

**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 2025.

**UNAUDITED CONSOLIDATED INCOME STATEMENT**

	2ND QUARTER ENDED		FINANCIAL PERIOD ENDED	
	30/06/2025	30/06/2024	30/06/2025	30/06/2024
	RM Million	RM Million	RM Million	RM Million
OPERATING REVENUE	2,771.9	2,907.9	5,623.4	5,744.9
OPERATING COSTS				
- depreciation, impairment and amortisation	(496.7)	(538.5)	(1,035.6)	(1,076.8)
- net reversal of impairment/(impairment loss) on financial and contract assets	12.7	(7.7)	19.5	(10.4)
- other operating costs	(1,717.1)	(1,812.9)	(3,515.0)	(3,484.5)
OTHER OPERATING INCOME (net)	69.2	63.9	98.0	90.4
OPERATING PROFIT BEFORE OTHER GAINS AND FINANCE COST	640.0	612.7	1,190.3	1,263.6
OTHER GAINS (net)	2.5	3.5	5.0	4.0
OPERATING PROFIT BEFORE FINANCE COST	642.5	616.2	1,195.3	1,267.6
FINANCE INCOME	25.3	27.5	57.5	58.6
FINANCE COST	(160.2)	(84.1)	(222.3)	(163.1)
FOREIGN EXCHANGE GAINS/(LOSSES) ON BORROWINGS	54.3	3.7	64.8	(30.0)
NET FINANCE COST	(80.6)	(52.9)	(100.0)	(134.5)
ASSOCIATE/JOINTLY CONTROLLED ENTITY				
- share of results (net of tax)	(0.3)	2.2	0.3	4.5
PROFIT BEFORE TAX AND ZAKAT	561.6	565.5	1,095.6	1,137.6
TAX AND ZAKAT (part B, note 5)	(159.6)	(161.5)	(290.8)	(305.8)
<b>PROFIT FOR THE FINANCIAL PERIOD</b>	<b>402.0</b>	<b>404.0</b>	<b>804.8</b>	<b>831.8</b>
ATTRIBUTABLE TO:				
- equity holders of the Company	403.0	396.4	804.2	821.2
- non-controlling interests	(1.0)	7.6	0.6	10.6
<b>PROFIT FOR THE FINANCIAL PERIOD</b>	<b>402.0</b>	<b>404.0</b>	<b>804.8</b>	<b>831.8</b>
EARNINGS PER SHARE (sen) (part B, note 11)				
- basic	10.5	10.3	21.0	21.4
- diluted	10.5	10.3	21.0	21.4

(The above unaudited consolidated income statement should be read in conjunction with the audited financial statements for the financial year ended 31 December 2024)

**UNAUDITED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

	<b>2ND QUARTER ENDED</b>		<b>FINANCIAL PERIOD ENDED</b>	
	<b>30/06/2025</b>	<b>30/06/2024</b>	<b>30/06/2025</b>	<b>30/06/2024</b>
	<b>RM Million</b>	<b>RM Million</b>	<b>RM Million</b>	<b>RM Million</b>
<b>PROFIT FOR THE FINANCIAL PERIOD</b>	<b>402.0</b>	<b>404.0</b>	<b>804.8</b>	<b>831.8</b>
<b>OTHER COMPREHENSIVE INCOME</b>				
<b>Items that may be reclassified subsequently to income statement:</b>				
- increase in fair value of investments at fair value through other comprehensive income (FVOCI)	<b>0.5</b>	<b>-</b>	<b>0.8</b>	<b>0.1</b>
- reclassification adjustments relating to FVOCI investments disposed	<b>#</b>	<b>(0.1)</b>	<b>(0.1)</b>	<b>0.2</b>
- increase in fair value of receivables at FVOCI	<b>0.1</b>	<b>1.2</b>	<b>-</b>	<b>1.4</b>
- cash flow hedge:				
- (decrease)/increase in fair value of cash flow hedge	<b>(21.2)</b>	<b>0.2</b>	<b>(23.0)</b>	<b>12.4</b>
- change in fair value of currency basis	<b>1.5</b>	<b>(2.5)</b>	<b>(0.9)</b>	<b>(4.4)</b>
- reclassification of foreign exchange gains/(losses) on borrowings	<b>19.9</b>	<b>1.7</b>	<b>24.3</b>	<b>(10.9)</b>
- currency translation differences				
- subsidiaries	<b>(14.7)</b>	<b>(2.4)</b>	<b>(16.9)</b>	<b>15.4</b>
- associate	<b>4.3</b>	<b>5.2</b>	<b>4.3</b>	<b>5.0</b>
Other comprehensive (loss)/income for the financial period	<b>(9.6)</b>	<b>3.3</b>	<b>(11.5)</b>	<b>19.2</b>
<b>TOTAL COMPREHENSIVE INCOME FOR THE FINANCIAL PERIOD</b>	<b>392.4</b>	<b>407.3</b>	<b>793.3</b>	<b>851.0</b>
<b>ATTRIBUTABLE TO:</b>				
- equity holders of the Company	<b>393.4</b>	<b>399.7</b>	<b>792.7</b>	<b>840.4</b>
- non-controlling interests	<b>(1.0)</b>	<b>7.6</b>	<b>0.6</b>	<b>10.6</b>
<b>TOTAL COMPREHENSIVE INCOME FOR THE FINANCIAL PERIOD</b>	<b>392.4</b>	<b>407.3</b>	<b>793.3</b>	<b>851.0</b>

