

**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 2021.

**CONSOLIDATED INCOME STATEMENT**

	4TH QUARTER ENDED		FINANCIAL YEAR ENDED	
	(Unaudited)		(Unaudited)	(Audited)
	31/12/2021	31/12/2020	31/12/2021	31/12/2020
	RM Million	RM Million	RM Million	RM Million
OPERATING REVENUE	3,153.1	3,001.3	11,529.0	10,840.3
OPERATING COSTS				
- depreciation, impairment and amortisation	(868.9)	(591.5)	(2,634.7)	(2,283.9)
- net impairment loss on financial and contract assets	(46.7)	(3.1)	(40.7)	(48.9)
- other operating costs	(1,980.5)	(2,029.6)	(7,301.1)	(7,008.4)
OTHER OPERATING INCOME (net)	38.3	19.0	157.6	105.6
OTHER (LOSSES)/GAINS (net)	(0.5)	15.4	(15.7)	6.2
OPERATING PROFIT BEFORE FINANCE COST	294.8	411.5	1,694.4	1,610.9
FINANCE INCOME	20.1	32.7	75.6	151.7
FINANCE COST	(124.0)	(127.5)	(486.3)	(523.8)
FOREIGN EXCHANGE GAIN/(LOSS) ON BORROWINGS	0.6	38.5	(48.9)	27.5
NET FINANCE COST	(103.3)	(56.3)	(459.6)	(344.6)
ASSOCIATE				
- share of results (net of tax)	2.5	3.6	12.0	12.2
PROFIT BEFORE TAX AND ZAKAT	194.0	358.8	1,246.8	1,278.5
TAX AND ZAKAT (part B, note 5)	(126.9)	(99.6)	(368.9)	(282.5)
<b>PROFIT FOR THE FINANCIAL PERIOD/YEAR</b>	<b>67.1</b>	<b>259.2</b>	<b>877.9</b>	<b>996.0</b>
ATTRIBUTABLE TO:				
- equity holders of the Company	79.9	259.3	895.2	1,016.0
- non-controlling interests	(12.8)	(0.1)	(17.3)	(20.0)
<b>PROFIT FOR THE FINANCIAL PERIOD/YEAR</b>	<b>67.1</b>	<b>259.2</b>	<b>877.9</b>	<b>996.0</b>
EARNINGS PER SHARE (sen) (part B, note 11)				
- basic	2.1	6.9	23.7	27.0
- diluted	2.1	6.8	23.5	26.7

(The above unaudited consolidated income statement should be read in conjunction with the audited financial statements for the financial year ended 31 December 2020)

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

	4TH QUARTER ENDED (Unaudited)		FINANCIAL YEAR ENDED	
	31/12/2021 RM Million	31/12/2020 RM Million	(Unaudited) 31/12/2021 RM Million	(Audited) 31/12/2020 RM Million
<b>PROFIT FOR THE FINANCIAL PERIOD/YEAR</b>	<b>67.1</b>	259.2	<b>877.9</b>	996.0
<b>OTHER COMPREHENSIVE INCOME</b>				
<b>Items that will not be reclassified subsequently to income statement:</b>				
- increase/(decrease) in fair value of equity Investments at fair value through other comprehensive income (FVOCI)	<b>8.1</b>	(6.3)	<b>8.1</b>	(6.3)
<b>Items that may be reclassified subsequently to income statement:</b>				
- (decrease)/increase in fair value of investments at fair value through other comprehensive income (FVOCI)	<b>(1.6)</b>	(0.7)	<b>(7.4)</b>	4.7
- reclassification adjustments relating to FVOCI investments disposed	<b>(0.6)</b>	(0.7)	<b>(1.1)</b>	(2.7)
- decrease in fair value of receivables at FVOCI	<b>(0.8)</b>	(1.7)	<b>(3.3)</b>	(0.1)
- cash flow hedge:				
- (decrease)/increase in fair value of cash flow hedge	<b>(7.9)</b>	(23.2)	<b>10.4</b>	(9.3)
- change in fair value of currency basis	<b>0.2</b>	4.5	<b>(8.4)</b>	(8.6)
- reclassification of foreign exchange gain/(loss) on borrowings	<b>0.3</b>	14.6	<b>(13.5)</b>	8.5
- currency translation differences				
- subsidiaries	<b>2.0</b>	(1.4)	<b>5.8</b>	(6.7)
- associate	<b>#</b>	#	<b>0.1</b>	(0.3)
Other comprehensive loss for the financial period/year	<b>(0.3)</b>	(14.9)	<b>(9.3)</b>	(20.8)
<b>TOTAL COMPREHENSIVE INCOME FOR THE FINANCIAL PERIOD/YEAR</b>	<b>66.8</b>	244.3	<b>868.6</b>	975.2
ATTRIBUTABLE TO:				
- equity holders of the Company	<b>79.6</b>	244.4	<b>885.9</b>	995.2
- non-controlling interests	<b>(12.8)</b>	(0.1)	<b>(17.3)</b>	(20.0)
<b>TOTAL COMPREHENSIVE INCOME FOR THE FINANCIAL PERIOD/YEAR</b>	<b>66.8</b>	244.3	<b>868.6</b>	975.2

