

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 3rd quarter ended 30 September 2023.

UNAUDITED CONSOLIDATED INCOME STATEMENT

	3RD QUARTER ENDED		FINANCIAL PERIOD ENDED	
	30/09/2023	30/09/2022	30/09/2023	30/09/2022
	RM Million	RM Million	RM Million	RM Million
OPERATING REVENUE	3,076.3	3,158.1	9,126.3	9,139.8
OPERATING COSTS				
- depreciation, impairment and amortisation	(659.6)	(654.1)	(2,088.1)	(1,879.3)
- net impairment loss on financial and contract assets	(21.3)	(5.6)	(44.2)	(1.7)
- other operating costs	(1,874.1)	(1,946.7)	(5,422.2)	(5,475.5)
OTHER OPERATING INCOME (net)	54.7	53.1	107.5	84.6
OTHER GAINS/(LOSSES) (net)	2.0	2.3	3.3	(9.5)
OPERATING PROFIT BEFORE FINANCE COST	578.0	607.1	1,682.6	1,858.4
FINANCE INCOME	27.3	19.3	70.0	53.0
FINANCE COST	(87.5)	(89.0)	(272.4)	(287.8)
FOREIGN EXCHANGE LOSS ON BORROWINGS	(16.9)	(79.2)	(75.3)	(160.6)
NET FINANCE COST	(77.1)	(148.9)	(277.7)	(395.4)
ASSOCIATE				
- share of results (net of tax)	4.1	2.1	9.9	9.5
PROFIT BEFORE TAX AND ZAKAT	505.0	460.3	1,414.8	1,472.5
TAX AND ZAKAT (part B, note 5)	37.2	(195.5)	30.2	(488.7)
PROFIT FOR THE FINANCIAL PERIOD	542.2	264.8	1,445.0	983.8
ATTRIBUTABLE TO:				
- equity holders of the Company	538.2	265.2	1,437.0	983.1
- non-controlling interests	4.0	(0.4)	8.0	0.7
PROFIT FOR THE FINANCIAL PERIOD	542.2	264.8	1,445.0	983.8
EARNINGS PER SHARE (sen) (part B, note 11)				
- basic	14.1	7.0	37.6	26.0
- diluted	14.0	7.0	37.4	25.8

(The above unaudited consolidated income statement should be read in conjunction with the audited financial statements for the financial year ended 31 December 2022)

UNAUDITED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	3RD QUARTER ENDED		FINANCIAL PERIOD ENDED	
	30/09/2023 RM Million	30/09/2022 RM Million	30/09/2023 RM Million	30/09/2022 RM Million
PROFIT FOR THE FINANCIAL PERIOD	542.2	264.8	1,445.0	983.8
OTHER COMPREHENSIVE INCOME				
Items that will not be reclassified subsequently to income statement:				
- decrease in fair value of equity investments at fair value through other comprehensive income (FVOCI)	-	-	(8.0)	-
Items that may be reclassified subsequently to income statement:				
- (decrease)/increase in fair value of investments at fair value through other comprehensive income (FVOCI)	(0.6)	(0.1)	0.6	(4.5)
- reclassification adjustments relating to FVOCI investments disposed	#	0.1	#	0.2
- (decrease)/increase in fair value of receivables at FVOCI	(0.2)	1.7	2.3	2.7
- cash flow hedge:				
- increase in fair value of cash flow hedge	4.1	7.4	27.6	22.5
- change in fair value of currency basis	(1.4)	(0.9)	(4.7)	(5.1)
- reclassification of foreign exchange loss on borrowings	(3.5)	(24.9)	(28.9)	(46.8)
- currency translation differences				
- subsidiaries	0.7	9.6	5.1	19.4
- associate	#	0.1	0.1	0.2
Other comprehensive loss for the financial period	(0.9)	(7.0)	(5.9)	(11.4)
TOTAL COMPREHENSIVE INCOME FOR THE FINANCIAL PERIOD	541.3	257.8	1,439.1	972.4
ATTRIBUTABLE TO:				
- equity holders of the Company	537.3	258.2	1,431.1	971.7
- non-controlling interests	4.0	(0.4)	8.0	0.7
TOTAL COMPREHENSIVE INCOME FOR THE FINANCIAL PERIOD	541.3	257.8	1,439.1	972.4

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 2022)