# 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 2024)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION		
	(Unaudited) AS AT 30/06/2025 RM Million	(Audited) AS AT 31/12/2024 RM Million
SHARE CAPITAL	4,070.9	4,070.7
OTHER RESERVES	112.4	135.7
RETAINED PROFITS	5,999.1	5,893.3
TOTAL CAPITAL AND RESERVES ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY	10,182.4	10,099.7
NON-CONTROLLING INTERESTS	156.0	166.2
TOTAL EQUITY	10,338.4	10,265.9
Borrowings	1,868.4	2,109.9
Lease liabilities	1,377.4	1,441.5
Deferred tax liabilities	960.5	920.9
Trade and other payables	121.2	139.0
NON-CURRENT LIABILITIES	4,327.5	4,611.3
	<b>14,665.9</b>	<b>14,877.2</b>
Property, plant and equipment	11,386.9	11,429.3
Intangible assets	787.8	839.5
Right-of-use assets	1,147.7	1,182.9
Associate and jointly controlled entity	261.0	109.8
Equity investments at fair value through other comprehensive income (FVOCI)	138.8	138.8
Investments at fair value through profit or loss (FVTPL)	109.9	111.1
Receivables at FVOCI	58.4	58.1
Other non-current receivables/assets	241.0	332.7
Deferred tax assets	19.9	22.8
NON-CURRENT ASSETS	14,151.4	14,225.0
Inventories	230.5	201.7
Trade and other receivables	2,833.7	2,518.0
Contract assets	696.5	643.9
Contract cost assets	236.4	262.6
Receivables at FVOCI	3.0	3.0
Investments at fair value through other comprehensive income (FVOCI)	74.2	72.9
Investments at fair value through profit or loss (FVTPL)	0.9	0.2
Financial assets at fair value through profit or loss (FVTPL)	1.9	2.5
Derivative financial instruments	112.6	136.5
Cash and bank balances	2,394.4	3,096.2
CURRENT ASSETS	6,584.1	6,937.5
Trade and other payables	2,860.0	3,270.4
Contract liabilities	1,134.8	1,231.8
Customer deposits	84.4	96.5
Borrowings	1,533.9	1,381.0
Lease liabilities	243.1	258.4
Tax and zakat	213.4	47.2
CURRENT LIABILITIES	6,069.6	6,285.3
NET CURRENT ASSETS	514.5	652.2
	<b>14,665.9</b>	<b>14,877.2</b>
NET ASSETS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY (sen)	265.3	263.2

(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 2024)

**UNAUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
**FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2025**

