

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 year ended 31 December 2025.

CONSOLIDATED INCOME STATEMENT

	4TH QUARTER ENDED (Unaudited)		FINANCIAL YEAR ENDED	
	31/12/2025	31/12/2024	31/12/2025 (Unaudited)	31/12/2024 (Audited)
	RM Million	RM Million	RM Million	RM Million
OPERATING REVENUE	3,256.7	3,050.4	11,872.0	11,712.4
OPERATING COSTS				
- depreciation, impairment and amortisation	(611.6)	(547.8)	(2,178.7)	(2,149.4)
- net impairment loss on financial and contract assets	(28.4)	(31.6)	(27.6)	(44.4)
- other operating costs	(2,540.2)	(2,027.3)	(7,994.3)	(7,385.5)
OTHER OPERATING INCOME (net)	139.0	68.7	354.2	192.0
OPERATING PROFIT BEFORE OTHER GAINS AND FINANCE COST	215.5	512.4	2,025.6	2,325.1
OTHER GAINS/(LOSSES) (net)	91.6	(17.6)	237.2	(15.6)
OPERATING PROFIT BEFORE FINANCE COST	307.1	494.8	2,262.8	2,309.5
FINANCE INCOME	22.5	36.6	102.8	127.7
FINANCE COST	(47.8)	(71.4)	(332.2)	(304.8)
FOREIGN EXCHANGE GAINS/(LOSSES) ON BORROWINGS	19.8	(91.9)	88.7	36.7
NET FINANCE COST	(5.5)	(126.7)	(140.7)	(140.4)
ASSOCIATE/JOINTLY CONTROLLED ENTITY				
- share of results (net of tax)	2.8	3.3	4.3	8.1
PROFIT BEFORE TAX AND ZAKAT	304.4	371.4	2,126.4	2,177.2
TAX AND ZAKAT (part B, note 5)	(68.8)	371.5	(392.3)	(138.3)
PROFIT FOR THE FINANCIAL PERIOD/YEAR	235.6	742.9	1,734.1	2,038.9
ATTRIBUTABLE TO:				
- equity holders of the Company	222.5	730.6	1,713.0	2,016.9
- non-controlling interests	13.1	12.3	21.1	22.0
PROFIT FOR THE FINANCIAL PERIOD/YEAR	235.6	742.9	1,734.1	2,038.9
EARNINGS PER SHARE (sen) (part B, note 11)				
- basic	5.8	19.0	44.6	52.6
- diluted	5.8	19.0	44.6	52.5

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

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	4TH QUARTER ENDED		FINANCIAL YEAR ENDED	
	(Unaudited)		(Unaudited)	(Audited)
	31/12/2025	31/12/2024	31/12/2025	31/12/2024
	RM Million	RM Million	RM Million	RM Million
PROFIT FOR THE FINANCIAL PERIOD/YEAR	235.6	742.9	1,734.1	2,038.9
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)	6.6	2.3	6.6	2.3
Items that may be reclassified				
subsequently to income statement:				
- (decrease)/increase in fair value of investments at fair value through other comprehensive income (FVOCI)	(0.2)	(0.3)	0.9	0.2
- reclassification adjustments relating to FVOCI investments disposed	(0.2)	0.1	(0.3)	0.3
- (decrease)/increase in fair value of receivables at FVOCI	(0.5)	(0.9)	0.2	0.4
- cash flow hedge:				
- increase/(decrease) in fair value of cash flow hedge	-	36.4	(22.9)	(6.1)
- change in fair value of currency basis	-	(1.6)	(3.7)	(7.2)
- reclassification of foreign exchange (losses)/gains on borrowings	-	(35.1)	24.2	13.3
- currency translation differences				
- subsidiaries	(16.2)	22.8	(35.3)	(13.6)
- associate	(9.8)	0.2	(5.5)	4.7
Other comprehensive (loss)/income for the financial period/year	(20.3)	23.9	(35.8)	(5.7)
TOTAL COMPREHENSIVE INCOME FOR THE FINANCIAL PERIOD/YEAR	215.3	766.8	1,698.3	2,033.2
ATTRIBUTABLE TO:				
- equity holders of the Company	202.2	754.5	1,677.2	2,011.2
- non-controlling interests	13.1	12.3	21.1	22.0
TOTAL COMPREHENSIVE INCOME FOR THE FINANCIAL PERIOD/YEAR	215.3	766.8	1,698.3	2,033.2

