value of their respective future cash flows against the prevailing market interest rates. The fair values of existing forward foreign exchange components of the contracts are determined by comparing forward exchange market rates at the balance sheet date against prevailing foreign exchange rates.

The Mark to Market (MTM) on the IRS is positive when the expectation of relevant future interest rates increases and vice versa. The MTM on a forward contract is positive when the expectation of USD against RM currency is strengthened and vice versa.

The MTM on the CCIRS is positive when the expectation of the relevant foreign currency against RM strengthens or the expectation of future RM interest rate increases and vice versa.



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Additional disclosures of items not disclosed elsewhere in this announcement, which have been included in the Consolidated Income Statement for the 2nd quarter and financial period ended 30 June 2024:

	2nd Quarter Ended		Financial Period Ended	
	30/06/2024	30/06/2023	30/06/2024	30/06/2023
	RM Million	RM Million	RM Million	RM Million
Inventory charges for write off and obsolescence	(3.4)	(13.6)	(2.7)	(15.4)
Gains on disposal of fixed income securities	#	#	0.2	#
Gains on foreign exchange on settlements and placements	2.0	40.9	28.4	46.3

# Amount less than RM0.1 million

**10. Material Litigation**

The following is the update on the Group's existing material litigation as disclosed in note 51 to the Group's audited financial statements for the year ended 31 December 2023, subsequent to the financial year end:

**(a) In the Matter of Arbitration between MYTV Broadcasting Sdn Bhd (MYTV) and TM Technology Services Sdn. Bhd. (TM Tech)**

On 27 June 2024, MYTV and TM entered into a Settlement Agreement to resolve all disputes related to the arbitration and preserve their ongoing commercial relationship.

On 4 July 2024, both counsel for MYTV and TM jointly informed the Arbitral Tribunal of a Settlement Agreement and requested for the termination of the arbitration proceedings.

Both MYTV and TM are currently attending to the administrative matters with the Asian International Arbitration Centre in relation to and connected with the termination of the arbitration proceeding.

TM shall make further announcements if there are any material development in respect of this matter.

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TM is in the midst of finalizing Proof of Debt to be filed with the Liquidators.

TM shall make further announcements if there are any material development in respect of this matter.

Save as disclosed above, neither TM nor its subsidiaries are engaged in any material litigation, claims or arbitration, either as plaintiff or defendant, which has a material effect on TM's and/or its subsidiaries' financial position or business of TM Group and TM Board is not aware of any proceedings, pending or threatened against TM and/or its subsidiaries, or of any facts likely to give rise to any proceedings which may materially affect TM's and/or its subsidiaries' financial position or business of TM Group.

**11. Earnings per Share (EPS)**

	<b>2nd Quarter Ended</b>		<b>Financial Period Ended</b>	
	<b>30/06/2024</b>	<b>30/06/2023</b>	<b>30/06/2024</b>	<b>30/06/2023</b>
<b>(a) Basic earnings per share</b>				
Profit attributable to equity holders of the Company (RM million)	<b>396.4</b>	568.7	<b>821.2</b>	898.8
Weighted average number of ordinary shares (million)	<b>3,837.7</b>	3,822.0	<b>3,837.6</b>	3,821.7
Basic earnings per share (sen) attributable to equity holders of the Company	<b>10.3</b>	14.9	<b>21.4</b>	23.5

Basic earnings per share 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 during the financial period.

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**PART B: EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD****11. Earnings per Share (EPS) (continued)**

	<b>2nd Quarter Ended</b>		<b>Financial Period Ended</b>	
	<b>30/06/2024</b>	<b>30/06/2023</b>	<b>30/06/2024</b>	<b>30/06/2023</b>
<b>(b) Diluted earnings per share</b>				
Profit attributable to equity holders of the Company (RM million)	<b>396.4</b>	568.7	<b>821.2</b>	898.8
Weighted average number of ordinary shares (million)	<b>3,837.7</b>	3,822.0	<b>3,837.6</b>	3,821.7
Adjustment for dilutive effect of Long Term Incentive Plan (million)	<b>0.5</b>	16.0	<b>0.5</b>	16.2
Adjusted weighted average number of ordinary shares (million)	<b>3,838.2</b>	3,838.0	<b>3,838.1</b>	3,837.9
Diluted earnings per share (sen) attributable to equity holders of the Company	<b>10.3</b>	14.8	<b>21.4</b>	23.4

Diluted earnings per share for the current quarter and financial period ended were 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 potential conversion of all dilutive ordinary shares from shares granted to employees under the Group's Long Term Incentive Plan (LTIP), as disclosed in note 14 to the Group's audited financial statements for financial year ended 31 December 2023.

**12. Qualification of Preceding Audited Financial Statements**

The audited financial statements for the financial year ended 31 December 2023 were not subject to any qualification.

**TELEKOM MALAYSIA BERHAD**

Reg. No.: 198401016183 (128740-P)

(Incorporated in Malaysia)

**PART B: EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD**

**13. Dividends**

The Board of Directors has declared an interim single-tier cash dividend of 12.5 sen per share for the financial year ending 31 December 2024 (2023: an interim single-tier cash dividend of 9.5 sen per share).

The dividend will be paid on 30 September 2024 to shareholders whose names appear in the Register of Members and Record of Depositors on 11 September 2024.

**By Order of the Board**

Hamizah Abidin (LS0007096) (Practising Certificate No. 201908001071)

Group Company Secretary

Kuala Lumpur

26 August 2024