	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 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 period	-	-	-	-	-	-	804.2	0.6	804.8
Items that may be reclassified subsequently to income statement:									
- increase in fair value of investments at fair value through other comprehensive income (FVOCI)	-	0.8	-	-	-	-	-	-	0.8
- reclassification adjustments relating to FVOCI investments disposed	-	(0.1)	-	-	-	-	-	-	(0.1)
- cash flow hedge:									
- decrease in fair value of cash flow hedge	-	-	(23.0)	-	-	-	-	-	(23.0)
- change in fair value of currency basis	-	-	-	(0.9)	-	-	-	-	(0.9)
- reclassification of foreign exchange gain on borrowings	-	-	24.3	-	-	-	-	-	24.3
- currency translation differences									
- subsidiaries	-	-	-	-	-	(16.9)	-	-	(16.9)
- associate	-	-	-	-	-	4.3	-	-	4.3
Total comprehensive income/(loss) for the financial period	-	0.7	1.3	(0.9)	-	(12.6)	804.2	0.6	793.3
Transactions with owners:									
- 2nd interim single-tier dividend paid for the financial year ended 31 December 2024 (part A, note 6)	-	-	-	-	-	-	(479.7)	-	(479.7)
- special single-tier dividend paid for the financial year ended 31 December 2024 (part A, note 6)	-	-	-	-	-	-	(230.3)	-	(230.3)
- dividends paid to non-controlling interests	-	-	-	-	-	-	-	(10.8)	(10.8)
- Long Term Incentive Plan (LTIP):									
- transfer from LTIP reserve upon issuance of shares on vesting (part A, note 5(a))^	0.2	-	-	-	(0.2)	-	-	-	-
- transfer from LTIP reserve*	-	-	-	-	(11.6)	-	11.6	-	-
Total transactions with owners	0.2	-	-	-	(11.8)	-	(698.4)	(10.8)	(720.8)
<b>At 30 June 2025</b>	<b>4,070.9</b>	<b>93.4</b>	<b>#</b>	<b>2.8</b>	<b>-</b>	<b>16.2</b>	<b>5,999.1</b>	<b>156.0</b>	<b>10,338.4</b>

# Amount less than RM0.1 million

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

\* Transfer from LTIP reserve to retained profits, as no further grants are being made under the existing LTIP scheme.

(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 2024)

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

	Attributable to equity holders of the Company							Non-controlling Interests RM Million	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		
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
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	-	-	-	-	-	15.4	-	-	15.4
- subsidiaries	-	-	-	-	-	5.0	-	-	5.0
- associate	-	-	-	-	-	-	-	-	-
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	-	-	-	-	-	-	(402.9)	-	(402.9)
- final single-tier dividend paid for the financial year ended 31 December 2023	-	-	-	-	-	-	(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^	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 2024)

**UNAUDITED CONSOLIDATED STATEMENT OF CASH FLOWS**

	<b>FINANCIAL PERIOD ENDED</b>	
	<b>30/06/2025</b>	<b>30/06/2024</b>
	<b>RM Million</b>	<b>RM Million</b>
Receipts from customers	5,107.2	5,464.2
Payments to suppliers and employees	(4,128.0)	(3,599.9)
Payments to suppliers for short-term lease and leases of low-value assets	(11.2)	(18.0)
Payments of finance cost	(86.4)	(116.0)
Payments of income taxes and zakat (net)	(88.2)	(25.4)
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	<b>793.4</b>	<b>1,704.9</b>
Contribution from Government grant for purchase of property, plant and equipment	125.5	122.2
Disposal of property, plant and equipment	0.6	3.4
Purchase of property, plant and equipment and intangible assets	(534.7)	(516.9)
Investment in a jointly controlled entity	(151.0)	-
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	17.2	18.1
Purchase of current investments at fair value through other comprehensive income	(17.7)	(16.1)
Purchase of investments at fair value through profit or loss	(0.6)	(0.8)
Disposal of financial assets at fair value through profit or loss	5.7	-
Long term deposits	(8.3)	(8.3)
Deposit with maturity exceeding 3 months	(45.6)	0.2
Repayments of loans by employees	9.5	8.8
Loans to employees	(9.5)	(17.3)
Interest/Profit received	51.4	49.4
<b>CASH FLOWS USED IN INVESTING ACTIVITIES</b>	<b>(557.5)</b>	<b>(357.4)</b>
Repayments of borrowings	(0.1)	(601.1)
Repayments of lease liabilities	(219.5)	(220.4)
Dividend paid to shareholders (part A, note 6)	(710.0)	(594.8)
Dividend paid to non-controlling interests	(10.8)	(12.1)
<b>CASH FLOWS USED IN FINANCING ACTIVITIES</b>	<b>(940.4)</b>	<b>(1,428.4)</b>
NET DECREASE IN CASH AND CASH EQUIVALENTS	(704.5)	(80.9)
EFFECT OF EXCHANGE RATE CHANGES	(25.5)	20.1
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL PERIOD	2,973.1	2,697.9
<b>CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL PERIOD</b>	<b>2,243.1</b>	<b>2,637.1</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 2024)