(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 31/12/2025 RM Million	(Audited) AS AT 31/12/2024 RM Million
SHARE CAPITAL	4,070.9	4,070.7
OTHER RESERVES	88.1	135.7
RETAINED PROFITS	6,428.2	5,893.3
TOTAL CAPITAL AND RESERVES ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY	10,587.2	10,099.7
NON-CONTROLLING INTERESTS	173.9	166.2
TOTAL EQUITY	10,761.1	10,265.9
Borrowings	1,550.9	2,109.9
Lease liabilities	1,360.5	1,441.5
Deferred tax liabilities	946.7	920.9
Trade and other payables	109.1	139.0
NON-CURRENT LIABILITIES	3,967.2	4,611.3
	14,728.3	14,877.2
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
Associate and jointly controlled entity	337.2	109.8
Equity investments at fair value through other comprehensive income (FVOCI)	145.4	138.8
Investments at fair value through profit or loss (FVTPL)	107.4	111.1
Receivables at FVOCI	58.3	58.1
Other non-current receivables/assets	291.2	332.7
Deferred tax assets	24.2	22.8
NON-CURRENT ASSETS	14,254.6	14,225.0
Inventories	320.6	201.7
Trade and other receivables	2,307.0	2,518.0
Contract assets	632.6	643.9
Contract cost assets	238.2	262.6
Receivables at FVOCI	3.0	3.0
Investments at fair value through other comprehensive income (FVOCI)	77.1	72.9
Investments at fair value through profit or loss (FVTPL)	1.5	0.2
Financial assets at fair value through profit or loss (FVTPL)	1.8	2.5
Derivative financial instruments	-	136.5
Cash and bank balances	2,622.8	3,096.2
CURRENT ASSETS	6,204.6	6,937.5
Trade and other payables	3,610.9	3,270.4
Contract liabilities	1,124.6	1,231.8
Customer deposits	74.1	96.5
Borrowings	510.9	1,381.0
Lease liabilities	257.0	258.4
Tax and zakat	153.4	47.2
CURRENT LIABILITIES	5,730.9	6,285.3
NET CURRENT ASSETS	473.7	652.2
	14,728.3	14,877.2
NET ASSETS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY (sen)	275.9	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 YEAR ENDED 31 DECEMBER 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 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	-	6.6	-	-	-	-	-	-	6.6
Items that may be reclassified subsequently to income statement:									
- increase in fair value of investments at fair value through other comprehensive income (FVOCI)	-	0.9	-	-	-	-	-	-	0.9
- reclassification adjustments relating to FVOCI investments disposed	-	(0.3)	-	-	-	-	-	-	(0.3)
- increase in fair value of receivables at FVOCI	-	0.2	-	-	-	-	-	-	0.2
- cash flow hedge:									
- decrease in fair value of cash flow hedge	-	-	(22.9)	-	-	-	-	-	(22.9)
- change in fair value of currency basis	-	-	-	(3.7)	-	-	-	-	(3.7)
- reclassification of foreign exchange gain on borrowings	-	-	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:									
- 2nd interim single-tier cash 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)
- interim single-tier cash dividend paid for the financial year ended 31 December 2025 (part A, note 6)	-	-	-	-	-	-	(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 (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)	-	(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

^ 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)

**AUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 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 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	-	2.3	-	-	-	-	-	-	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)	-	0.2	-	-	-	-	-	-	0.2
- reclassification adjustments relating to FVOCI investments disposed	-	0.3	-	-	-	-	-	-	0.3
- increase in fair value of receivables at FVOCI	-	0.4	-	-	-	-	-	-	0.4
- cash flow hedge:									
- decrease in fair value of cash flow hedge	-	-	(6.1)	-	-	-	-	-	(6.1)
- change in fair value of currency basis	-	-	-	(7.2)	-	-	-	-	(7.2)
- reclassification of foreign exchange gain on borrowings	-	-	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:									
- 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)
- interim single-tier cash dividend paid for the financial year ended 31 December 2024	-	-	-	-	-	-	(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 [^]	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

