

TELEKOM MALAYSIA BERHAD

Life Made Easier™



CONVERGENCE

CHAMPION





This TM Annual Report is enhanced with TM AURA, an augmented reality app developed by TM Research & Development (TM R&D). The app allows you to scan selected pages and images from the report to access extended rich content.

Download TM AURA on your phone or tablet (iOS and Android) for a converged augmented reality experience!

Search for 'TM AURA' in the Apple App Store or Google Play Store to download.



MALAYSIA'S CONVERGENCE CHAMPION

FACTS AT A GLANCE

▶ **NO.1** broadband provider in Malaysia

▶ **2.34 million** broadband customers

revenue

▶ **RM11.72 billion** with 4.3% growth YoY

▶ **397.07%**
total return to shareholders
(TRS) since demerger

more than
1.89 million
high speed broadband ports
nationwide

▶ **28,008 employees** TM's most
valuable asset

▶ **RM804.2 million** total dividend
payout

CONVERGENCE CHAMPION

AT TM WE HAVE BEEN ON A CONTINUOUS JOURNEY TO SHAPE THE LIVES OF MALAYSIANS WITH INCREASINGLY MORE ADVANCED PRODUCTS AND SERVICES. FROM THE PROVISION OF SIMPLE PHONE CALLS AND FAXES WE HAVE PROGRESSED THROUGH VARIOUS INFLEXION POINTS TO OFFER DATA, BROADBAND AND RICH CONTENT UNDER ICT. TODAY, WE ARE FULLY EMBRACING TECHNOLOGY TO ONCE AGAIN REVOLUTIONISE THE WAY MALAYSIANS COMMUNICATE, CONNECT AND COLLABORATE. WE ARE CONNECTING THE DOTS IN THE ICT LANDSCAPE TO CREATE A HOLISTIC PLATFORM THAT WILL OFFER A SEAMLESS EXPERIENCE TO MALAYSIANS EVERYWHERE – ALLOWING THEM TO ACCESS INFORMATION AND DATA ANYTIME, ANYWHERE AND ON ANY DEVICE.

THE COVER UTILISES THE WINGS OF THE TM LOGO AS A SYMBOL FOR CONVERGENCE, WITH THE WINGS IN A VIRTUOUS CYCLE CONVERGING LIKE A SHUTTER LENS ONTO A FOCAL POINT.

WE HAVE CHOSEN THE THEME *CONVERGENCE CHAMPION* FOR THIS ANNUAL REPORT BECAUSE IT DOES NOT ONLY REFLECT OUR BUSINESS DIRECTION, IT ALSO APTLY DESCRIBES THE WAY IN WHICH WE FUNCTION AS AN ORGANISATION – BRINGING TOGETHER EMPLOYEES FROM DIFFERENT BACKGROUNDS AND CULTURES TO CREATE A VIBRANTLY DIVERSE WORK ENVIRONMENT. IT IS INDICATIVE OF WHAT WE ASPIRE FOR THE NATION – ONE THAT IS UNITED BY COMMON DESIRES AND DREAMS, FOR A BETTER MALAYSIA.

Life Made Easier™





TM AURA

31st

Annual General Meeting

of **TELEKOM MALAYSIA BERHAD**

Kristal Hall, TM Convention Centre, Menara TM, Jalan Pantai Baharu

50672 Kuala Lumpur, Malaysia

Thursday, 28 April 2016 at 10.00 a.m.

T E L E K O M M A L A Y S I A B E R H A D



FOREWORD TO SHAREHOLDERS

010 Chairman's Statement

016 Statement by Group Chief Executive Officer

CORPORATE INFORMATION

024 About Us

026 Corporate Information

028 Group Corporate Structure

029 Group Organisation Structure

030 International & Domestic Infrastructure & Trunk Fibre Optic Network

032 TM Worldwide Coverage

PERSPECTIVE

036 Milestones 2015

038 Media Milestones

040 2015 Corporate Events

044 Awards & Recognitions 2015

CREATING AND ENSURING SUSTAINABLE VALUE CREATION

048 The Telecommunications Sector: Review & Outlook

050 Box Article: "A Day in a Life" with TM

052 Strategic Journey: A Day in a Life with TM

054 TM's Value Creation

055 Converging Sustainability and Corporate Responsibility via Value Creation



- 057** Stakeholder Analysis
- 061** Determining Material Matters
- 066** Holistic Measures to Monitor Corporate Reputation and Brand Health
- 068** Occupational Safety, Health and Environment (OSHE)
- 070** Box Article: TM Realising 'Life and Business Made Easier' through Convergence

LEADERSHIP & ACCOUNTABILITY

- 074** Board of Directors
- 076** Profile of Directors
- 084** Group Leadership Team
- 086** Profile of Management Team
- 097** Statement on Corporate Governance
- 121** Directors' Statement on Risk Management & Internal Control
- 128** Nomination & Remuneration Committee Report
- 134** Audit Committee Report
- 142** Statement on Internal Audit
- 144** Risk Committee Report
- 148** Business Continuity Management
- 151** Additional Compliance Information
- 154** Corporate Integrity

PERFORMANCE REVIEW

- 158** Statement by Group Chief Financial Officer
- 160** Financial Calendar
- 162** Group Financial Highlights
- 164** Investor Relations

- 168** Stock Performance
- 170** Simplified Group Statement of Financial Position & Segmental Analysis
- 172** Group Quarterly Financial Performance
- 173** Group Financial Review
- 178** Statement of Value Added
- 179** Distribution of Value Added
- 180** TM Group Products & Services

BUSINESS REVIEW & FUNCTIONS

- 184** TM Brand Architecture
- 188** Mass Market
- 191** New Media
- 194** Box Article: The All New UniFi – For the Makers of Tomorrow
- 196** Mobile & Wireless (P1)
- 200** TM Enterprise
- 203** TM Government
- 206** VADS Berhad
- 209** Box Article: Smart Cities in the Era of Convergence – Making Life Easier
- 213** Global & Wholesale
- 216** IT&NT
- 219** Support Business
- 222** Human Capital
- 228** Box Article: TM The Musical – A Story of Convergence

KEY INITIATIVES

- 232** Converging Towards a Better Customer Experience
- 236** Box Article: TM's Digital Transformation
- 238** Education Cluster
- 241** Innovation Cluster
- 244** Social Cluster

FINANCIAL STATEMENTS

- 248** Statement of Responsibility by Directors
- 249** Directors' Report
- 254** Income Statements
- 255** Statements of Comprehensive Income
- 256** Statements of Financial Position
- 258** Consolidated Statement of Changes in Equity
- 260** Company Statement of Changes in Equity
- 262** Statements of Cash Flows
- 263** Notes to the Financial Statements
- 380** Supplementary Information
- 381** Statement by Directors
- 381** Statutory Declaration
- 382** Independent Auditors' Report

OTHER INFORMATION

- 384** Authorised and Issued Share Capital
- 386** Analysis of Shareholding Statistics
- 387** List of Top 30 Shareholders
- 389** Net Book Value of Land & Buildings
- 390** Usage of Properties
- 391** Group Directory
- 397** Glossary
- 401** Notice of Annual General Meeting
- 404** Statement Accompanying Notice of the 31st AGM