# 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 2020)

<b>CONSOLIDATED STATEMENT OF FINANCIAL POSITION</b>		
	<b>(Unaudited) AS AT 31/12/2021 RM Million</b>	<b>(Audited) AS AT 31/12/2020 RM Million (RESTATED)</b>
SHARE CAPITAL	3,729.0	3,728.6
OTHER RESERVES	283.2	253.7
RETAINED PROFITS	3,490.3	3,142.3
<b>TOTAL CAPITAL AND RESERVES ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY</b>	<b>7,502.5</b>	<b>7,124.6</b>
<b>NON-CONTROLLING INTERESTS</b>	<b>(174.6)</b>	<b>(149.3)</b>
<b>TOTAL EQUITY</b>	<b>7,327.9</b>	<b>6,975.3</b>
Borrowings	5,338.4	6,796.1
Lease liabilities	1,553.4	1,587.1
Derivative financial instruments	4.6	9.2
Deferred tax liabilities	1,499.0	1,460.8
Deferred income	1,649.8	1,589.7
Trade and other payables	24.3	52.7
<b>NON-CURRENT LIABILITIES</b>	<b>10,069.5</b>	<b>11,495.6</b>
	<b>17,397.4</b>	<b>18,470.9</b>
Property, plant and equipment (part A, note 14)	13,356.1	13,544.8
Intangible assets (part A, note 14)	665.4	700.7
Right-of-use assets	1,208.2	1,221.2
Associate	89.9	84.7
Equity investments at fair value through other comprehensive income (FVOCI)	141.6	133.5
Investments at fair value through profit or loss (FVTPL)	306.0	305.5
Receivables at FVOCI	282.0	281.4
Other non-current receivables	441.1	404.3
Derivative financial instruments	145.4	148.0
Deferred tax assets	22.2	13.7
<b>NON-CURRENT ASSETS</b>	<b>16,657.9</b>	<b>16,837.8</b>
Inventories	176.9	99.2
Trade and other receivables	2,050.8	1,952.1
Contract assets	719.6	618.9
Contract cost assets	379.2	285.6
Receivables at FVOCI	15.9	15.2
Investments at fair value through other comprehensive income (FVOCI)	82.3	157.9
Investments at fair value through profit or loss (FVTPL)	12.5	6.0
Financial assets at fair value through profit or loss (FVTPL)	2.2	1.4
Cash and bank balances	2,733.8	4,304.4
<b>CURRENT ASSETS</b>	<b>6,173.2</b>	<b>7,440.7</b>
Trade and other payables	3,633.7	3,494.4
Contract liabilities	857.4	893.6
Customer deposits	221.4	263.2
Borrowings	381.6	830.7
Lease liabilities	330.3	320.5
Tax and zakat	9.3	5.2
<b>CURRENT LIABILITIES</b>	<b>5,433.7</b>	<b>5,807.6</b>
<b>NET CURRENT ASSETS</b>	<b>739.5</b>	<b>1,633.1</b>
	<b>17,397.4</b>	<b>18,470.9</b>
<b>NET ASSETS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY (sen)</b>	<b>198.8</b>	<b>188.8</b>

**(The above unaudited consolidated statement of financial position should be read in conjunction with the audited financial statements for the financial year ended 31 December 2020)**

**UNAUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021**

	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 2021	3,728.6	97.7	16.6	31.1	89.1	19.2	3,142.3	(149.3)	6,975.3
Profit/(loss) for the financial year	-	-	-	-	-	-	895.2	(17.3)	877.9
Other comprehensive income									
Items that will not be reclassified subsequently to income statement:									
- increase in fair value of equity investments at FVOCI	-	8.1	-	-	-	-	-	-	8.1
Items that may be reclassified subsequently to income statement:									
- decrease in fair value of investments at fair value through other comprehensive income (FVOCI)	-	(7.4)	-	-	-	-	-	-	(7.4)
- reclassification adjustments relating to FVOCI investments disposed	-	(1.1)	-	-	-	-	-	-	(1.1)
- decrease in fair value of receivables at FVOCI	-	(3.3)	-	-	-	-	-	-	(3.3)
- cash flow hedge:									
- increase in fair value of cash flow hedge	-	-	10.4	-	-	-	-	-	10.4
- change in fair value of currency basis	-	-	-	(8.4)	-	-	-	-	(8.4)
- reclassification of foreign exchange loss on borrowings	-	-	(13.5)	-	-	-	-	-	(13.5)
- currency translation differences									
- subsidiaries	-	-	-	-	-	5.8	-	-	5.8
- associate	-	-	-	-	-	0.1	-	-	0.1
Total comprehensive (loss)/income for the financial year	-	(3.7)	(3.1)	(8.4)	-	5.9	895.2	(17.3)	868.6
Transactions with owners:									
- final interim dividend paid for the financial year ended 31 December 2020 (part A, note 6)	-	-	-	-	-	-	(283.0)	-	(283.0)
- interim dividend paid for the financial year ended 31 December 2021 (part B, note 13)	-	-	-	-	-	-	(264.2)	-	(264.2)
- dividends paid to non-controlling interests	-	-	-	-	-	-	-	(8.0)	(8.0)
- Long Term Incentive Plan (LTIP):									
- ordinary shares granted*	-	-	-	-	39.2	-	-	-	39.2
- transfer from LTIP reserve upon issuance of shares on vesting (part A, note 5(b))^	0.4	-	-	-	(0.4)	-	-	-	-
Total transactions with owners	0.4	-	-	-	38.8	-	(547.2)	(8.0)	(516.0)
<b>At 31 December 2021</b>	<b>3,729.0</b>	<b>94.0</b>	<b>13.5</b>	<b>22.7</b>	<b>127.9</b>	<b>25.1</b>	<b>3,490.3</b>	<b>(174.6)</b>	<b>7,327.9</b>

\* 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 2020)

**AUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020**

	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	Other Reserve RM Million	Currency Translation Differences RM Million	Retained Profits RM Million	Non- controlling Interests RM Million	
At 1 January 2020	3,698.6	102.1	17.4	39.7	88.4	(352.9)	26.2	3,733.8	(800.2)	6,553.1
Profit/(loss) for the financial year	-	-	-	-	-	-	-	1,016.0	(20.0)	996.0
Other comprehensive income										
Items that will not be reclassified subsequently to income statement:										
- decrease in fair value of equity investments at FVOCI	-	(6.3)	-	-	-	-	-	-	-	(6.3)
Items that may be reclassified subsequently to income statement:										
- increase in fair value of investments at fair value through other comprehensive income (FVOCI)	-	4.7	-	-	-	-	-	-	-	4.7
- reclassification adjustments relating to FVOCI investments disposed	-	(2.7)	-	-	-	-	-	-	-	(2.7)
- decrease in fair value of receivables at FVOCI	-	(0.1)	-	-	-	-	-	-	-	(0.1)
- cash flow hedge:										
- decrease in fair value of cash flow hedge	-	-	(9.3)	-	-	-	-	-	-	(9.3)
- change in fair value of currency basis	-	-	-	(8.6)	-	-	-	-	-	(8.6)
- reclassification of foreign exchange gain on borrowings	-	-	8.5	-	-	-	-	-	-	8.5
- currency translation differences										
- subsidiaries	-	-	-	-	-	-	(6.7)	-	-	(6.7)
- associate	-	-	-	-	-	-	(0.3)	-	-	(0.3)
Total comprehensive (loss)/income for the financial year	-	(4.4)	(0.8)	(8.6)	-	-	(7.0)	1,016.0	(20.0)	975.2
Transactions with owners:										
- interim dividend paid for the financial year ended 31 December 2019	-	-	-	-	-	-	-	(376.6)	-	(376.6)
- interim dividend paid for the financial year ended 31 December 2020	-	-	-	-	-	-	-	(256.6)	-	(256.6)
- dividends paid to non-controlling interests	-	-	-	-	-	-	-	-	(2.0)	(2.0)
- transaction with non-controlling interests	-	-	-	-	-	352.9	-	(974.3)	672.9	51.5
- Long Term Incentive Plan (LTIP):										
- ordinary shares granted*	-	-	-	-	34.1	-	-	-	-	34.1
- transfer from LTIP reserve upon issuance of shares on vesting^	30.0	-	-	-	(33.4)	-	-	-	-	(3.4)
Total transactions with owners	30.0	-	-	-	0.7	352.9	-	(1,607.5)	670.9	(553.0)
<b>At 31 December 2020</b>	<b>3,728.6</b>	<b>97.7</b>	<b>16.6</b>	<b>31.1</b>	<b>89.1</b>	<b>-</b>	<b>19.2</b>	<b>3,142.3</b>	<b>(149.3)</b>	<b>6,975.3</b>