**TELEKOM MALAYSIA BERHAD**  
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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 2025 of the Group have been prepared in accordance with Malaysian Financial Reporting Standards (MFRS Accounting Standards) 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 2024. 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 2024 audited financial statements, except for the changes arising from the adoption of the amendments to MFRS Accounting Standards issued by MASB that are effective for the Group’s financial year beginning on 1 January 2025.

**(a) The amendments to published standards that are effective and applicable for the Group’s financial year beginning on 1 January 2025**

The amendments to published standards issued by MASB that are effective and applicable for the Group’s financial year beginning on 1 January 2025 are as follows:

Amendments to MFRS 121	Lack of Exchangeability
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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 material accounting policies.

**(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 2026**

Amendments to MFRS 9 and MFRS 7	Amendments to the Classification and Measurement of Financial Instruments Contracts Referencing Nature-dependent Electricity
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**TELEKOM MALAYSIA BERHAD**  
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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 (continued)**

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 2026 (continued)**

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)

**Effective for annual periods beginning on or after 1 January 2027**

MFRS 18	Presentation and Disclosure in Financial Statements
MFRS 19	Subsidiaries without Public Accountability: Disclosures

**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 applicable new standards and amendments to published standards is not expected to have a material impact on the financial statements of the Group. The Group is currently in the process of assessing the potential impact of MFRS 18 on related disclosures and notes to the Group’s financial statements.



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

**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 2025.

**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 2025.

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

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

During the current financial period, the Company issued 33,800 new ordinary shares amounting to RM0.2 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 to the audited financial statements for the financial year ended 31 December 2024.

The new ordinary shares were listed and allotted on the Main Market of Bursa Securities on 27 March 2025. There has been no further grant of new LTIP tranches during the current financial period.

**6. Dividends Paid**

- (a) The 2nd interim single-tier cash dividend of 12.5 sen per share amounting to RM479.7 million and a special single-tier dividend of 6.0 sen per share amounting to RM230.3 million in respect of the financial year ended 31 December 2024, were declared on 25 February 2025 and paid on 28 March 2025.

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

**7. Customer Segment Information**

Customer segment revenue information for the Group are as follows:

	<b>2nd Quarter Ended</b>		<b>Financial Period Ended</b>	
	<b>30/06/2025</b>	<b>30/06/2024</b>	<b>30/06/2025</b>	<b>30/06/2024</b>
	<b>RM Million</b>	<b>RM Million</b>	<b>RM Million</b>	<b>RM Million</b>
Business-to-Consumer (B2C)	1,376.8	1,386.2	2,763.2	2,782.4
Business-to-Business (B2B)	670.8	740.6	1,339.5	1,413.6
Carrier-to-Carrier (C2C)	694.4	751.5	1,455.3	1,494.3
Others/Shared Services	67.8	73.0	142.1	138.1
Inter-segment	(37.9)	(43.4)	(76.7)	(83.5)
<b>Total</b>	<b>2,771.9</b>	<b>2,907.9</b>	<b>5,623.4</b>	<b>5,744.9</b>

**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.

**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 2025 save as disclosed below:

**VADS Professional Services Sdn. Bhd.**

VADS Professional Services Sdn. Bhd. [Company No. 200401029151(667659-V)] a wholly-owned subsidiary of VADS Berhad, which is a wholly-owned subsidiary of Telekom Malaysia Berhad has been dissolved on 10 June 2025 via Member's Voluntary Winding Up.