- Proxy Form

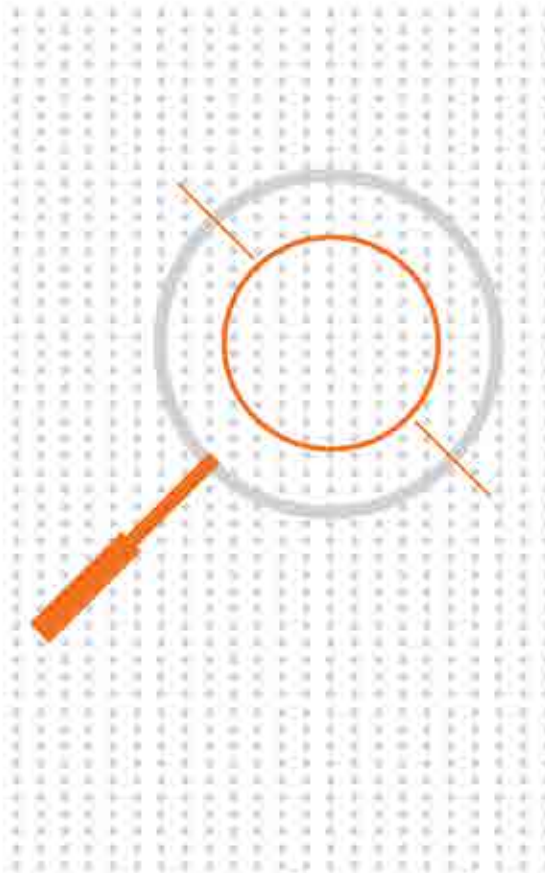
Year Twenty Fifteen

MINUTES



VISION & VALUES

“ TO MAKE LIFE AND
BUSINESS EASIER,
FOR A BETTER
MALAYSIA ”



- Total Commitment To Customers
- Uncompromising Integrity
- Respect & Care

Kristal Song*

Always committed to our customers
Always making every effort
Working with an innovative approach
Keeping an open mind at all times

Honest, sincere and trusted
With our friends, customers and everyone
Internalising respect and care
Always demonstrating our high empathy

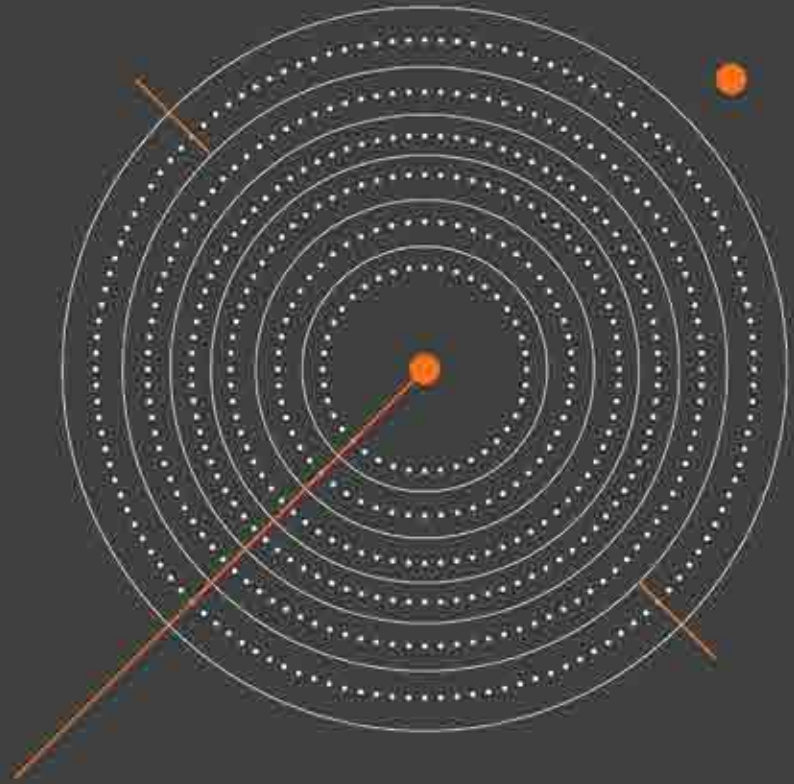
Chorus:

Let us move forward united
Carrying the spirit of a champion
Overcoming all obstacles
We will always be no. 1!
May TM continue to succeed
Under visionary leadership
With our promise of Life Made Easier
For the betterment of the nation

* (translated from the original Bahasa Melayu's lyrics)



MISSION

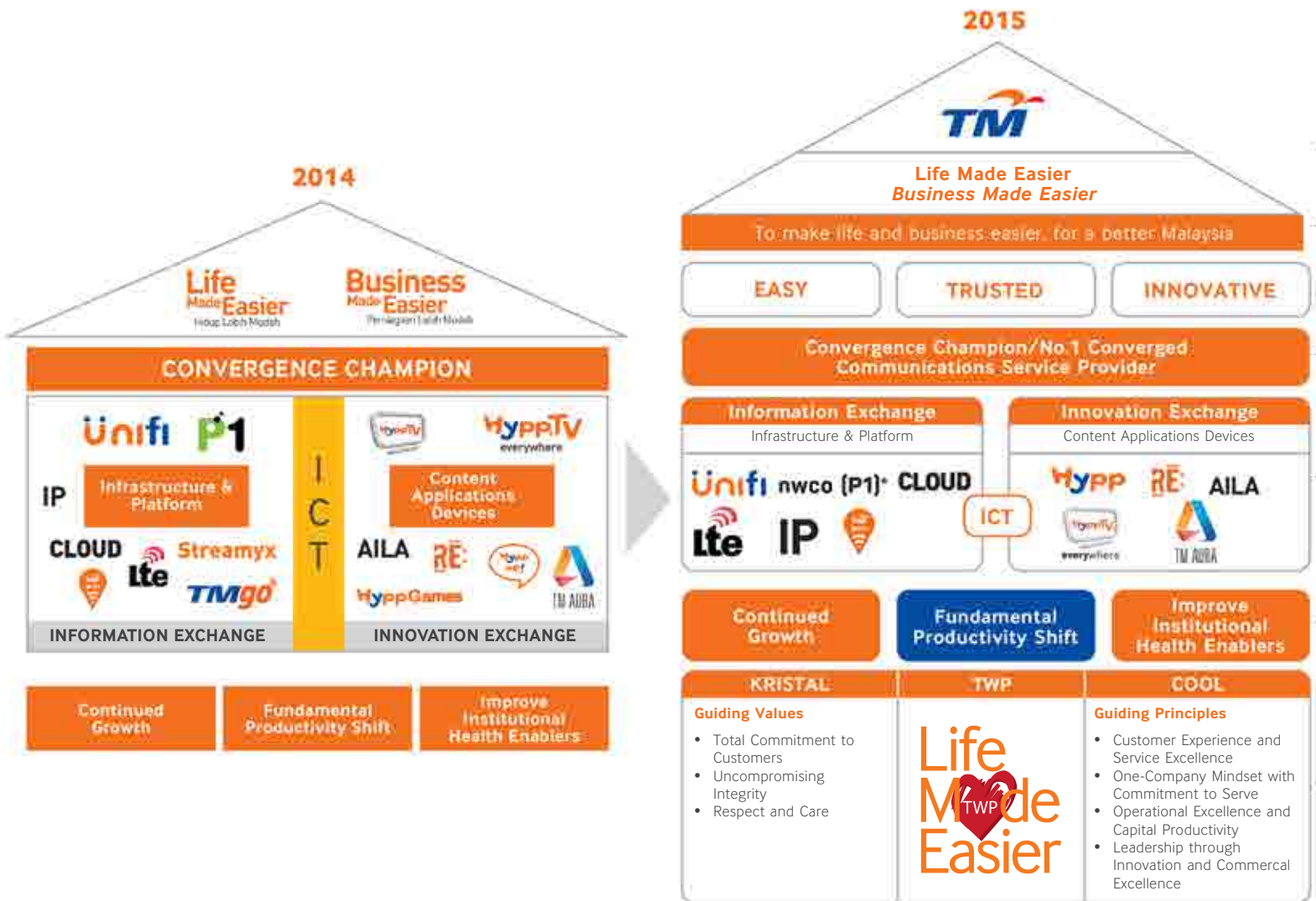


WE DELIVER LIFE MADE EASIER:

- TO CUSTOMERS, THROUGH CONVERGED LIFESTYLE COMMUNICATION EXPERIENCES
- TO BUSINESSES, BY COLLABORATING WITH AND SUPPORTING THEM WITH INTEGRATED SOLUTIONS
- TO THE NATION, BY SUPPORTING SOCIO-ECONOMIC DEVELOPMENT THROUGH EDUCATION, INNOVATION & SOCIAL INITIATIVES

Strategy at a Glance

Anchoring our strategies on the Information and Innovation Exchange, our overall vision has been realigned to realise TM's new brand promise of 'Life and Business Made Easier' while shaping our position as the No. 1 Converged Communications Service Provider. With the ultimate objective of becoming a Convergence Champion to make life easier for our customers, we are focused on two key strategic thrusts of Delivering Convergence and Going Digital, which will continue to guide us moving forward.