UNAUDITED CONSOLIDATED STATEMENT OF FINANCIAL POSITION		
	AS AT 30/09/2023 RM Million	AS AT 31/12/2022 RM Million
SHARE CAPITAL	4,064.6	3,986.5
OTHER RESERVES	149.9	220.0
RETAINED PROFITS	4,517.4	3,730.0
TOTAL CAPITAL AND RESERVES ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY	8,731.9	7,936.5
NON-CONTROLLING INTERESTS	153.1	152.6
TOTAL EQUITY	8,885.0	8,089.1
Borrowings	4,178.4	4,959.6
Lease liabilities	1,624.5	1,544.2
Deferred tax liabilities	1,265.3	1,425.8
Deferred income	1,480.3	1,630.7
Trade and other payables	25.2	24.6
NON-CURRENT LIABILITIES	8,573.7	9,584.9
	17,458.7	17,674.0
Property, plant and equipment	13,133.6	13,547.0
Intangible assets	876.8	745.8
Right-of-use assets	1,314.3	1,153.7
Associate	96.9	94.3
Equity investments at fair value through other comprehensive income (FVOCI)	141.1	149.1
Investments at fair value through profit or loss (FVTPL)	165.0	164.6
Receivables at FVOCI	49.3	147.0
Other non-current receivables	358.6	574.3
Derivative financial instruments	154.9	132.0
Deferred tax assets	25.6	24.1
NON-CURRENT ASSETS	16,316.1	16,731.9
Inventories	256.7	305.4
Trade and other receivables	3,026.6	2,312.3
Contract assets	680.2	702.4
Contract cost assets	397.0	420.7
Receivables at FVOCI	2.5	8.4
Investments at fair value through other comprehensive income (FVOCI)	70.4	66.5
Investments at fair value through profit or loss (FVTPL)	2.7	2.1
Financial assets at fair value through profit or loss (FVTPL)	2.4	2.2
Cash and bank balances	2,204.0	2,579.4
CURRENT ASSETS	6,642.5	6,399.4
Trade and other payables	3,262.9	3,718.0
Contract liabilities	1,220.3	839.0
Customer deposits	145.8	182.6
Borrowings	629.1	309.7
Lease liabilities	199.8	230.3
Tax and zakat	42.0	177.7
CURRENT LIABILITIES	5,499.9	5,457.3
NET CURRENT ASSETS	1,142.6	942.1
	17,458.7	17,674.0
NET ASSETS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY (sen)	227.6	207.7

(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 2022)

**UNAUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 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	-	-	-	-	-	-	1,437.0	8.0	1,445.0
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)	-	0.6	-	-	-	-	-	-	0.6
- reclassification adjustments relating to FVOCI investments disposed	-	#	-	-	-	-	-	-	#
- increase in fair value of receivables at FVOCI	-	2.3	-	-	-	-	-	-	2.3
- cash flow hedge:									
- increase in fair value of cash flow hedge	-	-	27.6	-	-	-	-	-	27.6
- change in fair value of currency basis	-	-	-	(4.7)	-	-	-	-	(4.7)
- reclassification of foreign exchange loss on borrowings	-	-	(28.9)	-	-	-	-	-	(28.9)
- currency translation differences									
- subsidiaries	-	-	-	-	-	5.1	-	-	5.1
- associate	-	-	-	-	-	0.1	-	-	0.1
Total comprehensive (loss)/income for the financial period	-	(5.1)	(1.3)	(4.7)	-	5.2	1,437.0	8.0	1,439.1
Transactions with owners:									
- final interim dividend paid for the financial year ended 31 December 2022 (part A, note 6(a))	-	-	-	-	-	-	(286.6)	-	(286.6)
- interim dividends paid for the financial year ending 31 December 2023 (part A, note 6(b))	-	-	-	-	-	-	(363.0)	-	(363.0)
- dividend paid to non-controlling interests	-	-	-	-	-	-	-	(7.5)	(7.5)
- Long Term Incentive Plan (LTIP):									
- ordinary shares granted*	-	-	-	-	13.9	-	-	-	13.9
- transfer from LTIP reserve upon issuance of shares on vesting (part A, note 5(b))^	78.1	-	-	-	(78.1)	-	-	-	-
Total transactions with owners	78.1	-	-	-	(64.2)	-	(649.6)	(7.5)	(643.2)
At 30 September 2023	4,064.6	94.0	(14.5)	12.1	17.7	40.6	4,517.4	153.1	8,885.0

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 2022)

**UNAUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2022**

	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 2022	3,729.0	94.0	13.5	22.7	127.9	25.1	3,490.3	(174.6)	7,327.9
Profit for the financial period	-	-	-	-	-	-	983.1	0.7	983.8
Other comprehensive income									
Items that may be reclassified subsequently to income statement:									
- decrease in fair value of investments at fair value through other comprehensive income (FVOCI)	-	(4.5)	-	-	-	-	-	-	(4.5)
- reclassification adjustments relating to FVOCI investments disposed	-	0.2	-	-	-	-	-	-	0.2
- increase in fair value of receivables at FVOCI	-	2.7	-	-	-	-	-	-	2.7
- cash flow hedge:									
- increase in fair value of cash flow hedge	-	-	22.5	-	-	-	-	-	22.5
- change in fair value of currency basis	-	-	-	(5.1)	-	-	-	-	(5.1)
- reclassification of foreign exchange loss on borrowings	-	-	(46.8)	-	-	-	-	-	(46.8)
- currency translation differences									
- subsidiaries	-	-	-	-	-	19.4	-	-	19.4
- associate	-	-	-	-	-	0.2	-	-	0.2
Total comprehensive (loss)/income for the financial period	-	(1.6)	(24.3)	(5.1)	-	19.6	983.1	0.7	972.4
Transactions with owners:									
- final interim dividend paid for the financial year ended 31 December 2021	-	-	-	-	-	-	(226.4)	-	(226.4)
- interim dividends payable for the financial year ended 31 December 2022	-	-	-	-	-	-	(340.9)	-	(340.9)
- dividends paid to non-controlling interests	-	-	-	-	-	-	-	(6.3)	(6.3)
- Long Term Incentive Plan (LTIP):									
- ordinary shares granted*	-	-	-	-	26.7	-	-	-	26.7
- transfer from LTIP reserve upon issuance of shares on vesting [^]	77.1	-	-	-	(77.1)	-	-	-	-
Total transactions with owners	77.1	-	-	-	(50.4)	-	(567.3)	(6.3)	(546.9)
At 30 September 2022	3,806.1	92.4	(10.8)	17.6	77.5	44.7	3,906.1	(180.2)	7,753.4