\* 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 audited consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the financial year ended 31 December 2020)

## CONSOLIDATED STATEMENT OF CASH FLOWS

	FINANCIAL YEAR ENDED	
	(Unaudited)	(Audited)
	31/12/2021	31/12/2020
	RM Million	RM Million
Receipts from customers	10,680.5	10,542.9
Payments to suppliers and employees	(6,941.9)	(6,986.1)
Payments to suppliers for short term lease and leases of low value assets	(44.6)	(59.8)
Payments of finance cost	(375.9)	(392.3)
Payments of income taxes and zakat (net)	(342.5)	(418.3)
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	<b>2,975.6</b>	<b>2,686.4</b>
Contribution for purchase of property, plant and equipment	125.9	299.3
Disposal of property, plant and equipment	14.6	6.3
Purchase of property, plant and equipment and intangible assets	(1,903.7)	(1,437.1)
Disposal/Maturity of current investments at fair value through other comprehensive income	113.6	75.0
Purchase of current investments at fair value through other comprehensive income	(46.2)	(70.8)
Purchase of investments at fair value through profit or loss	(23.5)	(257.0)
Disposal of financial assets at fair value through profit or loss	0.8	-
Disposal of non-current assets held for sale	-	0.2
Long term deposits	(16.6)	(16.6)
Placement of deposits with maturity exceeding 3 months*	(673.2)	-
Repayments of loans by employees	43.9	38.6
Loans to employees	(32.5)	(40.3)
Interests received	63.8	140.6
Dividends received	12.9	15.1
<b>CASH FLOWS USED IN INVESTING ACTIVITIES</b>	<b>(2,320.2)</b>	<b>(1,246.7)</b>
Proceeds from borrowings	90.0	168.5
Repayments of borrowings	(2,043.0)	(1,203.4)
Repayments of lease liabilities	(437.9)	(401.3)
Dividend paid to shareholders (part A, note 6)	(547.2)	(633.2)
Dividend paid to non-controlling interests	(8.0)	(2.0)
<b>CASH FLOWS USED IN FINANCING ACTIVITIES</b>	<b>(2,946.1)</b>	<b>(2,071.4)</b>
NET DECREASE IN CASH AND CASH EQUIVALENTS	(2,290.7)	(631.7)
EFFECT OF EXCHANGE RATE CHANGES	24.3	(8.0)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR	4,146.4	4,786.1
<b>CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL YEAR</b>	<b>1,880.0</b>	<b>4,146.4</b>

\* During the current financial year ended, the Group had placements of deposits with financial institutions with maturity tenures of between 3 to 6 months

**(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 2020)**

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

**1. Basis of Preparation**

The interim financial statements for the 4th quarter ended 31 December 2021 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 2020. The accounting policies, method of computation and basis of consolidation applied in the unaudited interim financial statements and audited financial statements for the financial year are consistent with those used in the preparation of the 2020 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 2021.

**(a) The amendments to published standards that are effective and applicable for the Group’s financial year beginning on 1 January 2021**

The amendments to published standards issued by MASB that are effective and applicable for the Group’s financial year beginning on 1 January 2021 are as follows:

Amendments to MFRS 9, MFRS 139, MFRS 7 and MFRS 16	Interest Rate Benchmark Reform (Phase 2)
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The adoption of the above applicable amendments to published standards have not led to any material impact to the Group’s financial result, position or disclosure for the current or previous periods nor any of the Group’s significant accounting policies.

**(b) Early adoption of the amendment to published standards by the Group for the financial year beginning 1 January 2021**

Amendment to MFRS 16	Covid-19-Related Rent Concessions beyond 30 June 2021
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The Group has elected to early adopt Amendment to MFRS 16 Leases ‘Covid-19-Related Rent Concessions beyond 30 June 2021’, with the date of initial application of 1 January 2021. This amendment issued in April 2021 is to extend the applicable period of the practical expedient by one year to cover rent concessions that reduce lease payments originally due on or before 30 June 2022.

In accordance with the transitional provisions provided in the MFRS 16 Leases amendment, the comparative information for 2020 was not restated. This amendment had no impact to the retained earnings on 1 January 2021. The early adoption of Amendment to MFRS 16 Leases ‘Covid-19-Related Rent Concessions beyond 30 June 2021’ has not been material to the consolidated financial statements of the Group.

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

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

**(c) 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 not yet effective and have not been adopted by the Group, are as follows:

**Effective for annual periods beginning on or after 1 January 2022**

Amendments to MFRS 137	Onerous Contracts – Cost of Fulfilling a Contract
Amendments to MFRS 116	Property, Plant and Equipment – Proceeds before Intended Use
Amendments to MFRS 3	Reference to the Conceptual Framework
Amendments to MFRS 9	Annual Improvements to MFRS Standards 2018-2020

**Effective for annual periods beginning on or after 1 January 2023**

Amendments to MFRS 101	i) Classification of Liabilities as Current or Non-current ii) 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

**Effective for annual periods to be announced by MASB**

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



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

**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 2021.

**4. Material Changes in Estimates**

During the current quarter ended, the Group recognised a provision of RM122.0 million for the impairment of assets relating to our mobile operations. In addition, the Group accelerated the depreciation of remaining mobile assets, as the Group prepares itself for 5G deployment.