* nwc0 (P1) = nwc0, as P1 will be retracting in 2016

SUPPORTING OUR OVERALL STRATEGY FRAMEWORK

GOVERNANCE

Promoting transparency, accountability, disclosure and equality in governance and stakeholder management, our Corporate Governance Framework comprises:

- Effective Interactions with Stakeholders
- Adequate Risk Management and Internal Control
- Integrity and Ethical Values
- A Strong, Effective and Involved Board
- Clear Management Roles

SUSTAINABILITY

Sustainability is embedded in every aspect of what the Group does, underpinned by a purpose-driven business model rooted in innovation. We aim to contribute in a meaningful way to local communities and minimise our environmental impact, by leveraging on innovation and technology.

Our Promise

Our Vision

Brand Values

Brand Positioning

Our brand promise, **Life Made Easier (LME)** and **Business Made Easier (BME)**, forms the basis of our transformation towards a more customer-centric organisation with our vision to make life and business easier, for a better Malaysia. The delivery of this promise encapsulates our brand values of **easy, trusted** and **innovative**, and is translated at the product and services/solutions and ground level, across all touch points including network, customer service and distribution, as well as central and support functions and extending to our larger partner/vendor network.

Business Strategy

Our key strategic thrusts, **Delivering Convergence** and **Going Digital**, are fully aligned to our Information and Innovation Exchange business strategies, enabling seamless connectivity to cater for fully integrated high quality Internet, data and application services anytime, anywhere and on any device. Going Digital will redefine our interaction with customers, thus reshaping the customer experience journey.

PIP 3.0

Performance Improvement Programme 3.0 (PIP 3.0) is the execution cornerstone of our overall strategic framework. It is divided into three broad categories with detailed initiatives under each bucket.

Guiding Values and Principles

Supporting the execution of the key strategic thrusts are continuous efforts to internalise a **Productivity** and **Innovation** culture, embedding LME vision and values, to form the ethos in all that we do to serve customers and work together better.

At the foundation of this strategy house is the heart and DNA of TM, comprising our guiding values and principles of KRISTAL and COOL, which are kept energised by the 1TM spirit of Teaming With Passion (TWP).

RISK MANAGEMENT

Risk management forms part of TM's overall strategies to chart positive growth. The Group's Board Risk Committee (BRC) oversees the development and review of TM's risk management policy and plan, as well as the effectiveness of the risk management organisation structure and framework in mitigating risks.

PERFORMANCE MANAGEMENT

Performance Management is about establishing a clear vision of what is to be achieved and ensuring alignment of the execution of our strategies with our goals. Divisions in TM contribute to the Group's realisation of our vision through their scorecards.



CHAIRMAN'S STATEMENT



TM, as Malaysia's Broadband
Champion is evolving
**to become Malaysia's
Convergence Champion**

D E A R S H A R E H O L D E R S

WITH THE GRACE OF YOUR SUPPORT, I HAVE COMPLETED MY FIRST YEAR AS CHAIRMAN OF THIS GREAT INSTITUTION, TM. 2015 HAS INDEED BEEN A YEAR OF MANY EXCITING DEVELOPMENTS BUT NOT WITHOUT ITS FAIR SHARE OF TRIALS AND TRIBULATIONS. NOW WE STAND ON THE VERGE OF YET ANOTHER MILESTONE, AS TM EMBARKS ON 2016 TO CLAIM ITS RIGHTFUL POSITION AS MALAYSIA'S CONVERGENCE CHAMPION.

THE BOARD OF DIRECTORS IS PLEASED TO DECLARE A 2ND INTERIM DIVIDEND OF 12.1 SEN PER SHARE OR RM454.7 MILLION; BRINGING THE TOTAL DIVIDEND PAYOUT OF 21.4 SEN PER SHARE OR RM804.2 MILLION.



This statement is to be read together with TM Group Chief Executive Officer (GCEO) Tan Sri Zam Isa's statement, where I will be reporting more from the national and nation-building perspectives while the GCEO statement focuses more on our operations.

2015 was also the year of graduation for the Government Linked Companies' Transformation (GLCT) Programme after a decade of transformative progress; where GLCs showed a strong 10-year track record in delivering financial performance, institutionalising good governance, catalysing nation-building, benefitting all stakeholders and ultimately touching Malaysian lives.

I am most happy to put on record that TM, graduated 'top of class' for the overall GLCT Programme, as acknowledged by the Prime Minister of Malaysia and Khazanah Nasional Berhad (Khazanah) at the graduation ceremony held last August – having successfully delivered on the nation's strategic High Speed Broadband (HSBB) Project to world acclaim, launching and building UniFi as a market leading service and business, with industry-beating revenue growth rates. At the same time transforming the organisation holistically across infrastructure, systems and processes, and more significantly, the culture and service mindset of Warga TM, with the highest employee engagement index scores over the last few years. Of all the accolades that TM has been accorded, this recognition has surely been the most meaningful – for the hard work, blood, sweat and tears over the last 10 years has made a positive impact, not only to the organisation and our workforce, but to the lives of Malaysians and the nation that we serve. We are also pleased to note that since the demerger in 2008, TM has delivered a total return to shareholder (TRS) of 397.07%.

It is thus most apt that in 2015, we also formally adopted our brand and customer promise of 'Life and Business Made Easier' as our philosophy and organising principle, embedded in our new vision 'To Make Life and Business Easier, for a better Malaysia'.

T A N S R I D A T O ' S E R I D R S U L A I M A N M A H B O B

C h a i r m a n

FOCUSED ON PERFORMANCE: 2015 FINANCIAL RESULTS HIGHLIGHTS

In a year of economic and competitive challenges, TM focused on delivering stable results. Group Revenue grew 4.3% to RM11.72 billion on the back of growth in all services, while Group Reported Profit Before Tax (PBT) stood at RM911.8 million and Group Reported Net Profit or Profit After Tax and Non-Controlling Interest (PATAMI) of RM700.3 million.

We maintained our position as Broadband Champion; on track to become Malaysia's Convergence Champion with our total broadband customer base growing to 2.34 million, again led by UniFi which is seeing a take up rate at 44% with over 839,000 customers as at December 2015.

We are also pleased to note that we once again achieved a customer satisfaction TRI*M index of above 72, exceeding the global average of 69 for the fifth consecutive year.

Our performance against the set Headline Key Performance Indicators (KPIs) for 2015, which comprised revenue growth of 4.0% to 4.5%, and EBIT growth of 4.0% to 4.5% and a TRI*M index score of >72; was 3.0% revenue growth, 6.2% EBIT growth and >72 TRI*M index score, respectively. Please note that the 2015 performance excludes Packet One Networks (Malaysia) Sdn Bhd (P1) which is consistent with the basis that the KPIs were set and announced prior to the investment.