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

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

CONSOLIDATED STATEMENT OF CASH FLOWS

	FINANCIAL YEAR ENDED	
	(Unaudited)	(Audited)
	31/12/2025	31/12/2024
	RM Million	RM Million
Receipts from customers	11,802.5	11,406.3
Payments to suppliers and employees	(7,723.6)	(6,710.0)
Receipts from/(Payments to) money held in trust/deposits pledged	17.0	(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)
Payments of income taxes and zakat (net)	(362.0)	(298.4)
CASH FLOWS FROM OPERATING ACTIVITIES	3,518.9	4,010.6
Contribution from Government grant for purchase of property, plant and equipment	135.5	265.5
Disposal of property, plant and equipment	2.2	5.8
Purchase of property, plant and equipment and intangible assets	(1,736.5)	(1,380.9)
Investment in a jointly controlled entity	(232.6)	(1.8)
Disposal/Maturity of current investments at fair value through other comprehensive income	27.6	24.1
Purchase of current investments at fair value through other comprehensive income	(30.6)	(26.1)
Purchase of investments at fair value through profit or loss	(1.2)	(2.8)
Disposal of investments at fair value through profit or loss	-	4.2
Proceeds/distribution from investment at fair value through profit or loss	239.7	20.4
Long term deposits	293.8	(16.6)
Withdrawal/(Placement in) of deposits maturing more than 3 months	2.9	(1.5)
Repayments of loans by employees	17.0	14.7
Loans to employees	(15.1)	(23.1)
Interest/Profit received	90.1	105.9
Dividends received	10.2	10.0
CASH FLOWS USED IN INVESTING ACTIVITIES	(1,197.0)	(1,002.2)
Repayments of borrowings	(1,206.8)	(1,223.7)
Repayments of lease liabilities	(399.5)	(394.9)
Dividend paid to shareholders (part A, note 6)	(1,189.7)	(1,074.5)
Dividend paid to non-controlling interests	(13.4)	(15.4)
CASH FLOWS USED IN FINANCING ACTIVITIES	(2,809.4)	(2,708.5)
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	(487.5)	299.9
EFFECT OF EXCHANGE RATE CHANGES	0.1	(24.7)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR	2,973.1	2,697.9
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL YEAR	2,485.7	2,973.1

(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)

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PART A: EXPLANATORY NOTES PURSUANT TO MFRS 134

1. Basis of Preparation

The unaudited interim financial statements for the 4th quarter and financial year ended 31 December 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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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: (continued)

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 (<i>including Amendments to MFRS 19</i>)	Subsidiaries without Public Accountability: Disclosures
Amendments to MFRS 121	Translation to a Hyperinflationary Presentation Currency

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 4th quarter and financial year ended 31 December 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 4th quarter and financial year ended 31 December 2025.

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

(a) Long Term Incentive Plan (LTIP)

During the current 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 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 year in view of the expiry of the LTIP scheme which has been in effect for a period of ten (10) years, commencing on 28 April 2016.

(b) Repayment of Debentures

On 10 August 1995, the Company issued USD300.0 million 7.875% per annum Debentures due in 2025, as disclosed in note 17(c) to the Group's audited financial statements for the financial year ended 31 December 2024. Subsequently in 2023, USD59.1 million of the Debentures were redeemed ahead of its maturity date and cancelled.

Upon maturity on 1 August 2025, the remaining USD240.9 million of the Debentures were fully redeemed.

(c) Repayment of Islamic Medium-Term Notes (IMTN)

On 27 November 2025, 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(a) of the Group's audited financial statements for the financial year ended 31 December 2024.

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PART A: EXPLANATORY NOTES PURSUANT TO MFRS 134

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.
- (b) An interim single-tier cash dividend of 12.5 sen per share amounting to RM479.7 million in respect of the financial year ended 31 December 2025, was declared on 29 August 2025 and paid on 30 September 2025.