There were no other 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 financial year ended 31 December 2021.

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

**(a) Early redemption of Islamic Medium Term Notes (IMTN)**

On 1 March 2021, the Company had obtained the required approval from the Sukukholders during their Extraordinary General Meeting to redeem in full the outstanding Sukuk under the RM2.0 billion Islamic Commercial Papers and IMTN programme (“the Programme”) that was established on 5 April 2011.

Subsequent to the approval, the Company paid in full the cash consideration relating to the early redemption on 16 March 2021 and the Programme was then cancelled accordingly.

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

During the financial year, the Company issued 58,300 new ordinary shares amounting to RM0.4 million pursuant to the vesting of shares from the Restricted Shares under the LTIP granted to employees on 1 June 2017.

Details of the LTIP which comprises of Restricted Share and Performance Share Grants are disclosed in note 14 of the audited financial statements for the financial year ended 31 December 2020. There has been no further grant of new LTIP tranches during the current financial year.

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

**6. Dividends Paid**

- (a) The final interim single-tier cash dividend of 7.5 sen per share amounting to RM283.0 million in respect of financial year ended 31 December 2020 declared on 24 February 2021, was paid on 31 March 2021.
- (b) An interim single-tier cash dividend of 7.0 sen per share amounting to RM264.2 million in respect of financial year ending 31 December 2021 declared on 27 August 2021, was paid on 30 September 2021.

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**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

4th Quarter Ended

31 December 2021

**Operating Revenue**

	unifi <sup>&gt;</sup>	TM ONE	TM WHOLESALE	Shared Services /Others <sup>^</sup>	Elimination	Total
Total operating revenue	1,358.7	965.6	788.1	198.8		3,311.2
Inter-segment @	(3.0)	(72.6)	(31.8)	(50.7)		(158.1)
External operating revenue	1,355.7	893.0	756.3	148.1		3,153.1

**Results**

Earnings before interest and taxation (EBIT)	188.0	149.8	134.7	(137.4)	(39.8)	295.3
Other losses (net)						(0.5)
Finance income						20.1
Finance cost						(124.0)
Foreign exchange gain on borrowings						0.6
Associate - share of results (net of tax)						2.5
Profit before tax and zakat						194.0
Tax and zakat						(126.9)
Profit for the financial period						67.1

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**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

4th Quarter Ended 31 December 2020	unifi <sup>o</sup>	TM ONE	TM WHOLESALE	Shared Services /Others <sup>^</sup>	Elimination	Total
<b>Operating Revenue</b>						
Total operating revenue	1,211.8	1,110.9	687.0	143.8		3,153.5
Inter-segment @	(3.6)	(71.8)	(30.5)	(46.3)		(152.2)
External operating revenue	1,208.2	1,039.1	656.5	97.5		3,001.3
<b>Results</b>						
EBIT	148.6	218.3	88.1	(94.1)	35.2	396.1
Other gains (net)						15.4
Finance income						32.7
Finance cost						(127.5)
Foreign exchange gain on borrowings						38.5
Associate - share of results (net of tax)						3.6
Profit before tax and zakat						358.8
Tax and zakat						(99.6)
Profit for the financial period						259.2

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**7. Segmental Information (continued)**

Segmental information for the Group are as follows:

**By Business Segment**

All amounts are in RM Million

Financial Year Ended	unifi <sup>&gt;</sup>	TM ONE	TM WHOLESALE	Shared Services /Others <sup>^</sup>	Elimination	Total
<b>31 December 2021</b>						
<b>Operating Revenue</b>						
Total operating revenue	5,097.4	3,805.1	2,637.5	576.8		12,116.8
Inter-segment @	(33.3)	(276.2)	(117.1)	(161.2)		(587.8)
External operating revenue	5,064.1	3,528.9	2,520.4	415.6		11,529.0
<b>Results</b>						
EBIT	1,009.6	903.9	436.9	(610.7)	(29.6)	1,710.1
Other losses (net)						(15.7)
Finance income						75.6
Finance cost						(486.3)
Foreign exchange loss on borrowings						(48.9)
Associate - share of results (net of tax)						12.0
Profit before tax and zakat						1,246.8
Tax and zakat						(368.9)
Profit for the financial year						877.9

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**7. Segmental Information (continued)**

Segmental information for the Group are as follows:

**By Business Segment**

All amounts are in RM Million

Financial Year Ended	unifi <sup>&gt;</sup>	TM ONE	TM WHOLESALE	Shared Services /Others <sup>^</sup>	Elimination	Total
<b>31 December 2020</b>						
<b>Operating Revenue</b>						
Total operating revenue	4,605.2	3,961.9	2,315.7	508.9		11,391.7
Inter-segment @	(14.2)	(280.7)	(118.8)	(137.7)		(551.4)
External operating revenue	4,591.0	3,681.2	2,196.9	371.2		10,840.3
<b>Results</b>						
EBIT	613.0	1,003.8	356.4	(470.2)	101.7	1,604.7
Other gains (net)						6.2
Finance income						151.7
Finance cost						(523.8)
Foreign exchange gain on borrowings						27.5
Associate - share of results (net of tax)						12.2
Profit before tax and zakat						1,278.5
Tax and zakat						(282.5)
Profit for the financial year						996.0

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## 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 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.
- > unifi segment for the current quarter, period and comparatives include financial information of Webe Digital Sdn Bhd (webe) and its subsidiaries, reflective of webe's current customer profile in aligning to the Group's overall operational segmentation.

Information on segmental assets and liabilities have 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 TM Info-Media Sdn Bhd, Telekom Sales and Services Sdn Bhd and several divisions under unifi cluster to Others, amongst others, Customer Experience and Business Intelligence and Analytics division.

### 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.

The Group continues to closely monitor relevant indicators that may be affected adversely by the Covid-19 pandemic which would influence the estimates used in arriving to the Group's reported financial results. As part of the review of subsequent events, the Group assesses this on a monthly basis which includes review of forward looking macro-economic indicators used to determine expected loss rates of trade receivables and contract assets, as well as impact on expected cash flows attributable to the Group's assets. This is to ensure adjusting subsequent events are reflected in estimates, where relevant.