* 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 2022)

UNAUDITED CONSOLIDATED STATEMENT OF CASH FLOWS

	FINANCIAL PERIOD ENDED	
	30/09/2023	30/09/2022
	RM Million	RM Million
Receipts from customers	8,797.3	8,142.8
Payments to suppliers and employees	(5,581.4)	(5,386.2)
Payments to suppliers for short term lease and leases of low value assets	(29.3)	(35.4)
Payments of finance cost	(221.0)	(215.8)
Payments of income taxes and zakat (net)	(371.8)	(303.4)
CASH FLOWS FROM OPERATING ACTIVITIES	2,593.8	2,202.0
Contribution for purchase of property, plant and equipment	298.8	96.0
Disposal of property, plant and equipment	0.5	7.9
Purchase of property, plant and equipment and intangible assets	(1,887.6)	(1,989.0)
Maturity of current investments at fair value through other comprehensive income	5.3	29.2
Purchase of current investments at fair value through other comprehensive income	(8.6)	(17.0)
Purchase of investments at fair value through profit or loss	(6.8)	(14.6)
Disposal of financial assets at fair value through profit or loss	14.0	161.5
Long term deposits	(16.6)	(16.6)
Maturity of deposit with maturity exceeding 3 months*	-	36.0
Repayments of loans by employees	13.6	37.8
Loans to employees	(14.9)	(23.5)
Disposal of housing loan	127.6	-
Interests received	56.7	37.8
Dividends received	6.9	-
CASH FLOWS USED IN INVESTING ACTIVITIES	(1,411.1)	(1,654.5)
Proceeds from borrowings	30.0	-
Repayments of borrowings	(597.3)	(548.1)
Repayments of lease liabilities	(385.8)	(387.9)
Dividend paid to shareholders (part A, note 6)	(649.6)	(226.4)
Dividend paid to non-controlling interests	(7.5)	(3.9)
CASH FLOWS USED IN FINANCING ACTIVITIES	(1,610.2)	(1,166.3)
NET DECREASE IN CASH AND CASH EQUIVALENTS	(427.5)	(618.8)
EFFECT OF EXCHANGE RATE CHANGES	21.2	68.0
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL PERIOD	2,344.3	1,880.0
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL PERIOD	1,938.0	1,329.2

* Comparative disclosures have been restated

(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 2022)

TELEKOM MALAYSIA BERHAD
Reg. No.: 198401016183 (128740-P)
(Incorporated in Malaysia)

PART A: EXPLANATORY NOTES PURSUANT TO MFRS 134

1. Basis of Preparation

The unaudited interim financial statements for the 3rd quarter and financial period ended 30 September 2023 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 2022. 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 2022 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 2023.

(a) The amendments to published standards that are effective and applicable for the Group’s financial year beginning on 1 January 2023

The amendments to published standards issued by MASB that are effective and applicable for the Group’s financial year beginning on 1 January 2023 are as follows:

Amendments to MFRS 101	Disclosure of Accounting Policies
Amendments to MFRS 108	Definition of Accounting Estimates
Amendments to MFRS 112	Deferred Tax related to Assets and Liabilities arising from a Single Transaction
	International Tax Reform – Pillar Two Model Rules

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.

TELEKOM MALAYSIA BERHAD
Reg. No.: 198401016183 (128740-P)
(Incorporated in Malaysia)

PART A: EXPLANATORY NOTES PURSUANT TO MFRS 134

1. Basis of Preparation (continued)

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

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

Effective for annual periods beginning on or after 1 January 2024

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

Effective for annual periods beginning on or after 1 January 2025

Amendments to MFRS 121	Lack of Exchangeability
------------------------	-------------------------

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
------------------------------------	---

The adoption of the above annual improvements 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 3rd quarter and financial period ended 30 September 2023.

TELEKOM MALAYSIA BERHAD
Reg. No.: 198401016183 (128740-P)
(Incorporated in Malaysia)

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 3rd quarter and financial period ended 30 September 2023.

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

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

On 24 August 2023, the Group repaid in full, at its nominal value, the RM250.0 million IMTN at 4.34% 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 2022.

(b) Long Term Incentive Plan (LTIP)

During the current financial period, the Company issued 15,588,100 new ordinary shares amounting to RM78.1 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 2022.

The new ordinary shares were listed and allotted on the Main Market of Bursa Securities on 16 February 2023 and 22 September 2023. There has been no further grant of new LTIP tranches during the current financial period.