7. Customer Segment Information

Customer segment revenue information for the Group is as follows:

	4th Quarter Ended		Financial Year Ended	
	31/12/2025	31/12/2024	31/12/2025	31/12/2024
	RM Million	RM Million	RM Million	RM Million
Business-to-Consumer (B2C)	1,495.3	1,454.6	5,674.2	5,633.3
Business-to-Business (B2B)	760.5	781.9	2,782.8	2,906.2
Carrier-to-Carrier (C2C)	979.6	780.1	3,292.6	3,061.4
Others/Shared Services	73.3	78.7	284.7	282.6
Inter-segment	(52.0)	(44.9)	(162.3)	(171.1)
Total	3,256.7	3,050.4	11,872.0	11,712.4

8. Material Events Subsequent to the End of the Quarter

On 24 February 2026, the Group issued a notice to Malaysian Communications and Multimedia Commission (MCMC) and Digital Nasional Berhad (DNB) to terminate the Access Agreement (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 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.

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PART A: EXPLANATORY NOTES PURSUANT TO MFRS 134

8. Material Events Subsequent to the End of the Quarter (continued)

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 interim financial statements.

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

There were no material changes in the composition of the Group for the 4th quarter and financial year ended 31 December 2025, save for the dissolution of the following wholly-owned subsidiaries via Member's Voluntary Winding Up.

Date of Dissolution

(a) Subsidiaries of VADS Berhad

(a wholly-owned subsidiary of Telekom Malaysia Berhad (TM))

- | | |
|--|-----------------|
| (i) VADS Professional Services Sdn. Bhd.
(Company No. 200401029151 (667659-V)) | 10 June 2025 |
| (ii) VADS Solutions Sdn. Bhd.
(Company No. 199501027153 (356358-U)) | 22 October 2025 |
| (iii) Meganet Communications Sdn. Bhd.
(Company No. 199501033195 (362397-W)) | 22 October 2025 |

(b) Subsidiary of Universiti Telekom Sdn. Bhd.

(a wholly-owned subsidiary of TM)

- | | |
|--|-------------------|
| (i) Multimedia College Sdn. Bhd.
(Company No. 200901013115 (856169-M)) | 25 September 2025 |
|--|-------------------|

(c) Subsidiary of TM

(incorporated under the Labuan Companies Act 1990)

- | | |
|--|-----------------|
| (i) TM Global Incorporated
(Company No. LL01923) | 16 October 2025 |
|--|-----------------|

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

There were no material contingent liabilities since 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

11. Capital Commitments

	Group	
	As at 31/12/2025	As at 31/12/2024
	RM Million	RM Million
(a) Property, plant and equipment: Commitments in respect of expenditures approved and contracted for (excluding commitments with approved Government grants)	2,349.3	2,249.3
(b) The Group's remaining capital commitment in a technology investment fund (disclosed as part of the Group's Non-current Investments at FVTPL)	10.6	11.6
(c) The Group's remaining committed equity funding in a jointly controlled entity, ST Dynamo DC Sdn. Bhd.	353.3	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.

12. Related Party Transactions (RPT)

(i) Employees Provident Fund (EPF)

During the 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 note 40(d) to the Group's audited financial statements for the financial year ended 31 December 2024, Khazanah is a major shareholder of the Group, holding 20.10% equity interest as of 31 December 2025.

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PART A: EXPLANATORY NOTES PURSUANT TO MFRS 134

12. Related Party Transactions (RPT) (continued)

(ii) Khazanah Nasional Berhad (Khazanah) (continued)

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.

(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 of the respective reporting dates are as follow:

	Total amount of individually significant transactions for the financial year ended		Corresponding outstanding balances as at	
	31/12/2025 RM Million	31/12/2024 RM Million	31/12/2025 RM Million	31/12/2024 RM Million
Sales and Receivables	747.2	787.3	32.9	53.9

The Group 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. 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 year ended and comparative year.

	As at 31/12/2025				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
Assets								
Financial assets at fair value through profit or loss								
- quoted securities	1.8	-	-	1.8	2.5	-	-	2.5
Derivatives accounted for under hedge accounting	-	-	-	-	-	136.5	-	136.5
Investments at fair value through OCI	-	77.1	-	77.1	-	72.9	-	72.9
Investments at fair value through profit or loss	-	94.8	14.1	108.9	-	92.4	18.9	111.3
Equity investments at fair value through OCI	-	-	145.4	145.4	-	-	138.8	138.8
Receivables at fair value through OCI	-	-	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

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 year.