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

There were no other material contingent liabilities since the audited financial statements of the Group for the financial period ended 30 June 2025.

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

**11. Capital Commitments**

	<b>Group</b>
	<b>As at 30/06/2025</b>
	<b>As at 31/12/2024</b>
	<b>RM Million</b>
	<b>RM Million</b>
<b>(a) Property, plant and equipment:</b>	
Commitments in respect of expenditures approved and contracted for (excluding commitments with approved Government grants)	1,427.5
	2,249.3
<b>(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>	11.0
	11.6
<b>(c) The Group's remaining committed equity funding in a jointly controlled entity, ST Dynamo DC Sdn. Bhd.</b>	434.9
	585.9

Refer to note 41(b) to the audited financial statements of the Group for the financial year ended 31 December 2024.

Refer to note 41(d) to the audited financial statements of the Group for the financial year ended 31 December 2024.

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

**12. Related Party Transactions**

Khazanah Nasional Berhad (Khazanah) is a major shareholder with 20.10% equity interest as at 30 June 2025 and is a related party of the Group. Khazanah is a wholly-owned entity of Minister of Finance (Incorporation), 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:

	<b>Total amount of individually significant transactions for the financial period ended</b>		<b>Corresponding outstanding balances as at</b>	
	<b>30/06/2025 RM Million</b>	<b>30/06/2024 RM Million</b>	<b>30/06/2025 RM Million</b>	<b>31/12/2024 RM Million</b>
<b>Sales and Receivables</b>	<b>361.6</b>	<b>355.3</b>	<b>87.9</b>	<b>53.9</b>

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 RM15.7 million (YTD June 2024: RM14.9 million) with corresponding receivables of nil (31 December 2024: RM118.7 million).

The Group also has transactions with other Government-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.

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

**13. Fair Value**

The disclosure should be read in conjunction with note 44 of the Group's audited financial statements for the financial year ended 31 December 2024.

**(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 30/06/2025				As at 31/12/2024			
	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	1.9	-	-	1.9	2.5	-	-	2.5
Derivatives accounted for under hedge accounting	-	112.6	-	112.6	-	136.5	-	136.5
Investments at fair value through OCI	-	74.2	-	74.2	-	72.9	-	72.9
Investments at fair value through profit or loss	-	93.6	17.2	110.8	-	92.4	18.9	111.3
Equity investments at fair value through OCI	-	-	138.8	138.8	-	-	138.8	138.8
Receivables at fair value through OCI	-	-	61.4	61.4	-	-	61.1	61.1
<b>Total</b>	<b>1.9</b>	<b>280.4</b>	<b>217.4</b>	<b>499.7</b>	<b>2.5</b>	<b>301.8</b>	<b>218.8</b>	<b>523.1</b>

There have not been any changes to the valuation techniques applied for the different financial instruments since 31 December 2024 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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**PART A: EXPLANATORY NOTES PURSUANT TO MFRS 134**

**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 44(b) of the Group's audited financial statements for the financial year ended 31 December 2024, other than below:

	As at 30/06/2025		As at 31/12/2024	
	Carrying amount RM Million	Net fair value RM Million	Carrying amount RM Million	Net fair value RM Million
<b>Liabilities</b>				
Borrowings	3,402.3	3,506.7	3,490.9	3,555.5

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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 2025 vs 2nd Quarter 2024

**(i) Group Performance**

The Group's operating revenue for the quarter was RM2,771.9 million, compared to RM2,907.9 million in the same period last year. The 4.7% or RM136.0 million variance reflects the absence of a one-off item recorded previously, along with C2C deliverables, where projects are expected to be completed in the second half of the year.

Operating profit before other gains and finance costs (EBIT) was at RM640.0 million, a 4.5% (RM27.3 million) increase from RM612.7 million in the corresponding quarter last year mainly attributable to manpower optimisation initiative carried out in that quarter.

Consequently, the Group's Profit After Tax and Non-Controlling Interests (PATAMI) for the quarter was RM403.0 million, a 1.7% (RM6.6 million) increase from RM396.4 million in the 2nd quarter 2024.