TM is proud to have consistently met our dividend commitment to our valued shareholders every year as promised since demerger; even more so post the 10 year GLCT graduation. The Board of Directors is pleased to declare a 2nd interim dividend of 12.1 sen per share or RM454.7 million; bringing the total dividend payout of 21.4 sen per share or RM804.2 million.

SINGULARITY OF PURPOSE: TRUSTED ENABLER IN NATION-BUILDING

TM remains steadfast in our unique role as a trusted enabler in nation-building. While the GLCT Programme was a key focus over the last 10 years, TM has also been active in the ground implementation of the New Economic Model (NEM)'s Economic Transformation Programme (ETP) and Government Transformation Programme (GTP) in our relevant industries of Information and Communications Technology (ICT) and

Content. In the spirit of collaboration for the betterment of the digital lifestyle and increasing reach to all Malaysians, we have also worked effectively within our ecosystem of partners and other industry players, supported by our Ministry of Communications and Multimedia Malaysia and regulator, the Malaysian Communications and Multimedia Commission (MCMC).

Under the ETP, TM contributes to the National Key Economic Areas (NKEA) of Communications Content and Infrastructure (CCI) as well as Entry Point Project (EPP) 10 – "Extending the Regional Network", and over 2015, TM is pleased to update on the following.

In December, we signed the 10-year Public-Private Partnership (PPP) agreement with the Government for the implementation of the High Speed Broadband Phase 2 (HSBB 2) and Sub-Urban Broadband (SUBB) projects. These projects forge the expansion of previous HSBB infrastructure to cover other priority economic areas as well as sub-urban and rural areas. Under HSBB 2, 95 additional exchanges will be HSBB ready providing access to 390,000 premises by 2017, whilst SUBB involves delivering high speed broadband access (up to 20Mbps through copper line upgrades and up to 100Mbps for areas deployed with Fibre-to-the-Home technology).

We are deeply honoured to have been given the opportunity to prove ourselves as the Government's trusted partner in national development time and again. The successful roll out of the first HSBB project has elevated the nation to emerge as the highest in terms of number of high speed broadband subscribers in South East Asia and one of the most acknowledged fast track project roll-outs globally.

HSBB is our engine of growth. It is as an enabler that fuelling the development of local content and applications industry with many potential high bandwidth next-generation applications. HSBB also serves as the growth drivers for data services in the midst of globalisation and rapid adaptation of Internet Protocol (IP) Technology. TM looks forward to continue working with the Government and industry players to generate innovation driven, value adding activities via the implementation of these projects.



Multiple award winner at
MSWG, NACRA & PWC
Building Trust Awards



GCEO named MSWG
CEO of The Year

In further support of the Government's move towards boosting broadband take-up and encouraging customers to upgrade to higher speeds, TM announced the introduction of two (2) new Broadband Packages – the first at RM38 a month for 1Mbps with a data usage of up to 1GB to be made available starting 16 June 2015, and a new UniFi 10Mbps triple play package offering at RM179 a month which was made available from July 2015.

TM also signed a Memorandum of Collaboration (MoC) with Wilayah Persekutuan Infrastructure Sdn Bhd (WPI) – a Company backed by Ministry of Federal Territories in infrastructure and network planning for Wilayah Persekutuan – to work together towards deploying free and premium WiFi service in Wilayah Persekutuan.

To bridge the digital gap between Peninsular Malaysia with Sabah and Sarawak, TM secured a 20-year agreement with the Government of Malaysia for the development and construction of a new submarine cable system called

PERFORMANCE

“Sistem Kabel Rakyat 1Malaysia” (SKR1M). The project will be established through a Public-Private Partnership (PPP) arrangement with MCMC, utilising the Universal Services Provision Fund (USP) under the MCMC’s purview.

On the regional front, we inked a partnership with MekongNet, a leading Internet Service Provider (ISP) and Internet Exchange Provider (IXP) in Cambodia to host our Point-of-Presence or POP in Cambodia. This subsequently supports the realisation of the vision to establish ASEAN as a dynamic and competitive economic block.

Aligned with the Government’s call for greater industry alliance and to promote healthy competition among the players, we have continued to engage in several key strategic collaborations such as the leasing out of fibre mobile backhaul connectivity covering Peninsula Malaysia, via TM Next-Gen Backhaul TM Services (NGBH) that is specially optimised to support 4G Long Term Evolution (LTE) rollout. TM also extended its Partnership Agreement with state-backed companies (SBCs) supporting TM’s plans of delivering LTE services by leveraging on SBC’s towers nationwide, whilst enabling other network operators in the towers to utilise TM’s network. These strategic partnerships illustrate that TM as a neutral wholesale service provider is committed in supporting the growth of the telecommunications industry and in delivering enhanced service experience to end customers.

Most recently in 2016, Malaysia’s leading telecommunications companies – Celcom Axiata Berhad (Celcom), Telekom Malaysia Berhad (TM) and Packet One Networks (Malaysia) Sdn. Bhd. (P1) signed a series of agreements – of which the three (3) core agreements are TM Next-Gen Backhaul (NGBH), High Speed Broadband (HSBB) (Access) and domestic roaming services – to further leverage on each other’s existing infrastructure

– towards enhancing and developing a greater internet experience for their respective customers.

TM has also collaborated with third parties to engage in ongoing efforts such as bringing together a wider scope of smart services and an enhanced Internet of Things (IoT) strategy, creation of differentiated enterprise solutions (e.g. business intelligence, Big Data, Cloud Computing) and offering SMEs cloud-based customer relationship management (CRM) capabilities.

CHAMPIONS OF INTEGRITY AND INGRAINING VALUE BY UPHOLDING CORPORATE GOVERNANCE

TM has long been at the forefront in championing the pledge to ensure the integrity of its processes, people and reputation as well as the sustainability of its operations, in line with one of the NKRA under GTP which focuses on Fighting Corruption and Greater Transparency. At TM, this is supported by our KRISTAL values which emphasise ‘uncompromising integrity’ in all TM’s dealings with our various stakeholders.

TM sees Integrity, Transparency and Accountability as three (3) pillars that uphold the standards of its employees’ behaviour and conduct in TM. The highest level of integrity and ethics is maintained through rigorous awareness, internalisation and enforcement efforts.

Our third instalment of TM’s annual Integrity Day, was held earlier this year – a forum with the objectives to further heighten the awareness and understanding of corporate integrity amongst Warga TM and business partners. This is part of our ongoing efforts in ensuring transparency and integrity in our daily business dealings and prevent conflicts of interest. At the event, TM also unveiled the enhanced TM New Code of Business Ethics

(CBE), Ethics and Integrity E-Learning module for the employees as well as the new Declaration of Assets and Interest System (DOA). We believe such activities will inculcate “Integrity at Heart”, encouraging all employees to embed integrity in their very being and build a corporate culture where integrity is a key part of their lives; whilst internalising the Company’s core purpose and values across the Group.

I am also pleased to note that for these efforts, TM continues to be acknowledged. We are humbled to have been recognised for a string of prestigious awards. We emerged as the big winner at the Malaysia-Asean Corporate Governance Transparency Index, Findings And Recognition (The Malaysian Chapter) 2015 organised by the Minority Shareholder Watchdog Group (MSWG) and the wins were even more meaningful when our GCEO, Tan Sri Zam, was named as CEO Of The Year. On behalf our TM Board of Directors, and indeed all of our stakeholders and Warga TM, we offer our heartiest congratulations to him once again.