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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 31/12/2025		As at 31/12/2024	
	Carrying amount RM Million	Net fair value RM Million	Carrying amount RM Million	Net fair value RM Million
Liabilities				
Borrowings	2,061.8	2,119.3	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) 4th Quarter 2025 vs 4th Quarter 2024

(i) Group Performance

The Group's operating revenue for the quarter was RM3,256.7 million, an increase of 6.8% (RM206.3 million) from RM3,050.4 million in the same quarter last year. The improvement reflects stronger quarter-on-quarter delivery at C2C and B2C from better execution momentum in the second half of the year.

Operating profit before other gains and finance costs (EBIT) stood at RM215.5 million, compared to RM512.4 million in the corresponding quarter last year. The performance reflected the impact of higher mobile network infra sharing costs, increased customer acquisition and employee-related costs, arising from voluntary separation requests. The increase in expenses was partially cushioned by other operating income, mainly from the monetisation of copper cables under ongoing network modernisation initiatives.

The Group's Profit After Tax and Non-Controlling Interests (PATAMI) amounted to RM222.5 million, compared with RM730.6 million in the corresponding quarter last year. The variance was primarily due to the absence of a material one-off tax credit recognised in 4Q24.

(ii) Revenue by Customer Segments

Business-to-Consumer (B2C)

B2C posted operating revenue of RM1,495.3 million in the current quarter, a 2.8% (RM40.7 million) increase from RM1,454.6 million in the same quarter last year. Performance was driven by stronger adoption of converged service bundles and continued traction from targeted device campaigns.

Business-to-Business (B2B)

B2B recorded operating revenue of RM760.5 million in the current quarter, lower by 2.7% (RM21.4 million) from RM781.9 million in the corresponding quarter last year. The market remains competitive as customers optimise technology spend, with demand increasingly shifting towards managed services, cybersecurity and digital solutions.

Carrier-to-Carrier (C2C)

C2C delivered operating revenue of RM979.6 million, a 25.6% (RM199.5 million) increase from RM780.1 million in same quarter last year. The strong performance was supported by higher data capacity services and fibre backhaul, driven by continued demand from global technology players and international traffic growth.

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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 (continued)

(b) Year-on-Year

(i) Group Performance

The Group's operating revenue delivered a positive year-on-year revenue growth of 1.4% (RM159.6 million) at RM11,872.0 million, compared to RM11,712.4 million, despite a challenging operating environment across telecommunications sector. Continued momentum in data, connectivity and digital services supported overall performance and reflects the resilience of the Group's diversified revenue base.

Earnings reflected the impact of higher mobile-related costs, increased customer acquisition expenses, and employee-related costs arising from voluntary separation requests, which are expected to deliver productivity and cost benefits in the near term. EBIT was reported at RM2,025.6 million, compared to RM2,325.1 million, supported by other operating income, including monetisation of copper cables under ongoing network modernisation initiatives.

PATAMI of RM1,713.0 million, 15.1% (RM303.9 million) lower than RM2,016.9 million in 2024, reflects the absence of a material one-off tax credit recognised last year, as well as the lower EBIT. This was partially supported by gains from the Group's investment in a technology fund.

(ii) Revenue by Customer Segments

Business-to-Consumer (B2C)

B2C recorded operating revenue of RM5,674.2 million during the current financial year, representing a 0.7% year-on-year increase compared to RM5,633.3 million last year. Growth in broadband services, supported by a 1.6% expansion in the customer base of 3.2 million, helped offset the decline in legacy voice services.

Business-to-Business (B2B)

B2B recorded operating revenue of RM2,782.8 million, compared with RM2,906.2 million last year. The variance was primarily attributable to the absence of a one-off arbitration settlement recognised last year. Excluding this non-recurring item, the segment demonstrated steady underlying performance, supported by growth in solution-based customer projects and digital services.

Carrier-to-Carrier (C2C)

C2C recorded operating revenue of RM3,292.6 million for the financial year, a 7.6% (RM231.2 million) increase from RM3,061.4 million last year. Performance was supported by steady growth in mobile fibre backhaul, data centre and international data capacity, reinforcing the Group's position as a regional digital hub.