**(ii) Revenue by Customer Segments**

Business-to-Consumer (B2C)

B2C's operating revenue remains steady at RM1,376.8 million in the current quarter, 0.7% (RM9.4 million) lower than RM1,386.2 million in the same quarter last year, with the cumulative customer base expanding to 3.2 million, driven by increased device bundling and enhanced value offerings, although overall revenue was softer.

Business-to-Business (B2B)

B2B recorded operating revenue of RM670.8 million for the current year quarter. This is 9.4% (RM69.8 million) lower than RM740.6 million in the corresponding quarter last year, which included a one-off revenue recognition from an arbitration settlement. Despite that, we continue to see growth in non-connectivity services, comprising cloud, customer projects and solution-based offerings, supported by sustained demand for ICT and Digital Solutions.

Carrier-to-Carrier (C2C)

C2C's operating revenue decreased 7.6% (RM57.1 million) from RM751.5 million to RM694.4 million, primarily due to strong performance in the 2nd quarter last year, which included significant one-off capacity-related deals. Excluding these, underlying performance remained resilient, supported by continued growth in transmission and data centre services.

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**1. Review of Performance (continued)**

(b) Year-on-Year

(i) Group Performance

The Group recorded operating revenue of RM5,623.4 million for the first half of 2025, a decrease of 2.1% (RM121.5 million) from RM5,744.9 million in the corresponding period last year. Growth in data centre, cloud solutions, education business, and an expanded broadband customer base of 3.2 million was offset by a softer consumer market, heightened competition, and last year's strong performance, which included one-off deals and revenue from an arbitration settlement.

EBIT declined 5.8% (RM73.3 million) to RM1,190.3 million from RM1,263.6 million a year ago, mainly due to foreign exchange fluctuations from a RM42.9 million loss this period versus a RM28.4 million gain last year. Excluding this impact, EBIT was broadly in line with the previous year, despite softer revenue performance, higher 5G access costs, and increased customer acquisition and retention expenses.

Consequently, the Group's PATAMI stood at RM804.2 million, a 2.1% (RM17.0 million) decrease from RM821.2 million last year.

(ii) Revenue by Customer Segments

Business-to-Consumer (B2C)

B2C's operating revenue for the first half of 2025 was RM2,763.2 million, a 0.7% (RM19.2 million) decrease from RM2,782.4 million in the same period last year. The fixed broadband customer base continued to grow, with strong contributions from device bundling campaigns amid intense competition keeping overall revenue broadly stable, despite lower voice income.

Business-to-Business (B2B)

B2B recorded operating revenue of RM1,339.5 million for the first half of 2025, down 5.2% (RM74.1 million) from RM1,413.6 million in the corresponding period last year, which included a one-off revenue recognition from an arbitration settlement. Excluding this one-off, ICT and digital solutions, including cloud services, continued to support steady revenue performance.

Carrier-to-Carrier (C2C)

C2C recorded operating revenue of RM1,455.3 million for the financial period ended 30 June 2025, compared to RM1,494.3 million in the corresponding period last year, which had included one-off revenue from data services. The segment continued to record solid growth in transmission and data centre services.



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## 2. Comparison with Preceding Quarter's Results

The Group's operating revenue for the quarter was RM2,771.9 million, compared to RM2,851.5 million in the preceding quarter, reflecting lower contributions from data, internet, and other telecommunication services, while growth areas including cloud and transmission remained intact.

EBIT rose to RM640.0 million, an increase of 16.3% (RM89.7 million) from RM550.3 million in the previous quarter, supported by continuous cost management and partially offset by foreign exchange losses on operations. PATAMI for the quarter improved to RM403.0 million.

## 3. Prospects for the Current Financial Year

### Economic Outlook

The Malaysian economy remained resilient, recording a GDP growth rate of 4.4%<sup>1</sup> in 2Q 2025 (1Q 2025: 4.4%), within the recent BNM's revised 2025 projection range of between 4.0% to 4.8%.

Bank Negara Malaysia (BNM) maintained the Overnight Policy Rate (OPR) at 3.0% throughout the first half of the year, as inflation eased to 1.1% in June, indicating stable and manageable conditions. In early July, the OPR was reduced to 2.75% to support domestic growth amid rising global trade uncertainties.