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

There are no changes in the composition of the Group for the 4th quarter and financial year ended 31 December 2021.

**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 2020.

**11. Capital Commitments**

	Group	
	As at 31/12/2021 RM Million	As at 31/12/2020 RM Million
<b>Property, plant and equipment:</b>		
Commitments in respect of expenditures approved and contracted for	<u>2,273.6</u>	<u>2,399.3</u>

	Group	
	As at 31/12/2021 RM Million	As at 31/12/2020 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)	<u>33.1</u>	<u>38.5</u>

Refer to note 30(c) of the audited financial statements of the Group for the financial year ended 31 December 2020.



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**12. Related Party Transactions**

Khazanah Nasional Berhad (Khazanah) is a major shareholder with 20.1% equity interest as at 31 December 2021 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 at the respective reporting dates are as follows:

	Total amount of individually significant transactions for the financial year ended		Corresponding outstanding balances as at	
	31/12/2021 RM Million	31/12/2020 RM Million	31/12/2021 RM Million	31/12/2020 RM Million
<b>Sales and Receivables</b>	<b>775.0</b>	809.1	<b>104.3</b>	113.0

The Group also has individually significant contracts with other Government-related entities where the Group was provided funding for projects of which the amortisation of grants to the income statement in the current financial year was RM367.0 million (YTD December 2020: RM299.7 million) with corresponding receivables of RM200.0 million (31 December 2020: RM200.1 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.

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**13. Fair Value**

The following should be read in conjunction with note 49 of the Group's audited financial statements for the financial year ended 31 December 2020.

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

The following table presents the Group's financial assets and liabilities that are measured at fair value as at the respective reporting date.

	As at 31/12/2021				As at 31/12/2020			
	Level 1 RM	Level 2 RM	Level 3 RM	Total RM	Level 1 RM	Level 2 RM	Level 3 RM	Total RM
<b>Assets</b>								
Financial assets at fair value through profit or loss								
- quoted securities	2.2	-	-	2.2	1.4	-	-	1.4
Derivatives accounted for under hedge accounting	-	145.4	-	145.4	-	148.0	-	148.0
Investments at fair value through OCI	-	82.3	-	82.3	-	157.9	-	157.9
Investments at fair value through profit or loss	-	243.2	75.3	318.5	-	235.4	76.1	311.5
Equity investments at fair value through OCI	-	-	141.6	141.6	-	-	133.5	133.5
Receivables at fair value through OCI	-	-	297.9	297.9	-	-	296.6	296.6
<b>Total</b>	<b>2.2</b>	<b>470.9</b>	<b>514.8</b>	<b>987.9</b>	<b>1.4</b>	<b>541.3</b>	<b>506.2</b>	<b>1,048.9</b>
<b>Liabilities</b>								
Derivatives accounted for under hedge accounting	-	4.6	-	4.6	-	9.2	-	9.2
<b>Total</b>	<b>-</b>	<b>4.6</b>	<b>-</b>	<b>4.6</b>	<b>-</b>	<b>9.2</b>	<b>-</b>	<b>9.2</b>

There have not been any changes to the valuation techniques applied for the different financial instruments since 31 December 2020 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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**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 49(b) of the Group's audited financial statements for the financial year ended 31 December 2020, other than below:

	As at 31/12/2021		As at 31/12/2020	
	Carrying amount RM Million	Net fair value RM Million	Carrying amount RM Million	Net fair value RM Million
<b>Liabilities</b>				
Borrowings	<b>5,720.0</b>	<b>6,215.6</b>	7,626.8	8,426.9

**14. Restatement of Comparatives**

At the start of the financial year ended 31 December 2021, the Group has further defined its rules and guidelines in respect of capitalisation of costs related to acquisition and development of software to be in line with MFRS 138 Intangible Assets. The transactions were previously accounted for under MFRS 116 Property, Plant and Equipment whereby certain costs related to acquisition and development of software were capitalised as part of property, plant and equipment.

The reclassification provides more reliable and relevant information on the Group's financial position and financial performance.

The reclassification has been applied retrospectively in accordance with MFRS 108 Accounting Policies, Changes in Accounting Estimates and Errors, and the impact on the current year and the comparative disclosures are shown as below:

Statement of Financial Position	As previously reported	Effect of the reclassification	As restated
<b>As at 31 Dec 2020</b>			
Property, plant and equipment	13,751.7	(206.9)	13,544.8
Intangible assets	493.8	206.9	700.7
<b>As at 1 Jan 2020</b>			
Property, plant and equipment	14,259.5	(222.6)	14,036.9
Intangible assets	493.2	222.6	715.8

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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 2021 vs 4th Quarter 2020

##### (i) Group Performance

The Group's operating revenue increased by 5.1% (RM151.8 million) to RM3,153.1 million compared to RM3,001.3 million in the same quarter last year with strong increase in revenue from internet and data.

Operating profits before finance cost was RM294.8 million for the quarter ended, 28.4% (RM116.7 million) lower from the RM411.5 million recorded in 4th quarter of 2020. Operating cost included RM122.0 million impairment of the Group's mobile assets, the accelerated depreciation that the Group commenced in the current quarter as well as provisions recognised for restoration of services and network affected by floods at the year end.

Consequently, the Group's reported profit after tax and non-controlling interests (PATAMI) for the quarter ended was RM79.9 million, 69.2% (RM179.4 million) lower from the RM259.3 million recorded in the 4th quarter of 2020, further to the RM37.9 million lower foreign exchange translation gains on borrowings, RM12.6 million lower interest income and the application of the 33% Cukai Makmur tax rate on the Group's deferred tax liabilities.

##### (ii) Segment Performance

#### unifi

Revenue increased 12.1% (RM146.9 million) from RM1,211.8 million to RM1,358.7 million in the current quarter ended driven by increase from fixed broadband, voice, and mobile services. Fixed broadband subscriber base saw continuing increase at 19.5% from 2.3 million at the end of 4th quarter 2020 to 2.7 million at the end of 4th quarter 2021.

Lower operating costs further contributed to a 26.5% (RM39.4 million) improvement in earnings before interest and taxation (EBIT), recorded at RM188.0 million for the current quarter ended, compared to RM148.6 million in the corresponding quarter last year.