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2. Comparison with Preceding Quarter's Results

The Group recorded operating revenue of RM3,256.7 million during the current quarter, representing an 8.9% increase from RM2,991.9 million in the preceding quarter. This growth reflects continuous execution momentum, supported by higher contributions from data, internet, other telecommunication and Group's education segment.

EBIT stood at RM215.5 million, compared to RM619.8 million in the previous quarter, mainly due to employee-related costs arising from voluntary separation requests and higher foreign exchange losses.

PATAMI for the current quarter stood at RM222.5 million, reflecting the consequent impact of EBIT, lower contributions from other gains from the Group's investment in a technology fund, and tax charges reverting closer to the statutory rate. This was partially offset by lower net finance costs from debt settlement.

3. Prospects for the Financial Year Ending 31 December 2026

Economic Outlook

Malaysia's economic momentum strengthened towards the year-end, with GDP increasing to 6.3%¹ from 5.4% in 3Q 2025, supporting a stronger full-year economic profile.

Headline inflation remained unchanged at 1.3%¹ in 4Q 2025, while the ringgit appreciated against the US dollar. Bank Negara Malaysia maintained the Overnight Policy Rate (OPR) at 2.75%, reflecting continued confidence in the balance between growth and inflation amid global uncertainties. Despite ongoing external risks, Malaysia's economic growth remained resilient.

Business Outlook

TM Group recorded stronger momentum in the second half of the year, with improved performance across all lines of business. The Group remains focused on strengthening its core business, while accelerating growth in higher-value digital and infrastructure services in line with its PWR2030 strategy.

B2C continued to strengthen its position as a convergence champion through Quad-Play campaigns, expand Smart Home solutions, and an enhanced Unifi TV offering, driving deeper customer value household.

B2B momentum remains encouraging, driven by expansion of the new core across ICT, cloud and data centre, digital services, cybersecurity and smart solutions, supported by continued partnerships across the enterprise and government segments.

¹ Bank Negara Malaysia (BNM) Quarterly Bulletin 4Q 2025 dated 13 February 2026

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3. Prospects for the Financial Year Ending 31 December 2026 (continued)

Business Outlook (continued)

C2C strengthens Malaysia's position as a regional digital hub through AI-ready data centres, expanded submarine capacity, and open landing stations, supporting rising international traffic demand while enabling services such as GPUaaS. Leveraging its nationwide fibre footprint, TM actively provides mobile backhaul for the 5G dual network, delivering seamless 5G connectivity.

TM's data centre developments enhanced the Group's infrastructure readiness, with TM Nxera progressing in line with the initial project timeline.

TM's outlook for 2026 remains positive and is underpinned by disciplined execution of its strategic priorities. The guidance for 2026 is summarised below:

Revenue Growth	Low single-digit increase
EBIT	Similar level to 2025
CAPEX / Revenue %	18%-20%

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 4th quarter and financial year ended 31 December 2025.

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5. Tax

The tax (charge)/credit for the Group comprises:

	4th Quarter Ended		Financial Year Ended	
	31/12/2025	31/12/2024	31/12/2025	31/12/2024
	RM Million	RM Million	RM Million	RM Million
Income Tax:				
Current year	(74.9)	211.9	(475.9)	(198.6)
Prior year	2.5	(0.6)	125.2	(140.6)
Deferred tax (net)	12.0	158.2	(29.8)	209.9
Global minimum top-up tax	(1.3)	-	(1.4)	-
Taxation	(61.7)	369.5	(381.9)	(129.3)
Zakat	(7.1)	2.0	(10.4)	(9.0)
Taxation and Zakat	(68.8)	371.5	(392.3)	(138.3)

The Group's effective tax rate (ETR) for the current quarter and the financial year ended is below the statutory rate, mainly due to the reassessment of deferred tax provisions. Similarly, the comparative ETR is lower primarily due to the recognition of deferred tax assets relating to previously unrecognised capital allowances.

6. Status of Corporate Proposals

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

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7. Group Borrowings and Debt Securities

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

	As at 31/12/2025		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
Total Unsecured	510.9	1,550.9	1,381.0	2,109.9

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

Foreign Currency	As at 31/12/2025 RM Million	As at 31/12/2024 RM Million
US Dollar	507.7	1,636.7
Canadian Dollar	1.4	1.6
Total	509.1	1,638.3

(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 repayments of borrowings as they become due and the impact of foreign exchange translation for the financial year ended.