Tan Sri Zam was bestowed with the prestigious award in recognition of his outstanding leadership in corporate governance practices, fulfilling the criteria of a CEO that is visionary, dynamic, demonstrates strong entrepreneurial skills that helm the corporate governance, performance, environmental, social and governance (ESG) and diversity agenda for the company as well as the broader capital market throughout the year for TM group.

In addition, TM was named as the distinct recipient of the Top Transparency recognition, with a total of five (5) awards including the Top Corporate Governance recognition; Exemplary Annual General Meeting (AGM) Minutes; Exemplary Environment, Social and Governance (ESG) Practices; and Industry Excellence in Telecommunications and Media.



CHAMPIONING SUSTAINABILITY

Further cementing its commitment in upholding good governance standards and practices, TM also emerged as the top 3 Malaysian Public Listed Companies (PLCs) at the inaugural ASEAN Corporate Governance Awards held in Manila, the Philippines. TM was also enlisted as the top 10 finalists Malaysian corporations for the inaugural PriceWaterhouseCoopers (PWC) Building Trust Awards Malaysia Chapter which aims to recognise companies that are making strides to build trust with their key stakeholders in their communications and interactions via transparent and accountable integrated corporate reporting.

Always noteworthy is our continuing record of excellence at the National Annual Corporate Report Awards (NACRA) 2015, where TM's 2014 annual report publication "Game Changer" walked away with four (4) prestigious awards including Gold Award for Overall Excellence of the Most Outstanding Annual Report of the Year. TM also took home the Platinum Award for Best Designed Annual Report, Gold Award for Best Corporate Social Responsibility and Industry Excellence Award for main board company in the Trading & Services category for the 19th consecutive year. This is on the back of our milestone wins in 2014, when the Company brought home the Challenge Trophy for the Platinum Award of the Most Outstanding Annual Report of the Year as well as sweeping across all five (5) categories contested. It was the fourth time in TM's Platinum history and the second year running.

These recognitions only serve to further fuel our unwavering stand of upholding the highest standards of Corporate Governance, Transparency, Responsible Reporting and Integrity.

UNIFIED TO SERVE: CHAMPIONING SUSTAINABILITY AND CORPORATE RESPONSIBILITY

As the nation's Convergence Champion, necessarily TM continues to champion and integrate sustainability in all aspects of our business and operations. Indeed we extend this beyond our products and services, towards the overall impact to Malaysian lives and nation-building, in which TM is unified to serve. For us, sustainability means creating both economic and social values as long-term economic development cannot be achieved unless greater social impact and the protection of natural resources are guaranteed at the same time.

Our Corporate Responsibility (CR) ethos reinforces responsible behaviour in the 3 main domains of economic, environment and social.

A full account of our CR and Sustainability developments over 2015 can be found in our stand-alone Sustainability Report 2015 entitled "Championing Sustainability" but I am happy to summarise some key updates here for our shareholders.

In the Economic domain, we continue to support the Government's call to develop businesses and entrepreneurs, especially in supporting the Bumiputera Agenda. We have an established Vendor Transformation Programme in place to help increase their market competitiveness and create strategic partnerships with them. Since we launched the programme in 1993, 355 Bumiputera vendors have been provided on-the-job and soft skills training as well as quality certification, capacity and capability building, business matching and awareness programmes.



Next Generation Network (NGN)

16%

less energy

TM also continued to strengthen our unique position in the Malaysian innovation ecosystem, leveraging on TM R&D, Multimedia University (MMU) and our strategic industry alliances, with the formal launch of its business accelerator programme, with the brand name "RE:"

In the Environment domain, TM has been working to reduce the impact of our activities, harnessing digital technology where possible. We expedited our migration of Public Switch Telephony Network (PSTN), to the Next Generation Network (NGN) which consumes about 16% less energy. A total of 4 million PSTN subscribers have been migrated to the greener NGN.

In the Social domain, our responsibility to our customers is at the heart of all we do, and we are driven to leverage on our creative and digital expertise to keep enhancing their experience with us and our products. TM's Customer Experience Management and Transformation (CEMT) programme will help improve the level of professionalism within the company. This transformation involves making

SUSTAINABILITY



Total of

4 million

PSTN subscribers have been migrated to the greener NGN

our customers' journey with us easier by going digital and enhancing our efficiency as well as nurturing a customer-centric mindset at the workplace.

We continue with our community and nation building initiatives via our adopted schools and Earth Camps programmes, women entrepreneurs' development, as well as the initiatives by our volunteer movement, TM ROvers. Most notable, our TM and TM ROvers have played a significant role in shaping the GLC Disaster Response Network's (GDRN) response to flood relief missions early in 2015 and presently.

TM will continue to capitalise on opportunities to build a resilient business, through a convergence of fair governance and embedded sustainability practices.

CONVERGING FOR GROWTH: 2016 PROSPECTS

TM has charted a new course for itself with our transformation to become Malaysia's Convergence Champion on track for 2016, and beyond, to deliver our promise of 'Life Made

TM WILL CONTINUE TO CAPITALISE ON OPPORTUNITIES TO BUILD A RESILIENT BUSINESS, THROUGH A CONVERGENCE OF FAIR GOVERNANCE AND EMBEDDED SUSTAINABILITY PRACTICES.

Easier' and 'Business Made Easier'. Anchoring on our Information Exchange and Innovation Exchange aspirations, and guided by our Performance Improvement Programme (PIP) 3.0, TM's four business strategic thrusts going forward are Convergence, Digitalisation, Productivity and Innovation.

It will continue to be a challenging time and environment for our industry, though there is much to be excited about. Our top priorities for this year include launching our mobility services via P1 to complete our convergence suite of services, as well as our renewed focus on fully integrated Business Solutions for Enterprises and the Public Sector. Foremost still is our higher purpose to support the national agenda. In this, TM looks forward to the successful implementation of HSBB 2, SUBB and SKR1M to increase the broadband reach and adoption rate in order for Malaysians everywhere to enjoy a better digitally enhanced lifestyle.

ACKNOWLEDGEMENTS

On behalf of the Board of Directors, I would like to record our highest appreciation to all our valued stakeholders – our customers, shareholders, industry collaborators and partners, media and social media supporters – for their trust and loyalty, championing TM through the years.

To the Government of Malaysia, our Ministry of Communications and Multimedia Malaysia (KKMM) and our regulator MCMC – we vow to continue to make good on the opportunities given to us to realise our shared vision for the betterment of our industry and great nation.

Having completed this momentous first year in TM, I would firstly like to thank the Board for your active participation and collective wisdom and integrity, in helping guide TM onwards and upwards. I have also witnessed first-hand the spirit of 1TM throughout the nation, and would like to close my report by congratulating and offering my heart-felt thanks to the able Management and all of Warga TM for the dedication they have shown this Company, to have brought it where it is today at this historic transformation point towards becoming Malaysia's Convergence Champion.

A handwritten signature in black ink, appearing to read 'Sulaiman Mahbob'. The signature is fluid and cursive, with a long horizontal stroke at the end.

Tan Sri Dato' Seri Dr Sulaiman Mahbob
Chairman

Life Made Easier
Convergence Champion

S T A T E M E N T B Y



GROUP

**CHIEF
EXECUTIVE
OFFICER**

ANNUAL REPORT TWENTY FIFTEEN

TELEKOM MALAYSIA BERHAD

CONVERGENCE CHAMPION



TM HAS SET A NEW VISION – ‘TO MAKE LIFE AND BUSINESS EASIER, FOR A BETTER MALAYSIA’ – ALIGNED WITH OUR BRAND AND CUSTOMER PROMISE OF ‘LIFE AND BUSINESS MADE EASIER’ (LME/BME). THIS IS SIGNIFICANT BECAUSE THIS VISION IS MORE THAN JUST A TAGLINE, IT IS A PHILOSOPHY AND NOW THE ORGANISING PRINCIPLE FOR NOT ONLY TM AND WARGA TM, BUT ALSO OUR EXTENDED FAMILY OF PARTNERS, THAT WORK TO DELIVER THIS PROMISE IN ALL THAT WE DO, TO OUR CUSTOMERS AND TO THE NATION. FOR US AT TM, THIS IS WHAT IT MEANS TO BE YOUR CONVERGENCE CHAMPION.