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

(a) 4th Quarter 2021 vs 4th Quarter 2020 (continued)

(ii) Segment Performance (continued)

TM ONE

TM ONE recorded 13.1% (RM145.3 million) decrease in revenue from RM1,110.9 million to RM965.6 million in 4th quarter of 2021 mainly due to decline in voice usages, data and lower realization of ICT services and one-off customer projects.

Reported EBIT decreased by 31.4% (RM68.5 million) to RM149.8 million in the current year quarter from RM218.3 million in the same quarter last year, mainly from the lower operating revenue despite lower operating cost.

TM WHOLESALE

TM Wholesale revenue for the current quarter increased by 14.7% (RM101.1 million) from RM687.0 million in 4th quarter last year to RM788.1 million mainly contributed by higher revenue from data and others services.

Correspondingly, operating cost increased by 1.8% (RM7.1 million) in the current quarter to RM409.1 million compared to the corresponding quarter last year of RM402.0 million, mainly from higher data outpayment.

This led to a profit increase of RM46.6 million from RM88.1 million to RM134.7 million in the current quarter representing a profit margin of 17.1% compared to 12.8% recorded for the same period last year.

(b) Year-on-Year

(i) Group Performance

The Group's operating revenue increased 6.4% (RM688.7 million) to RM11,529.0 million from RM10,840.3 million recorded during the financial year of 2020, with revenue increase from all lines of products apart from non-telecommunication services. Internet recorded a 7.1% (RM291.9 million) increase on the back of a 19.1% growth in fixed broadband customer base.

The Group's operational efficiency improved year-on-year as increase in operating costs was lower than the increase in revenue despite recognition of impairment loss and accelerated depreciation on mobile assets. This resulted in 5.2% (RM83.5 million) higher Group operating profit before finance cost, at RM1,694.4 million compared to RM1,610.9 million in 2020.

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### 1. Review of Performance (continued)

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

##### (i) Group Performance (continued)

Net finance cost in the current year increased RM115.0 million arising from RM48.9 million foreign exchange translation losses on borrowings in 2021 against RM27.5 million gain last year and RM76.1 million lower finance income in view of the early redemption of RM2.0 billion of the Group's Islamic Medium Term Notes in March 2021. The early redemption did however give rise to a RM37.5 million reduction in interest expense.

The Group recognised higher tax charges in the current financial year from the application of the 33% Cukai Makmur tax rate on the Group's deferred tax liabilities.

Collectively, these resulted in a 11.9% (RM120.8 million) decrease in PATAMI at RM895.2 million for the current financial year, compared to RM1,016.0 million in the corresponding last financial year.

##### (ii) Segment Performance

#### unifi

unifi recorded a strong 10.7% (RM492.2 million) increase in revenue from RM4,605.2 million during the financial year 2020 to RM5,097.4 million in the current financial year ended 31 December 2021. This increase is mainly contributed from Internet, mobile services and sales of devices as well as voice with the 19.5% increase in fixed broadband subscribers over the last 12 months.

Continuing cost optimisation initiatives and cautious monitoring of expenditures allowed unifi to sustain its increase in profits with 64.7% (RM396.6 million) increase in EBIT for the current financial year recorded at RM1,009.6 million compared to RM613.0 million in the last financial year.

#### TM ONE

TM ONE recorded a 4.0% (RM156.8 million) decrease in revenue from RM3,961.9 million to RM3,805.1 million in the current financial year mainly due to decline in voice and data services following termination, lower usage and bandwidth downgrade, coupled with lower ICT services.

This flowed through reported EBIT which decreased by 10.0% (RM99.9 million) to RM903.9 million in the current year from RM1,003.8 million in the last financial year.

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

(b) Year-on-Year (continued)

(ii) Segment Performance (continued)

TM WHOLESALE

TM Wholesale registered a consolidated revenue of RM2,637.5 million as of 31 December, a 13.9% growth from RM2,315.7 million total revenue reported for the previous financial year. This is the result of higher data services revenue.

Operating cost was also 5.4% higher at RM1,452.6 million as compared to RM1,378.6 million last year. This was mainly attributed to higher data outpayment.

Correspondingly, this led to a profit increase of RM80.5 million (22.6%) from RM356.4 million to RM436.9 million in the current year representing a profit margin of 16.6% compared to 15.4% recorded last year.

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

The Group continues to record steady quarter on quarter revenue growth with a 12.5% (RM349.8 million) increase in revenue from RM2,803.3 million in the preceding quarter to RM3,153.1 million in the current quarter ended, driven by all lines of products apart from voice services.

The higher operating costs in the current quarter included the impairment loss and accelerated depreciation on mobile assets recognised during the quarter. This led to a 32.1% (RM139.5 million) decrease in operating profit before finance costs from RM434.3 million recorded in the preceding quarter to RM294.8 million in the current quarter ended. RM18.6 million increase in net financing cost and RM43.7 million increase in tax charges in the current quarter from the Group's application of the 33% Cukai Makmur tax rate on the Group's deferred tax liabilities subsequently caused a 70.5% (RM191.4 million) decrease in Group PATAMI, from RM271.3 million in the preceding quarter to RM79.9 million.

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#### 3. Prospects for the Next Financial Year Ending 31 December 2022

##### Economic Outlook

The Malaysian economy recorded growth of 3.1%<sup>1</sup> in 2021 and is expected to improve further in 2022 at 5.5%-6.5%. On the international front, the World Bank has recognised that Malaysia is gradually emerging from the worst wave of the pandemic with the Malaysian economy projected to grow at 5.8% in 2022<sup>2</sup>.

##### Business Outlook

As the enabler of Digital Malaysia, TM remains steadfast in its efforts to realise the national digital aspirations and committed to support the Government's efforts to re-build the economy post-pandemic. For 2021, TM has shown positive results, driven by the New TM Transformation Programme (2021-2023) which has resulted in overall growth in TM's revenue and EBIT. Cost rationalisation has also significantly improved the Group's profitability. As TM enters into its 2nd year of transformation in 2022, more programmes have been activated to continue the growth momentum. TM's revenue growth is expected to remain intact, in line with the Group's market guidance which is between low to middle single digit growth, driven by the three Lines of Business - unifi, TM ONE and TM Wholesale.

unifi will continue to focus on fixed-mobile convergence of broadband, content, mobile and solutions for both home and SMEs customers. With online connectivity playing a central role to enable Digital Malaysia, unifi bridges the connectivity gap by serving customers with innovative and high-quality products and services. Putting customers first, unifi strives to uplift broadband experience with 24-hours service restoration guarantee as one of its #unificare commitment. In its effort to support SME recovery and growth, unifi offers SMEs special packages with complete digital ecosystem to help them to grow their business and stay competitive.