### Business Outlook

TM continues to face challenges, including increasing competition in the broadband segment and headwinds in the B2B segment, alongside short-term pressures from 5G access cost and foreign exchange losses. Nevertheless, underlying EBIT is higher year-on-year, reflecting resilient fundamentals. TM remains on track to meet its 2025 guidance, supported by steady subscriber growth with new convergence offerings in B2C, improvement in project delivery in B2B, and stronger momentum in C2C from hyperscaler bandwidth as well as data centre expansion.

In B2C, TM is advancing digital convergence for homes and MSMEs, supported by steady broadband subscriber growth, strengthening mobile business, and the upcoming launch of a new Unifi TV bundled offering in September 2025. This will reinforce TM's position as Malaysia's only true quad-play provider.

B2B continues to strengthen its portfolio through strategic partnerships in high growth areas such as cloud and digital solutions, AI-powered Smart Solutions (Vision AI and Smart Cities), Enterprise 5G and Managed Cybersecurity Services.

C2C is scaling AI-ready data centres, edge facilities, 5G mobile fiber backhaul, and submarine cable systems to reinforce Malaysia's role as a regional digital hub. These investments enhance network scalability and reliability, support the growth of digital ecosystem, and meet hyperscaler requirements.

<sup>1</sup> Bank Negara Malaysia (BNM) Quarterly Bulletin 2Q 2025 dated 15 August 2025

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The expected completion of the Iskandar Puteri and Klang Valley data centre expansions by early 4Q 2025 will enable us to further strengthen B2B and C2C digital offerings.

TM remains positive and reaffirms its 2025 guidance. In line with the commitment to deliver sustainable shareholder value, TM is declaring an interim dividend of 12.5 sen per share, maintaining the same level as the previous year.

**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 2025.

**5. Tax**

The tax charge for the Group comprises:

	<b>2nd Quarter Ended</b>		<b>Financial Period Ended</b>	
	<b>30/06/2025</b>	<b>30/06/2024</b>	<b>30/06/2025</b>	<b>30/06/2024</b>
	<b>RM Million</b>	<b>RM Million</b>	<b>RM Million</b>	<b>RM Million</b>
<b>Income Tax:</b>				
Current year	<b>(135.6)</b>	(365.6)	<b>(246.3)</b>	(376.1)
Prior year	<b>0.2</b>	(13.9)	<b>0.2</b>	(17.1)
<b>Deferred tax (net)</b>	<b>(23.0)</b>	220.1	<b>(42.4)</b>	91.5
<b>Global minimum top-up tax</b>	<b>(0.1)</b>	-	<b>(0.1)</b>	-
<b>Taxation</b>	<b>(158.5)</b>	(159.4)	<b>(288.6)</b>	(301.7)
<b>Zakat</b>	<b>(1.1)</b>	(2.1)	<b>(2.2)</b>	(4.1)
<b>Taxation and Zakat</b>	<b>(159.6)</b>	(161.5)	<b>(290.8)</b>	(305.8)

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There are no corporate proposals announced and not completed as at the date of this announcement.

**7. Group Borrowings and Debt Securities**

(a) Analysis of the Group's borrowings and debt securities is as follows:

	As at 30/06/2025		As at 31/12/2024	
	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>1,533.9</b>	<b>1,868.4</b>	<b>1,381.0</b>	<b>2,109.9</b>

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

Foreign Currency	As at 30/06/2025 RM Million	As at 31/12/2024 RM Million
US Dollar	1,548.1	1,636.7
Canadian Dollar	1.5	1.6
<b>Total</b>	<b>1,549.6</b>	<b>1,638.3</b>

(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 2024) except for the impact of foreign exchange translation for the financial year ended.

**8. Derivative Financial Instruments**

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

		Fair value as at 30/06/2025	Fair value as at 31/12/2024
Derivatives (by maturity)	Contract or notional amount RM Million	Assets RM Million	Assets RM Million
<u>Cross Currency Interest Rate Swaps (CCIRS)</u>			
- less than 1 year	310.5	112.6	136.5
<b>Total</b>	<b>310.5</b>	<b>112.6</b>	<b>136.5</b>

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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, 19 and 43 to 46 to the Group's audited financial statements for the financial year ended 31 December 2024.