2015

TM WAS PUT TO TASK IN 2015, GETTING OUR HOUSE IN ORDER AND LAYING THE STRONG FOUNDATION WE NEED IN OUR JOURNEY TO BECOME MALAYSIA’S CONVERGENCE CHAMPION. AT THE TIME OF THIS REPORT TM IS ALREADY A QUARTER THROUGH 2016 – WHICH, WITH THE CONTINUED DEDICATION OF ALL WARGA TM AND UNWAVERING SUPPORT FROM ALL OUR STAKEHOLDERS, WILL GO DOWN IN OUR HISTORY AS THE YEAR OF CONVERGENCE.

TAN SRI DATO’ SRI ZAMZAMZAIRANI MOHD ISA

Group Chief Executive Officer

Indeed, since our last report, TM has been in active preparation moving towards our entry into the mobility space, via our subsidiary Packet One Networks (Malaysia) Sdn Bhd (P1), as TM Group's mobile arm and centre of excellence for mobility. We have also been busy with further investments for growth, with the addition of other pivotal projects, such as High Speed Broadband Phase 2 (HSBB 2), and Sub-Urban Broadband (SUBB). Both programmes are at an aggressive stage of rollout and we look forward to expanding our high quality coverage. With these, and other key growth investments in place, TM intends to make good on delivering convergence as a seamless experience beyond technology, products and services and devices – to enrich, improve and impact the lives of Malaysians everywhere.

More significantly, in 2015, TM has a set new vision – *'To make Life and Business Easier, for a Better Malaysia'* – aligned with our brand and customer promise of 'Life and Business Made Easier' (LME/BME). This is significant because this vision is more than just a tagline, it is a philosophy and now the organising principle for not only TM and Warga TM, but also our extended family of partners that work to deliver this promise in all that we do, to our customers and to the nation. For us at TM, this is what it means to be your Convergence Champion.

2015 PERFORMANCE ON TRACK IN PREPARATION FOR FUTURE GROWTH



TM's current business continues to grow; with improvements in key areas despite a challenging economic environment and intense competition. Group revenue grew 4.3% YOY to RM11.72 billion as compared to RM11.24 billion recorded last year, on the back of higher revenue across all services.

Group Reported Earnings Before Interest, Tax, Depreciation and Amortisation (EBITDA) for FY 2015 was 1.6% higher against FY 2014 at RM3.69 billion. Group Operating Profit (Earnings Before Interest and Tax (EBIT)) for FY2015 was RM1.26 billion, lower by 2.9% against RM1.29 billion in FY2014 due to the full-year consolidation of P1. Excluding one-off items such as unrealised foreign exchange (forex) gain on international trade settlements, Group Normalised EBIT stood at RM1.24 billion, 10.6% lower from RM1.39 billion in 2014.

Group Reported Profit Before Tax (PBT) was RM911.8 million, against RM1.11 billion in the corresponding period last year.

Group Reported Net Profit or Profit After Tax and Non-Controlling Interest (PATAMI) was RM700.3 million as compared to RM831.8 million recorded last year primarily due to foreign exchange losses from borrowings of the Group from the weakening Malaysian Ringgit against the US Dollar. Group Normalised PATAMI stood at RM894.9 million.

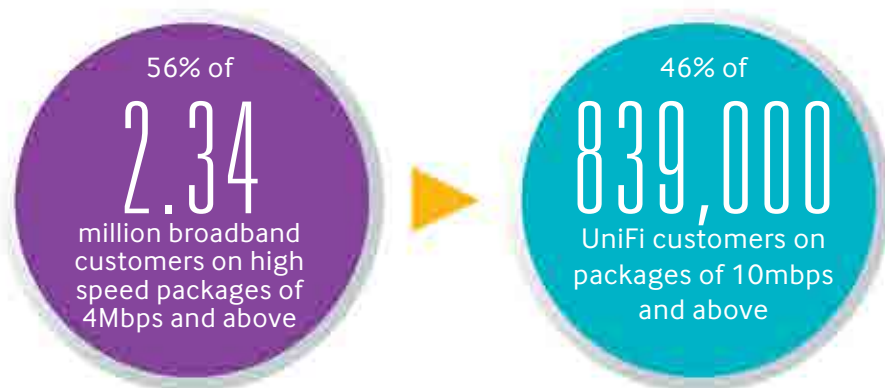
Total capital expenditure (capex) spend for FY2015 was RM2.51 billion or 21.4% of revenue. Of the total spent, 48.0% was for Access, 30.8% was for core network, and 21.2% for support systems and others.

Thanks to the loyal support of our customers and tireless efforts of our team to continue enhancing the customer experience, the

Group achieved a TRI*M index score for customer satisfaction of more than 72 again – higher than the global telco average score of 69 for the fifth consecutive year.

True to TM's commitment of value creation through sustainable return on capital, the Group is declaring a second interim dividend of 12.1 sen per share. Together with the first interim dividend of 9.3 sen per share amounting to RM349.5 million which was paid in September 2015, the total dividend payout is 21.4 sen per share, or RM804.2 million.

DELIVERING CONVERGENCE AND LIFE MADE EASIER VIA A REFOCUSSED PIP3.0



TM maintained our position as the nation's Broadband Champion; on track to become Malaysia's true Convergence Champion. Last year, our total broadband customer base grew by 4.9% to 2.34 million customers, driven by UniFi. UniFi continues to see a healthy growth of 15.1% in customer base, with more than 839,000 customers as at December 2015. Together with premises passed under HSBB 2, we now have a wider High Speed Broadband footprint of 1.89 million ports, with an overall take-up rate of 44%.

We are particularly pleased to highlight that 56% of our broadband customers are now on packages of 4Mbps and above. Also, with the launch of the all-new UniFi and the UniFi ADVANCE packages last October, 46% of our UniFi customers are now on packages of 10Mbps and above.

This is on the back of the introduction of our newly refreshed UniFi brand and proposition with the UniFi ADVANCE PLAN™ for consumers as well as UniFi BIZ ADVANCE PLAN™ for our small and medium enterprise (SME) customers. Offering speeds of 30Mbps up to 50Mbps together with HyppTV Value Packs and value add-ons such as data on-the-go and voice plans, UniFi ADVANCE and BIZ ADVANCE PLAN™ promise Unlimited experience, Unmatched choices and Unbeatable value for everyone with its tagline of 'For the Makers of Tomorrow'.

To date, TM has signed two pioneering collaborations with iflix and ViU, regional Over-The-Top (OTT) players to deliver some

of the best entertainment content to TM's customers, complementing our HyppTV offering. Our customers will now be able to enjoy access to the OTT content on multiple devices either via streaming or by downloading for offline viewing. We remain open for future collaboration with other OTT partners to suit the viewing behaviour and demands of our growing youth segment.

P1 is progressing well as TM Group's mobile arm and centre of excellence for our LTE network roll-out for future growth. We are building on our core network, rolling out nationwide starting with urban areas and areas adjacent to existing base stations. To date, we have successfully completed user trials for broadband, voice and SMS services – to ensure effective delivery of mobile services towards the launch later this year. The user trials include domestic roaming services and we have also secured outbound international roaming with a worldwide footprint.