TM ONE is expected to remain competitive amidst the challenging economic and business environment. This is driven by its strong value proposition of offering the end-to-end managed services and digital solutions, backed by robust digital connectivity and infrastructure. As the only home-based Cloud Service Provider (CSP) with data sovereignty assurance, TM ONE will continue enhancing its Cloud service as a complete digital solution by embedding analytics, smart services/IoT and cybersecurity to cater for the key industry verticals.

5G presents new opportunities for TM to offer compelling converged services in enriched content and cloud based smart services for unifi and TM ONE customers. TM is well prepared and committed to support the national 5G agenda and seamlessly transition its customers to these new services.



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#### 3. Prospects for the Next Financial Year Ending 31 December 2022 (continued)

##### Business Outlook (continued)

TM continues to drive wholesale business for both domestic and international segments via TM Wholesale. Domestically, as the preferred fibre service provider, TM Wholesale will continue to pursue 4G and 5G fibre infrastructure deployment as well as promoting collaboration with domestic service providers. The 10-year fibre leasing service agreement with DNB has proven TM's commitment for open access to TM Wholesale services in providing connectivity services and end-to-end solutions, to enable excellent wireless solutions and services. Globally, TM Wholesale continues with its aspiration to become a digital hub for the ASEAN region through strategic collaborations with hyper-scalers and global service providers in Malaysia.

In promoting sustainability, TM aligns its ESG (Environmental, Social, Governance) vision and commitments to national and global aspiration, especially on the Environmental and Social fronts. For Environmental, TM is committed to achieve carbon emission reduction by 30% in 2024 and net-zero emission by 2050. On the Social front, TM is set to enable MyDIGITAL Blueprint 2025 targets by ensuring at least 70% of premises are connected to high-speed Internet access. Under Governance, TM will continue to uphold zero-tolerance to any form of corruption and upholding highest standards of corporate governance.

##### The Year Ahead

Moving forward in 2022, TM will continue to power a digital nation by delivering Customer Experience, Solutions and Connectivity Excellence. This is made possible with unwavering support from its core execution engine; the employees or "Warga TM" who are fully dedicated and committed to enable a Digital Malaysia. In its pursuit to strengthen its core connectivity and invest more in digital, TM is future-proofing the organisation with future-ready skills and digital workforce, as part of its aspiration in becoming a human-centred technology company.

Our guidance for 2022 is summarised below:

<b>Revenue Growth</b>	Low to mid-single digit growth
<b>EBIT</b>	More than RM 1.8 billion
<b>CAPEX / Revenue</b>	Between 14% - 18%

<sup>1</sup>Sourced from Bank Negara Malaysia's 4<sup>th</sup> Quarter Press Release on 11 February 2022

<sup>2</sup>Sourced from World Bank Group's Malaysia Economic Monitor December 2021

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**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 2021.

**5. Tax**

The tax charge for the Group comprises:

	4th Quarter Ended		Financial Year Ended	
	31/12/2021	31/12/2020	31/12/2021	31/12/2020
	RM Million	RM Million	RM Million	RM Million
<u>Malaysia</u>				
<b>Income Tax:</b>				
Current year	<b>79.7</b>	53.2	<b>301.4</b>	252.3
Prior year	<b>11.5</b>	(4.2)	<b>13.0</b>	(20.4)
<b>Deferred tax (net)</b>	<b>31.0</b>	48.4	<b>29.6</b>	39.8
	<b>122.2</b>	97.4	<b>344.0</b>	271.7
<u>Overseas</u>				
<b>Income Tax:</b>				
Current year	<b>6.9</b>	1.0	<b>15.1</b>	2.3
Prior year	<b>(5.0)</b>	(0.3)	<b>2.6</b>	2.6
<b>Deferred tax (net)</b>	<b>#</b>	#	<b>0.1</b>	(0.3)
	<b>1.9</b>	0.7	<b>17.8</b>	4.6
<b>Taxation</b>	<b>124.1</b>	98.1	<b>361.8</b>	276.3
<b>Zakat</b>	<b>2.8</b>	1.5	<b>7.1</b>	6.2
<b>Taxation and Zakat</b>	<b>126.9</b>	99.6	<b>368.9</b>	282.5

# Amount less than RM0.1 million

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

	As at 31/12/2021		As at 31/12/2020	
	Short Term Borrowings RM Million	Long Term Borrowings RM Million	Short Term Borrowings RM Million	Long Term Borrowings RM Million
<b>Total Secured</b>	<b>2.9</b>	<b>10.2</b>	2.9	13.0
<b>Total Unsecured</b>	<b>378.7</b>	<b>5,328.2</b>	827.8	6,783.1
<b>Total Borrowings</b>	<b>381.6</b>	<b>5,338.4</b>	830.7	6,796.1

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

Foreign Currency	As at 31/12/2021 RM Million	As at 31/12/2020 RM Million
US Dollar	<b>1,985.2</b>	1,922.3
Canadian Dollars	<b>2.2</b>	2.3
<b>Total</b>	<b>1,987.4</b>	1,924.6

(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 2020) except for the early redemption of the Islamic Medium Term Notes as disclosed in part A, note 5(a) and impact of foreign exchange translation for the financial year ended.

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

Derivatives (by maturity)	Contract or notional amount RM Million	Fair value as at 31/12/2021		Fair value as at 31/12/2020	
		Assets RM Million	Liabilities RM Million	Assets RM Million	Liabilities RM Million
<u>Interest Rate Swap (IRS)</u> - 1 year to 3 years	209.2	-	4.6	-	9.2
	<b>209.2</b>	-	<b>4.6</b>	-	9.2
<u>Cross Currency Interest Rate Swaps (CCIRS)</u> - more than 3 years	310.5	145.4	-	148.0	-
	<b>310.5</b>	<b>145.4</b>	-	148.0	-
<b>Total</b>	<b>519.7</b>	<b>145.4</b>	<b>4.6</b>	148.0	9.2

**(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 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 48 to 51 to the Group's audited financial statements for the financial year ended 31 December 2020.