(c) Early redemption of Debentures

On 10 August 1995, the Company issued USD300.0 million 7.875% per annum Debentures that will become due on 1 August 2025, as disclosed in the note 17(e) to the audited financial statements for the financial year ended 31 December 2022.

On 9 May 2023, USD59.1 million of debentures were redeemed ahead of its maturity and cancelled subsequently.

6. Dividends Paid

(a) The final interim single-tier cash dividend of 7.5 sen per share amounting to RM286.6 million in respect of the financial year ended 31 December 2022 declared on 28 February 2023 was paid on 31 March 2023.

(b) An interim single-tier cash dividend of 9.5 sen per share amounting to RM363.0 million in respect of the financial year ending 31 December 2023 declared on 25 August 2023 was paid on 29 September 2023.

TELEKOM MALAYSIA BERHAD
Reg. No.: 198401016183 (128740-P)
(Incorporated in Malaysia)

PART A: EXPLANATORY NOTES PURSUANT TO MFRS 134

7. Segmental Information

Segmental information for the Group are as follows:

By Business Segment

All amounts are in RM Million
3rd Quarter Ended 30 September 2023

	Unifi	TM One	TM Global	Shared Services /Others^	Elimination	Total
Operating Revenue						
Total operating revenue	1,410.2	729.5	825.1	152.5		3,117.3
Inter-segment @	#	(17.0)	(16.5)	(7.5)		(41.0)
External operating revenue	1,410.2	712.5	808.6	145.0		3,076.3
Results						
Earnings before interest and taxation (EBIT)	314.2	164.9	246.8	(168.9)	19.0	576.0
Other gains (net)						2.0
Finance income						27.3
Finance cost						(87.5)
Foreign exchange loss on borrowings						(16.9)
Associate - share of results (net of tax)						4.1
Profit before tax and zakat						505.0
Tax and zakat						37.2
Profit for the financial period						542.2

Amount less than RM0.1 million

TELEKOM MALAYSIA BERHAD
Reg. No.: 198401016183 (128740-P)
(Incorporated in Malaysia)

PART A: EXPLANATORY NOTES PURSUANT TO MFRS 134

7. Segmental Information (continued)

Segmental information for the Group are as follows:

By Business Segment

All amounts are in RM Million
3rd Quarter Ended 30 September 2022
Operating Revenue

	Unifi	TM One	TM Global	Shared Services /Others^	Elimination	Total
Total operating revenue	1,404.2	898.0	796.5	175.1		3,273.8
Inter-segment @	(4.1)	(39.1)	(26.6)	(45.9)		(115.7)
External operating revenue	1,400.1	858.9	769.9	129.2		3,158.1

Results

EBIT	391.6	137.9	134.1	(124.9)	66.1	604.8
Other gains (net)						2.3
Finance income						19.3
Finance cost						(89.0)
Foreign exchange loss on borrowings						(79.2)
Associate - share of results (net of tax)						2.1
Profit before tax and zakat						460.3
Tax and zakat						(195.5)
Profit for the financial period						264.8

TELEKOM MALAYSIA BERHAD
Reg. No.: 198401016183 (128740-P)
(Incorporated in Malaysia)

PART A: EXPLANATORY NOTES PURSUANT TO MFRS 134

7. Segmental Information (continued)

Segmental information for the Group are as follows:

By Business Segment

All amounts are in RM Million Financial Period Ended 30 September 2023	Unifi	TM One	TM Global	Shared Services /Others^	Elimination	Total
Operating Revenue						
Total operating revenue	4,253.1	2,286.0	2,322.9	477.7		9,339.7
Inter-segment @	1.9	(119.6)	(51.5)	(44.2)		(213.4)
External operating revenue	4,255.0	2,166.4	2,271.4	433.5		9,126.3
Results						
EBIT	1,067.8	389.7	586.3	(133.1)	(231.4)	1,679.3
Other gains (net)						3.3
Finance income						70.0
Finance cost						(272.4)
Foreign exchange loss on borrowings						(75.3)
Associate - share of results (net of tax)						9.9
Profit before tax and zakat						1,414.8
Tax and zakat						30.2
Profit for the financial period						1,445.0

TELEKOM MALAYSIA BERHAD
Reg. No.: 198401016183 (128740-P)
(Incorporated in Malaysia)

PART A: EXPLANATORY NOTES PURSUANT TO MFRS 134

7. Segmental Information (continued)

Segmental information for the Group are as follows:

By Business Segment

All amounts are in RM Million

Financial Period Ended 30 September 2022
Operating Revenue

	Unifi	TM One	TM Global	Shared Services /Others^	Elimination	Total
Total operating revenue	4,195.6	2,636.0	2,197.2	484.4		9,513.2
Inter-segment @	(16.8)	(177.3)	(62.3)	(117.0)		(373.4)
External operating revenue	4,178.8	2,458.7	2,134.9	367.4		9,139.8