Most importantly, we are executing plans to develop the ecosystem for convergence, by leveraging on our assets and capabilities throughout the entire TM service delivery chain. This will enable TM to achieve our goal of becoming Malaysia's Convergence Champion, true to our promise of 'Life and Business Made Easier'.

TM has also revitalised our focus on the Managed Accounts segment, which we are re-branding as TM Business Solutions. We believe this is an area of opportunity and are exploring new capabilities and services to offer to our enterprise and public sector customers.

Notably in 2015, TM announced a few new developments, such as the partnership with Bank Simpanan Nasional (BSN) to manage its 'Converged Network Transformation Project', to provide the bank with end-to-end managed Wide Area Network (WAN) services connecting 413 BSN branches nationwide. We hope this will pave the way for more collaboration with enterprise customers and government agencies enabling TM to support them in enhancing their operational efficiencies to better serve their customers.

We also announced the establishment of a joint venture company with Medini Iskandar Malaysia Sdn Bhd – the company behind the master planning and infrastructure development of the 2,230-acre township Medini Iskandar Malaysia (Medini) – to provide ICT services in Medini, Iskandar Puteri (previously Nusajaya), Johor.

This joint venture will be in addition to an existing joint venture with UEM Sunrise Berhad and Iskandar Investment Berhad that was signed in 2014. Both these joint ventures will pave the way towards realising our aspiration of establishing smart and connected townships, as part of an enhanced Internet of Things (IoT) strategy.

In addition, VADS Berhad (VADS), a wholly-owned subsidiary of TM, also began the construction of a new purpose-built, carrier neutral VADS Nusajaya Data Centre (NJDC) at the flagship Nusajaya Tech Park, in Iskandar Malaysia, Johor, which is scheduled to be completed in early 2017. The data centre will house TM's Iskandar international gateway serving as a regional hub in providing services such as end-to-end managed ICT services, Business Process Outsourcing (BPO) services, Cloud Services via Digital Marketplace and high-speed broadband connectivity, serving customers in Malaysia and the ASEAN region.

My1TM employee engagement survey which reached its highest peak of 90% for employee participation and a Sustainable Engagement Score of 91.



TM continued to strengthen our unique position in the Malaysian innovation ecosystem, leveraging on TM R&D, Multimedia University (MMU) and our strategic industry alliances, with the formal launch of our business accelerator programme, with the brand name 'RE.' This was strategically held during the ASEAN Entrepreneurship Summit (AES) 2015, as part of the ASEAN Summit where Malaysia played host to the delegates from all ASEAN countries. RE: as a TM initiative empowers business start-ups in the areas of content, applications and devices via TM's core competencies which include TM's extensive network infrastructure, technical expertise as well as wide customer database.

Together with the Ministry of Youth and Sports, we unravel talents at the grassroots via the National Football Development Programme (NFDP). This is complimented by our flagship national scouting reality TV show, Mencari Ramli (now in its fifth season). We are also the title sponsor for the TM Malaysia Cup, co-sponsor of the Super League and sponsor for the national and youth teams. At the international level, we have renewed our marketing partnership with Manchester United Football Club.

In sports marketing, we continue to drive loyalty and engagement via our unique Team Malaysia movement and our holistic involvement in football, from grass roots development to the national and international levels.

We continue to stand guided by our ongoing Performance Improvement Programme 3.0 (PIP 3.0) with the three strategic thrusts of Continued Growth, Fundamental Productivity Shift and Institutional Health Enablers. In 2015, we reprioritised our primary focus on improving productivity through innovation with close attention to cost management.

Customer Experience transformation remains at the heart of all our efforts. We are grateful that on top of maintaining our TRI*M index customer satisfaction score of >72, we are also showing improvements in other Voice of Customer (VoC) measures such as Net Promoter Score (NPS), Net Easy Score (NES) and Social Media Engagement across market and customer serving touch points. We are also embarking on a digitalisation programme – where we are undergoing phases of transforming our processes as well as customer-facing activities into a more digital-based experience. We believe this will benefit both our customers and TM in the long run.

Most importantly, and key to differentiating us from our competitors, we are cultivating a service culture and mindset that is designed around the philosophy of our organising principle, Life and Business Made Easier, and brand values of being Easy, Trusted and Innovative.

LIFE MADE EASIER AS THE ORGANISING PRINCIPLE OF 1TM

The introduction of our new organising principle – Life Made Easier (LME) – has not only been a galvanising force but together with its three brand values mentioned (Easy,

Trusted and Innovative) has given a common language to all our development programmes and people initiatives. It is a powerful brand promise that will transform the way TM works. Even our flagship people engagement programme, Teaming With Passion (TWP), carries the LME name and spirit, grounded on our core KRISTAL values of Total Commitment to Customers, Uncompromising Integrity and Respect and Care.

With respect to TM's three key human capital deliverables, namely: to build a leadership bench; to increase workforce productivity; and to ensure TM is an Employer of Choice, this organising principle and core values are further built around the SUCCESS Leadership Competency attributes of: **S**ervice Excellence, **U**nity & Teamwork, **C**ultivating Stakeholder Collaboration, **C**atalysing Change, **E**mbracing & Nurturing Talent Mindset, **S**triving For Results, **S**trategic & Entrepreneurial Mindset – in order to improve our manpower productivity and business sustainability.

2015 was a ground-breaking year for TM in terms of innovation in internal communication, employee engagement and a brand profiling platform when we successfully produced and staged TM The Musical – A Story of Convergence. The production took 100 days from concept to the first staging of the show at the Putrajaya Convention Centre at TM's Group Awards Night – making TM and Malaysian history as the first GLC/Corporate to tell its story in a full-fledged professionally staged musical. The overwhelming response culminated in

TM taking the musical to Istana Budaya, Malaysia's National Theatre for five shows from 14 to 16 August 2015; this time with the added element of the Merdeka celebrations, to a total audience of 8,000 TM employees and key stakeholders.

We believe that these concerted efforts to energise and inspire our Warga TM have played a part in the overwhelming outcome of our 2015 My1TM employee engagement survey which reached its highest peak of 90% for employee participation and a Sustainable Engagement Score of 91, which is on average seven points higher than for National Companies, six points higher than Global Telco and five points higher than High Performing Global Telcos.

We believe that it is this spirit together with our ongoing initiatives on manpower such as the People Optimisation Programme (POP) and Way of Working (WOW) that has helped improve TM's productivity and financial profitability in the face of the past challenging year, and puts us in good stead to face future challenges together.

TOWARDS THE YEAR OF CONVERGENCE AND BEYOND

Despite the challenges ahead, we are at the third Inflection Point in TM's long history – the first being the transformation from analogue to digital, the second more significant one was when we transformed from a fixed line company to a Broadband Champion – and now on our next transformation trajectory evolving from the nation's Broadband Champion to become Malaysia's Convergence Champion.

We will stay on course with our established Information Exchange and Innovation Exchange vision; investing for growth. TM has undertaken many initiatives on the local front via industry collaborations and partnerships to enhance our offerings to customers across all segments.

For the Mass Market (Consumer and SMEs), this will be the year of Convergence, as TM gears up to include mobility, and other exciting packages and value added options – content, devices and ready business

solutions – into our UniFi offerings. In support of the Government's aspiration for increased high speed broadband coverage, we are aggressively rolling out HSBB 2 and SUBB, while continuing to also grow our Broadband for the General Population (BBGP) for inclusivity.

For Managed Accounts (Enterprise, Public Sector and VADS), 2016 will be a year of repositioning as it goes to market as TM Business Solutions providing a fully integrated suite of connectivity, ICT and BPO, as well as smart city and IoT solutions.