**(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 2024.

**(d) Losses Arising from Fair Value Changes of Financial Instruments**

The amount of losses arising from fair value changes of derivative financial instruments for the current quarter ended 30 June 2025 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>Losses arising from fair value changes for the year RM Million</b>
<b>Financial Assets</b>				
<u>Cross Currency Interest Rate Swaps (CCIRS)*</u>				
- less than 1 year	310.5	112.6	(19.7)	(23.9)
<b>Total</b>	<b>310.5</b>	<b>112.6</b>	<b>(19.7)</b>	<b>(23.9)</b>

\* Cash flow hedges accounted for under hedge accounting.

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The fair values of existing Interest Rate Swaps (IRS) 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.

**9. Additional Disclosures**

The Consolidated Income Statement for the 2nd quarter and financial period ended 30 June 2025 also includes the following:

	<b>2nd Quarter Ended</b>		<b>Financial Period Ended</b>	
	<b>30/06/2025</b>	<b>30/06/2024</b>	<b>30/06/2025</b>	<b>30/06/2024</b>
	<b>RM Million</b>	<b>RM Million</b>	<b>RM Million</b>	<b>RM Million</b>
Inventory charges for write off and obsolescence	<b>(3.7)</b>	(3.4)	<b>(9.2)</b>	(2.7)
(Losses)/Gains on disposal of fixed income securities	#	#	<b>(0.1)</b>	0.2
(Losses)/Gains on foreign exchange on settlements and placements	<b>(35.1)</b>	2.0	<b>(42.9)</b>	28.4

# Amount less than RM0.1 million

**10. Material Litigation**

Neither TM nor its subsidiaries are engaged in any material litigation.

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

	<b>2nd Quarter Ended</b>		<b>Financial Period Ended</b>	
	<b>30/06/2025</b>	<b>30/06/2024</b>	<b>30/06/2025</b>	<b>30/06/2024</b>
<b>(a) Basic earnings per share</b>				
Profit attributable to equity holders of the Company (RM million)	<b>403.0</b>	396.4	<b>804.2</b>	821.2
Weighted average number of ordinary shares (million)	<b>3,837.7</b>	3,837.7	<b>3,837.7</b>	3,837.6
Basic earnings per share (sen) attributable to equity holders of the Company	<b>10.5</b>	10.3	<b>21.0</b>	21.4

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.

	<b>2nd Quarter Ended</b>		<b>Financial Period Ended</b>	
	<b>30/06/2025</b>	<b>30/06/2024</b>	<b>30/06/2025</b>	<b>30/06/2024</b>
<b>(b) Diluted earnings per share</b>				
Profit attributable to equity holders of the Company (RM million)	<b>403.0</b>	396.4	<b>804.2</b>	821.2
Weighted average number of ordinary shares (million)	<b>3,837.7</b>	3,837.7	<b>3,837.7</b>	3,837.6
Adjustment for dilutive effect of Long Term Incentive Plan (million)	-	0.5	-	0.5
Adjusted weighted average number of ordinary shares (million)	<b>3,837.7</b>	3,838.2	<b>3,837.7</b>	3,838.1
Diluted earnings per share (sen) attributable to equity holders of the Company	<b>10.5</b>	10.3	<b>21.0</b>	21.4

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 LTIP, as disclosed in note 14 to the Group's audited financial statements for financial year ended 31 December 2024.

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

The audited financial statements for the financial year ended 31 December 2024 were not subject to any qualification.

**13. Dividends**

The Board of Directors has declared an interim single-tier dividend of 12.5 sen per share for the financial year ending 31 December 2025 (2024: an interim single-tier cash dividend of 12.5 sen per share).

The dividend will be paid on 30 September 2025 to shareholders whose names appear in the Register of Members and Record of Depositors on 18 September 2025.

**By Order of the Board**

Hamizah Abidin (LS0007096) (SSM PC No. 201908001071)  
Group Company Secretary  
Kuala Lumpur  
29 August 2025