Results

EBIT	1,246.1	521.5	384.6	(373.6)	89.3	1,867.9
Other losses (net)						(9.5)
Finance income						53.0
Finance cost						(287.8)
Foreign exchange loss on borrowings						(160.6)
Associate - share of results (net of tax)						9.5
Profit before tax and zakat						1,472.5
Tax and zakat						(488.7)
Profit for the financial period						983.8

TELEKOM MALAYSIA BERHAD

Reg. No.: 198401016183 (128740-P)

(Incorporated in Malaysia)

PART A: EXPLANATORY NOTES PURSUANT TO MFRS 134

7. Segmental Information (continued)

- @ Inter-segment operating revenue relates to inter-company revenue and has been eliminated at the respective segment operating revenue. These inter-segment trading arrangements are subject to periodic review. The inter-company revenue was entered into in the normal course of business.
- ^ Expenses incurred by corporate divisions such as Human Capital Management, Finance, Strategy and Regulatory, Company Secretary, Procurement and special purpose entities and foreign exchange differences arising from the translation of foreign currency placements which were not allocated to a particular business segment are disclosed as part of shared services/others. These are considered non-operating segments.

Information on segmental assets and liabilities has not been included in the disclosure in alignment with the information used internally to discuss segment performance and allocate resources. Significant portions of the Group's assets and liabilities are maintained and monitored at each entity level. Consistently across the Group, network assets are maintained and economically utilised and monitored as a single network at each entity level respectively, in generating the portfolio of products offered by each entity. The corresponding liabilities, including financing, are also similarly monitored.

The prior year comparatives have been restated for better comparability with alignment to current business structure. This includes the movement of revenue and associated cost relating to certain contracts accounted for under grant accounting from lines of business to Shared Services/Others.

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 3rd quarter and financial period ended 30 September 2023, other than the amalgamation of the Group's Malaysia-based telecommunication business and operations into TM Technology Services Sdn. Bhd. as disclosed in part B, note 6.

TELEKOM MALAYSIA BERHAD

Reg. No.: 198401016183 (128740-P)

(Incorporated in Malaysia)

PART A: EXPLANATORY NOTES PURSUANT TO MFRS 134

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 year ended 31 December 2022.

11. Capital Commitments

(a)	Group	
	As at 30/09/2023 RM Million	As at 31/12/2022 RM Million
Property, plant and equipment: Commitments in respect of expenditures approved and contracted for	765.3	2,479.4
	<hr/>	
(b)	Group	
	As at 30/09/2023 RM Million	As at 31/12/2022 RM Million
The Group's remaining capital commitment in a Technology Investment Fund (disclosed as part of the Group's Non- Current Investments at FVTPL)	15.1	20.4
	<hr/>	

Refer to note 30(c) of the audited financial statements of the Group for the financial year ended 31 December 2022.

TELEKOM MALAYSIA BERHAD

Reg. No.: 198401016183 (128740-P)

(Incorporated in Malaysia)

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 September 2023 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	
	30/9/2023	30/9/2022	30/9/2023	31/12/2022
	RM Million	RM Million	RM Million	RM Million
Sales and Receivables	565.5	669.8	179.8	118.7

The Group received funding for projects from other Government-related entities. This resulted in an amortisation of grants to the income statement of RM314.0 million (YTD September 2022: RM239.8 million) and corresponding receivables of RM118.7 million (31 December 2022: RM118.7 million).

In addition to the above, the Group has transactions that are collectively, but not individually significant with other Government-related entities in respect of the provision of telecommunications-related services as well as procurement of telecommunications and related equipment and services in the normal course of business.

TELEKOM MALAYSIA BERHAD
Reg. No.: 198401016183 (128740-P)
(Incorporated in Malaysia)

PART A: EXPLANATORY NOTES PURSUANT TO MFRS 134

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 2022.

(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 30/09/2023				As at 31/12/2022			
	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	2.4	-	-	2.4	2.2	-	-	2.2
Derivatives accounted for under hedge accounting	-	154.9	-	154.9	-	132.0	-	132.0
Investments at fair value through OCI	-	70.4	-	70.4	-	66.5	-	66.5
Investments at fair value through profit or loss	-	92.4	75.3	167.7	-	90.3	76.4	166.7
Equity investments at fair value through OCI	-	-	141.1	141.1	-	-	149.1	149.1
Receivables at fair value through OCI	-	-	51.8	51.8	-	-	155.4	155.4
Total	2.4	317.7	268.2	588.3	2.2	288.8	380.9	671.9

There have not been any changes to the valuation techniques applied for the different financial instruments since 31 December 2022 and there were no transfers of any instruments between level 1, 2 and 3 of the fair valuation hierarchy during the financial period.

TELEKOM MALAYSIA BERHAD
Reg. No.: 198401016183 (128740-P)
(Incorporated in Malaysia)

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 48(b) of the Group's audited financial statements for the financial year ended 31 December 2022, other than below:

	As at 30/09/2023		As at 31/12/2022	
	Carrying amount RM Million	Net fair value RM Million	Carrying amount RM Million	Net fair value RM Million
Liabilities				
Borrowings	4,807.5	5,001.3	5,269.3	5,492.0

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

1. Review of Performance

(a) 3rd Quarter 2023 vs 3rd Quarter 2022

(i) Group Performance

Group's operating revenue reduced by 2.6% (RM81.8 million) to RM3,076.3 million, compared to RM3,158.1 million in the same quarter last year mainly from decrease in voice, data and other telecommunication-related services. This was offset by higher revenue from Internet and multimedia services, reflecting the steady growth in cumulative fixed broadband subscribers.