**(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 2020.

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The amount of gains/(losses) arising from fair value changes of derivative financial instruments for the current and cumulative quarters ended 31 December 2021 are as follows:

<b>Derivatives (by maturity)</b>	<b>Contract or notional value RM Million</b>	<b>Fair value RM Million</b>	<b>Gains/(Losses) arising from fair value changes for the quarter RM Million</b>	<b>Gains/(Losses) arising from fair value changes for the year RM Million</b>
<b>Financial Liabilities</b>				
<u>Interest Rate Swap (IRS)*</u>				
- 1 year to 3 years	209.2	4.6	0.7	4.6
<b>Total</b>	<b>209.2</b>	<b>4.6</b>	<b>0.7</b>	<b>4.6</b>
<b>Financial Assets</b>				
<u>Cross Currency Interest Rate Swaps (CCIRS)*</u>				
- more than 3 years	310.5	145.4	(8.4)	(2.6)
<b>Total</b>	<b>310.5</b>	<b>145.4</b>	<b>(8.4)</b>	<b>(2.6)</b>

\* Cash flow hedges accounted for under hedge accounting.

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

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

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

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**9. Additional Disclosures**

Additional disclosures of items not disclosed elsewhere in this announcement, which have been included in the Consolidated Income Statement for the 4th quarter and financial year ended 31 December 2021:

	4th Quarter Ended		Financial Year Ended	
	31/12/2021	31/12/2020	31/12/2021	31/12/2020
	RM Million	RM Million	RM Million	RM Million
Inventory (charges)/reversal for write off and obsolescence	(1.0)	(10.3)	2.5	(13.3)
Gain on disposal of fixed income securities	0.6	0.7	1.1	2.7
(Loss)/Gain on foreign exchange on settlements and placements	(70.7)	18.0	(77.9)	(7.2)

**10. Material Litigation**

The following is the update on the Group's existing material litigation as disclosed in note 52 to the Group's audited financial statements for the year ended 31 December 2020, subsequent to the financial year end:

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

On 1 February 2021, TM received a Reply and Defence to TM's Amended Counterclaim from VPL. TM filed its Reply to VPL's Defence to TM's Amended Counterclaim on 5 March 2021. The Hearing dates to determine the liability of the parties were fixed from 20 September 2021 until 24 September 2021 and continued on 30 September 2021 until 1 October 2021. On 8 October 2021, the Learned Arbitrator has directed the respective parties to exchange Submissions by 20 December 2021.

On 20 December 2021, the respective parties have filed each Submissions to the Tribunal.

On 23 December 2021, the Learned Arbitrator has fixed 15 January 2022 for a further direction to be given to the parties.

On 29 January 2022, upon the direction given by the Learned Arbitrator, the respective parties have filed additional Submissions to the Tribunal.

The parties are currently waiting for a further direction from the Learned Arbitrator.

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

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**10. Material Litigation (continued)**

**(b) In the Matter of Arbitration between MYTV Broadcasting Sdn Bhd ("MYTV") and Telekom Malaysia Berhad ("TM")**

On 24 February 2022, TM received a Notice of Arbitration ("Notice") from MYTV, referring the dispute with TM in relation to a Service Agreement for the Provision of Digital Terrestrial Television ("DTT") Broadcasting Infrastructure, Network Facilities and Related Services dated 14 November 2016 (Service Agreement), to arbitration at the Asian International Arbitration Centre, Kuala Lumpur, pursuant to the Kuala Lumpur Regional Centre for Arbitration Rules.

The details of the Notice is announced to Bursa Securities concurrently.

TM has instructed its solicitors to take all necessary steps to defend against MYTV's claim.

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

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

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

	<b>4th Quarter Ended</b>		<b>Financial Year Ended</b>	
	<b>31/12/2021</b>	<b>31/12/2020</b>	<b>31/12/2021</b>	<b>31/12/2020</b>
<b>(a) Basic earnings per share</b>				
Profit attributable to equity holders of the Company (RM million)	<b>79.9</b>	259.3	<b>895.2</b>	1,016.0
Weighted average number of ordinary shares (million)	<b>3,773.7</b>	3,773.6	<b>3,773.7</b>	3,768.7
Basic earnings per share (sen) attributable to equity holders of the Company	<b>2.1</b>	6.9	<b>23.7</b>	27.0

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 year.

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	4th Quarter Ended		Financial Year Ended	
	31/12/2021	31/12/2020	31/12/2021	31/12/2020
<b>(b) Diluted earnings per share</b>				
Profit attributable to equity holders of the Company (RM million)	<b>79.9</b>	259.3	<b>895.2</b>	1,016.0
Weighted average number of ordinary shares (million)	<b>3,773.7</b>	3,773.6	<b>3,773.7</b>	3,768.7
Adjustment for dilutive effect of Long Term Incentive Plan (million)	<b>33.2</b>	36.2	<b>34.4</b>	30.9
Weighted average number of ordinary shares (million)	<b>3,806.9</b>	3,809.8	<b>3,808.1</b>	3,799.6
Diluted earnings per share (sen) attributable to equity holders of the Company	<b>2.1</b>	6.8	<b>23.5</b>	26.7

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 Long Term Incentive Plan (LTIP), as disclosed in note 14 to the Group's audited financial statements for financial year ended 31 December 2020.

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

The audited financial statements for the financial year ended 31 December 2020 were not subject to any qualification.



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**13. Dividends**

- (a) On 27 August 2021, the Board of Directors declared an interim single-tier cash dividend of 7.0 sen per share for the financial year ending 31 December 2021 (2020: an interim single-tier cash dividend of 6.8 sen per share). The dividend was paid on 30 September 2021 to shareholders whose names appear in the Register of Members and Record of Depositors on 14 September 2021.
- (b) The Board of Directors has declared final interim single-tier cash dividend of 6.0 sen per share for the financial year ended 31 December 2021 (2020: final interim single-tier cash dividend of 7.5 sen per share). The dividend will be paid on 31 March 2022 to shareholders whose names appear in the Register of Members and Record of Depositors on 15 March 2022.

**By Order of the Board**

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

Company Secretary

Kuala Lumpur

25 February 2022