8. Derivative Financial Instruments

(a) **Cross Currency Interests Rate Swap (CCIRS) Contracts**

The Group's CCIRS contracts with an aggregate notional amount of USD100.0 million, as disclosed in note 19 to the Group's audited financial statements for the financial year ended 31 December 2024, matured on 1 August 2025, following the full redemption of the USD240.9 million debentures on the same date, as disclosed in part A, note 5(b) of this Announcement.

Upon maturity of the CCIRS and settlement of the related borrowings, the cumulative amount previously recognised in equity was reclassified to profit or loss. Accordingly, there are no outstanding derivative financial instruments as of 31 December 2025.

(b) **Financial Risk Management Policy**

There have been no changes in the Group's financial risk management policies or the types of derivative financial instruments entered into during the financial year.

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8. Derivative Financial Instruments (continued)

(c) Fair Value Changes

The loss arising from fair value changes of derivative financial instruments for the financial year ended 31 December 2025 amounted to RM136.5 million following the maturity of the CCIRS.

The derivatives were designated as cash flow hedges under hedge accounting.

9. Additional Disclosures

The Consolidated Income Statement for the 4th quarter and financial year ended 31 December 2025 also includes the following:

	4th Quarter Ended		Financial Year Ended	
	31/12/2025	31/12/2024	31/12/2025	31/12/2024
	RM Million	RM Million	RM Million	RM Million
Inventory charges for write off and obsolescence	(0.3)	(1.0)	(11.2)	(7.4)
(Losses)/Gains on disposal of fixed income securities	(0.2)	#	(0.3)	0.2
(Losses)/Gains on foreign exchange on settlements and placements	(30.1)	62.4	(77.9)	(13.6)

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)

	4th Quarter Ended		Financial Year Ended	
	31/12/2025	31/12/2024	31/12/2025	31/12/2024
(a) Basic earnings per share				
Profit attributable to equity holders of the Company (RM million)	222.5	730.6	1,713.0	2,016.9
Weighted average number of ordinary shares (million)	3,837.7	3,837.7	3,837.7	3,837.7
Basic earnings per share (sen) attributable to equity holders of the Company	5.8	19.0	44.6	52.6

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 year.

	4th Quarter Ended		Financial Year Ended	
	31/12/2025	31/12/2024	31/12/2025	31/12/2024
(b) Diluted earnings per share				
Profit attributable to equity holders of the Company (RM million)	222.5	730.6	1,713.0	2,016.9
Weighted average number of ordinary shares (million)	3,837.7	3,837.7	3,837.7	3,837.7
Adjustment for dilutive effect of Long Term Incentive Plan (million)	-	0.3	#	0.5
Adjusted weighted average number of ordinary shares (million)	3,837.7	3,838.0	3,837.7	3,838.2
Diluted earnings per share (sen) attributable to equity holders of the Company	5.8	19.0	44.6	52.5

Amount less than RM0.1 million

Diluted earnings per share for the current quarter and financial year 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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**PART B: EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE MAIN MARKET
LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD**

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

- (a) On 29 August 2025, the Board of Directors declared an interim single-tier cash dividend of 12.5 sen per share for the financial year ended 31 December 2025 (2024: an interim single-tier cash dividend of 12.5 sen per share). The cash dividend was paid on 30 September 2025 to shareholders whose names appear in the Register of Members and Record of Depositors on 18 September 2025.
- (b) The Board of Directors has declared a 2nd interim single-tier dividend of 14.5 sen per share (2024: 2nd interim single-tier cash dividend of 12.5 sen per share) amounting to approximately RM 556.5 million and a special single-tier dividend of 4.0 sen per share (2024: special single-tier dividend of 6.0 sen per share) amounting to approximately RM 153.5 million for the financial year ended 31 December 2025.

Both 2nd interim single-tier and special single-tier dividend will be paid on 27 March 2026 to shareholders whose names appear in the Register of Members and Record of Depositors on 13 March 2026.

By Order of the Board

Hamizah Abidin (LS0007096) (SSM PC No. 201908001071)
Group Company Secretary
Kuala Lumpur
25 February 2026