Correspondingly, the Group's operating profits before finance costs decreased by 4.8% (RM29.1 million) from the previous quarter, amounting to RM578.0 million.

With lower net finance cost and the recognition of tax credits from the utilisation of previously unrecognised tax losses, the Group's profit after tax and non-controlling interests (PATAMI) stood at RM538.2 million for the quarter ended, a 102.9% (RM273.0 million) increase from the RM265.2 million recorded in the 3rd quarter of 2022.

(ii) Segment Performance

Unifi

External operating revenue increased by 0.7% (RM10.1 million) from RM1,400.1 million to RM1,410.2 million in the current quarter, mainly from Internet, in line with the continued growth in cumulative fixed broadband subscribers driven by enhanced convergence campaigns.

Higher operating costs, which include higher depreciation cost from Group's revision of asset useful life in 4th quarter of 2022, contributed to a 19.8% (RM77.4 million) decrease in EBIT of RM314.2 million, compared to RM391.6 million in the corresponding quarter last year.

TM One

TM One recorded lower external operating revenue by 17.0% (RM146.4 million) in the current year quarter with RM712.5 million, compared to RM858.9 million in the same quarter last year. This was mainly due to the change of accounting treatment for software revenue, deferred customer project opportunities and price adjustments for certain service contracts.

Reported EBIT increased by 19.6% (RM27.0 million) to RM164.9 million in the current quarter from RM137.9 million last year, despite lower revenue, due to better cost control.

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

1. Review of Performance (continued)

(a) 3rd Quarter 2023 vs 3rd Quarter 2022 (continued)

(ii) Segment Performance (continued)

TM Global

TM Global's external operating revenue for the current quarter increased by 5.0% (RM38.7 million) to RM808.6 million, compared to the corresponding quarter last year of RM769.9 million. This increase was mainly due to higher revenue from data services and data center co-location.

The operating costs were in line with revenue, but offset by lower international outpayment. Consequently, EBIT increased by 84.0% (RM112.7 million) to RM246.8 million in the current quarter from RM134.1 million.

(b) Year-on-Year

(i) Group Performance

During the financial period under review, the Group's operating revenue decreased by 0.1% (RM13.5 million) from RM9,139.8 million to RM9,126.3 million. This was due to a decline in revenue from voice, data, and other telecommunication services. However, revenue from Internet and multimedia services continued to grow positively, in line with the increase in fixed broadband subscribers. In addition, non-telecommunication services experienced a growth of 11.3% during the financial period under review.

Higher depreciation arising from revision in asset useful lives that the Group commenced in the 4th quarter of 2022, together with one-off impairment losses recognised during the current financial period on IT infrastructure facilities, resulted in a 9.5% (RM175.8 million) decrease to the Group's operating profits before finance cost, reported at RM1,682.6 million compared to RM1,858.4 million in the 3rd quarter of 2022.

With lower net finance cost and recognition of tax credits from previously unrecognised tax losses, the Group's PATAMI of RM1,437.0 million was 46.2% (RM453.9 million) higher than RM983.1 million recorded in the corresponding period last year.

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

1. Review of Performance (continued)

(b) Year-on-Year (continued)

(ii) Segment Performance

Unifi

Unifi recorded a 1.8% (RM76.2 million) increase in external operating revenue in the current financial period ended 30 September 2023 of RM4,255.0 million compared to RM4,178.8 million in 2022 with an increase mainly from Internet, in line with the continued growth in cumulative fixed broadband subscribers driven by enhanced convergence campaigns.

Increase in operating cost which includes higher depreciation cost, led to a 14.3% (RM178.3 million) decrease in EBIT to RM1,067.8 million compared to RM1,246.1 million last year.

TM One

TM One recorded external operating revenue of RM2,166.4 million in the current financial period ended 30 September 2023, lower by 11.9% (RM292.3 million) from RM2,458.7 million in the corresponding period last year due to the change in accounting treatment for software revenue, deferred customer project opportunities and price adjustments for certain service contracts.

Reported EBIT decreased by 25.3% (RM131.8 million) to RM389.7 million in the current financial period from RM521.5 million in the corresponding period last year, due to lower revenue and one-off impairment of infrastructure assets.

TM Global

TM Global registered revenue of RM2,271.4 million for the current financial period ended 30 September 2023, a 6.4% (RM136.5 million) growth from RM2,134.9 million total revenue reported for the same period last year, driven by higher data and other telecommunication services.

With increased revenue and lower direct cost, EBIT improved by 52.4% (RM201.7 million) from RM384.6 million to RM586.3 million in the current financial period.

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

2. Comparison with Preceding Quarter's Results

At RM3,076.3 million, Group's revenue in the current quarter ended was 0.7% (RM22.2 million) lower from the RM3,098.5 million recorded in the preceding quarter. The decrease in revenue was mainly from voice and other telecommunication-related services offset by positive growth in Internet and multimedia services.

Operating costs were higher in the current quarter, mainly from one-off manpower optimisation initiative. This resulted an 8.4% (RM52.7 million) decrease in operating profit before finance costs, recorded at RM578.0 million compared to RM630.7 million in the preceding quarter.

PATAMI reduced by RM30.5 million (5.4%) from RM568.7 million in the preceding quarter to RM538.2 million in the current quarter due to lower operating profit and lower net tax credit.

3. Prospects for the Current Financial Year

Economic Outlook

Despite global challenges, Malaysia's economy is expected to grow 4% in 2023 and 4%-5% in 2024. In 3rd quarter 2023, Malaysia's GDP increased by 3.3% (2nd quarter 2023: 2.9%), driven by higher household spending, increased tourism activities and an improved labour market that supported local businesses.

Business Outlook

The Group remains steadfast in strengthening its core business for commercial sustainability and contributing to the nation's growth. TM will continue collaborating closely with the Government to be the trusted partner to grow Malaysia's overall connectivity and digital ecosystem. TM plays an active role in supporting the Government's 5G initiatives and aspirations.

Expanding on our recent successful internal restructuring, we have also consolidated our consumer business effective 15 November 2023. We are now merging the different units into one Converged Unifi, including sales touchpoints, product, ecosystem and customer experience support. This will allow Unifi to continue offering converged solutions and lifestyles with more attractive packages, improved mobile coverage with 5G, enriched entertainment content and other competitive offerings to homes and SMEs. TM One maintains its focus on next-gen connectivity, smart services innovation, cloud, 5G and cybersecurity while providing fit-for-purpose solutions to enable industrial digital transformation and economic growth. TM One is positioned to support the recently launched New Industrial Master Plan (NIMP) 2030 to unlock technological opportunities whilst driving innovation for the nation and key economic sectors. TM Global will drive Malaysia's digital economy through comprehensive wholesale data solutions for domestic service providers, global carriers and hyper-scalers with extensive international connectivity and data center solutions.

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

3. Prospects for the Current Financial Year (continued)

Business Outlook (continued)

Moving into the last quarter of the year, TM's business and financial outlook for 2023 remains positive. The Group will continue to pursue industry growth through digitalisation and emerging technologies that empower communities, businesses, and the Government to maximise shareholders' value. Based on TM's current performance momentum, the Group is on track to achieve its 2023 market guidance.

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 3rd quarter and financial period ended 30 September 2023.

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

5. Tax

The tax charge for the Group comprises:

	3rd Quarter Ended		Financial Period Ended	
	30/09/2023	30/09/2022	30/09/2023	30/09/2022
	RM Million	RM Million	RM Million	RM Million
<u>Malaysia</u>				
Income Tax:				
Current year	40.9	230.9	90.7	454.1
Prior year	34.2	21.8	32.9	19.4
Deferred tax (net)	(114.5)	(59.7)	(161.4)	1.7
	(39.4)	193.0	(37.8)	475.2
<u>Overseas</u>				
Income Tax:				
Current year	0.7	1.2	2.8	7.9
Prior year	0.1	#	0.5	0.3
	0.8	1.2	3.3	8.2
Taxation	(38.6)	194.2	(34.5)	483.4
Zakat	1.4	1.3	4.3	5.3
Taxation and Zakat	(37.2)	195.5	(30.2)	488.7

Amount less than RM0.1 million

As disclosed in note 55 to the Group's audited financial statements and part B, note 6 further to the execution of the Internal Reorganisation of the Group via the completion of the Scheme of Arrangement and Amalgamation, the Group's Malaysia-based telecommunication business and operations have effectively been amalgamated and operating through TM Technology Services Sdn. Bhd. from 1 March 2023.

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**5. Tax (continued)**

Following this, the Group has recognised deferred tax assets associated to unutilised tax losses of TM Technology Services Sdn. Bhd. to the extent that can be utilised against future business income of the entity. Applying the relevant principle of MFRS 134 Interim Financial Reporting, the Group has applied the expected annual effective tax rate of TM Technology Services Sdn. Bhd. for the financial year ending 31 December 2023 (inclusive of the recognition of the aforementioned previously unrecognised deferred tax assets) to the profit before tax of TM Technology Services Sdn. Bhd. for the current quarter and period ended, in arriving to the tax credit to be recognised for the current quarter and period ended.

6. Status of Corporate Proposals

As disclosed in note 55 to the Group's audited financial statements for the financial year ended 31 December 2022, on 1 March 2023 the Group completed the transfer and vesting of the Identified Assets and Liabilities from the Transferor entities (Telekom Malaysia Berhad (TMB) and the identified 11 wholly-owned subsidiaries of TMB) to the Transferee (TM Technology Services Sdn. Bhd.) in exchange of issuance and exchange of new TM Technology Services Sdn. Bhd. shares. Following this, the Group's Malaysia-based telecommunication business and operations have effectively been amalgamated and are operating through TM Technology Services Sdn. Bhd.

7. Group Borrowings and Debt Securities

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

	As at 30/09/2023		As at 31/12/2022	
	Short Term Borrowings RM Million	Long Term Borrowings RM Million	Short Term Borrowings RM Million	Long Term Borrowings RM Million
Total Secured	2.9	5.0	2.9	7.2
Total Unsecured	626.2	4,173.4	306.8	4,952.4
Total Borrowings	629.1	4,178.4	309.7	4,959.6

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

	As at 30/09/2023 RM Million	As at 31/12/2022 RM Million
Foreign Currency		
US Dollar	1,722.0	1,879.8
Canadian Dollar	2.1	2.0
Total	1,724.1	1,881.8

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**7. Group Borrowings and Debt Securities (continued)**

- (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 2022) except for the impact of foreign exchange translation for the financial period ended as well as the early redemption of certain borrowing as disclosed in part A, note 5.

8. Derivative Financial Instruments

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

		Fair value as at 30/09/2023	Fair value as at 31/12/2022
	Contract or notional amount RM Million	Assets RM Million	Assets RM Million
Derivatives (by maturity)			
<u>Cross Currency Interest Rate Swaps (CCIRS)</u>			
- 1 year to 3 years	310.5	154.9	132.0
Total	310.5	154.9	132.0

- (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 2022.

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**8. Derivative Financial Instruments (continued)****(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 2022.

(d) Gains Arising from Fair Value Changes of Financial Instruments

The amount of gains arising from fair value changes of derivative financial instruments for the current and cumulative quarters ended 30 September 2023 are as follows:

Derivatives (by maturity)	Contract or notional value RM Million	Fair value RM Million	Gains arising from fair value changes for the quarter RM Million	Gains arising from fair value changes for the period RM Million
Financial Assets				
<u>Cross Currency Interest Rate Swaps (CCIRS)*</u>				
- 1 year to 3 years	310.5	154.9	2.7	22.9
Total	310.5	154.9	2.7	22.9

* 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.

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

9. Additional Disclosures

Additional disclosures of items not disclosed elsewhere in this announcement, which have been included in the Consolidated Income Statement for the 3rd quarter and financial period ended 30 September 2023:

	3rd Quarter Ended		Financial Period Ended	
	30/09/2023	30/09/2022	30/09/2023	30/09/2022
	RM Million	RM Million	RM Million	RM Million
Inventory charges for write off and obsolescence	(2.7)	(0.6)	(18.0)	(2.2)
Loss on disposal of fixed income securities	#	(0.1)	#	(0.2)
Gain on foreign exchange on settlements and placements	14.2	59.2	60.6	117.3

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 2022, subsequent to the financial year end:

(a) In the Matter of Arbitration between Vodoke Pte Ltd (VPL) and Telekom Malaysia Berhad (TM)

On 8 September 2023, the High Court of Singapore ordered that VPL be wound up by the Court under section 124(1)(e) of Part VIII of the Insolvency, Restructuring and Dissolution Act 2018 and approved the appointment of liquidators to assess VPL's assets.

The appointed liquidators are in the midst of obtaining VPL's statement of affairs for adjudication purposes.

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

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

On 10 October 2023, TM filed its Reply to MYTV's Defence to TM's Counterclaim at the Asian International Arbitration Centre.

The Board of Directors, based on legal advice, are of the view that TM has a good chance of success in dismissing the claim.

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**10. Material Litigation (continued)**

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)

	3rd Quarter Ended		Financial Period Ended	
	30/09/2023	30/09/2022	30/09/2023	30/09/2022
(a) Basic earnings per share				
Profit attributable to equity holders of the Company (RM million)	538.2	265.2	1,437.0	983.1
Weighted average number of ordinary shares (million)	3,823.4	3,783.4	3,822.3	3,777.0
Basic earnings per share (sen) attributable to equity holders of the Company	14.1	7.0	37.6	26.0

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.

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

	3rd Quarter Ended		Financial Period Ended	
	30/09/2023	30/09/2022	30/09/2023	30/09/2022
(b) Diluted earnings per share				
Profit attributable to equity holders of the Company (RM million)	538.2	265.2	1,437.0	983.1
Weighted average number of ordinary shares (million)	3,823.4	3,783.4	3,822.3	3,777.0
Adjustment for dilutive effect of Long Term Incentive Plan (million)	14.6	21.7	15.7	28.2
Weighted average number of ordinary shares (million)	3,838.0	3,805.1	3,838.0	3,805.2
Diluted earnings per share (sen) attributable to equity holders of the Company	14.0	7.0	37.4	25.8

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 2022.

12. Qualification of Preceding Audited Financial Statements

The audited financial statements for the financial year ended 31 December 2022 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

- (a) On 25 August 2023, the Board of Directors declared an interim single-tier cash dividend of 9.5 sen per share for the financial year ending 31 December 2023 (2022: an interim single-tier cash dividend of 9.0 sen per share). The dividend was paid on 29 September 2023 to shareholders whose names appear in the Register of Members and Record of Depositors on 12 September 2023.

- (b) No dividend is declared for the current quarter ended 30 September 2023.

By Order of the Board

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

Group Company Secretary

Kuala Lumpur

23 November 2023