For Global & Wholesale, TM continues to further strengthen our regional presence, optimising our submarine cables portfolio and position as a regional hub, particularly in ASEAN, with the latest partnership with MekongNet, a leading Internet Service Provider (ISP) and Internet Exchange Provider (IXP) in Cambodia to host our Point-of-Presence (POP) in Cambodia.

Through all the initiatives that we have in place, we will strive to connect and empower our customers nationwide, true to our promise of 'Life and Business Made Easier for a better Malaysia'.

ACKNOWLEDGEMENTS FOR THE TRUE CHAMPIONS OF TM

With great humility, as TM graduated 'top of class' from the 10-year GLC Transformation (GLCT) Programme in 2015, these heartfelt acknowledgements must go out to the true champions of TM – to all our stakeholders, especially our loyal customers and shareholders, who have stood beside us through the most challenging years of transformation, cheered us on as we achieved milestone after milestone, and to whom we count on as we navigate the future ahead towards greater heights.

On behalf of the Management and Warga TM, we congratulate our esteemed Chairman, Tan Sri Dato' Seri Dr Sulaiman Mahbob, for completing his first momentous year with us. His leadership, knowledge and experience – with its breadth and depth – has indeed guided us well and we look forward to many more years to come.

To our Board of Directors – it is our honour to have your wisdom and guidance continue to help us make good our claim as Malaysia's Convergence Champion and shape a new future for TM.

To our incredible 28,000 Warga TM workforce, and extended family of partners in every field – suppliers, alliances, fellow industry players, Non-Governmental Organisations (NGOs), mainstream and social media friends – only we, together, can ensure a consistent 'Life Made Easier' experience across all customers touch points for our customers and colleagues, in everything that we do at TM. Thank you for your commitment and dedication to deliver on this promise.

Be it through our convergence offerings that complement the lives of every Malaysian, or through a comprehensive suite of solutions that addresses business needs, our greater purpose goes beyond our business.

To the Government of Malaysia, The Ministry of Communications and Multimedia Malaysia (KKMM) and the Malaysian Communications and Multimedia Commission (MCMC) – our highest appreciation for the opportunities to continuously be recognised as a trusted enabler in nation-building.

This is indeed our greater purpose; why we exist. This is the call TM will rise to meet every day.

To make Life and Business Easier, for a Better Malaysia.



Tan Sri Dato' Sri Zamzamzairani Mohd Isa
Group Chief Executive Officer



Life Made Easier™



CORPORATE INFORMATION

- 024 About Us
- 026 Corporate Information
- 028 Group Corporate Structure
- 029 Group Organisation Structure
- 030 International & Domestic Infrastructure
& Trunk Fibre Optic Network
- 032 TM Worldwide Coverage

A stylized map of Australia, composed of a grid of small orange dots, positioned on the left side of the page.

CENTRE OF
EXCELLENCE

A B O U T

TELEKOM MALAYSIA BERHAD (TM) IS MALAYSIA'S CONVERGENCE CHAMPION AND NO. 1 CONVERGED COMMUNICATIONS SERVICES PROVIDER, OFFERING A COMPREHENSIVE RANGE OF COMMUNICATIONS SERVICES AND FULLY INTEGRATED BUSINESS SOLUTIONS IN BROADBAND, FIXED LINE, DATA, INFORMATION AND COMMUNICATIONS TECHNOLOGY (ICT) AND BUSINESS PROCESS OUTSOURCING (BPO) SERVICES.

Established as the Telecommunications Department of Malaya in 1946, TM has been continuously developing and improving the country's telecommunications infrastructure over the years.

It arrived at an influx point when the Group underwent a demerger in 2008, separating its mobile operations from the fixed line business. In the same year, TM signed a Public-Private Partnership (PPP) with the Government of Malaysia to build the infrastructure and deliver High Speed Broadband (HSBB) to Malaysians. In less than two years, TM launched the nation's first HSBB service – UniFi – which received

multiple global recognition, including being one of the fastest and lowest-cost high speed broadband roll-outs in the world.

Guided by its 'Information and Innovation Exchange' aspirations, 2014 witnessed the acquisition of Packet One Networks (Malaysia) Sdn Bhd (P1) and the Group's entrance into the Long Term Evolution (LTE) space with the launch of TMgo, its first 4G broadband offering. The Group has since continued along its transformation journey to become the nation's true Convergence Champion and the No. 1 Converged

Communications Service Provider. The provision of mobility solutions to customers is seen as a natural progression for TM, in line with the industry's evolution towards true convergence, not just from a technology or device perspective, but more importantly from a customer experience point of view, in the delivery of end-to-end broadband and data services.

P1 is progressing well as TM Group's mobile arm and centre of excellence for mobility with the development of TM's overall LTE network roll-out being managed and planned for future growth.

NO. 1

Converged Communications Services Provider

P1

is progressing well as TM Group's mobile arm and centre of excellence for mobility



US



Under HSBB 2, **95** additional exchanges will be HSBB-ready covering **390,000** premises by 2017

In December 2015, TM signed two new Public-Private Partnership (PPP) agreements with the Government for the implementation of High Speed Broadband Phase 2 (HSBB 2) and Sub-Urban Broadband (SUBB). These projects expand the previous HSBB infrastructure to cover other priority economic areas as well as sub-urban and rural areas thus provide high quality broadband to more Malaysians. Under HSBB 2, 95 additional exchanges will be HSBB-ready covering 390,000 premises by 2017, while SUBB involves in delivering high speed broadband access up to 20Mbps through copper line upgrades and up to 100Mbps for areas deployed with Fibre-to-the-Home technology.

As TM moves towards the mobility space, it is actively preparing for 2016 being the Year of Convergence. The Group is executing plans to develop the necessary ecosystem for convergence, by leveraging on its assets and capabilities throughout the entire TM service delivery chain.

In doing so, it will be able to deliver a seamless digital experience to its 2.34 million broadband customers, as well as thousands of enterprises and the public sector nationwide to meet their lifestyle and business communication needs – true to its promise of 'Life and Business Made Easier for a better Malaysia'.

TM SIGNED TWO NEW PUBLIC-PRIVATE PARTNERSHIP (PPP) AGREEMENTS WITH THE GOVERNMENT FOR THE IMPLEMENTATION OF HIGH SPEED BROADBAND PHASE 2 (HSBB 2) AND SUB-URBAN BROADBAND (SUBB). THESE PROJECTS EXPAND THE PREVIOUS HSBB INFRASTRUCTURE TO COVER OTHER PRIORITY ECONOMIC AREAS AS WELL AS SUB-URBAN AND RURAL AREAS THUS PROVIDE HIGH QUALITY BROADBAND TO MORE MALAYSIANS.

For further information on TM, visit

www.tm.com.my

BOARD OF DIRECTORS

TAN SRI DATO' SERI DR SULAIMAN MAHBOB

Chairman

Non-Independent Non-Executive Director

TAN SRI DATO' SRI ZAMZAMZAIRANI MOHD ISA

Managing Director/

Group Chief Executive Officer

Non-Independent Executive Director

DATUK BAZLAN OSMAN

Executive Director/

Group Chief Financial Officer

Non-Independent Executive Director

DATO' SRI DR MOHMAD ISA HUSSAIN

Non-Independent Non-Executive Director

TUNKU DATO' MAHMOOD FAWZY TUNKU MUHIYIDDIN

Non-Independent Non-Executive Director

DATO' DANAPALAN T.P VINGGRASALAM

Senior Independent Non-Executive Director

DATUK ZALEKHA HASSAN

Independent Non-Executive Director

DATO' IR ABDUL RAHIM ABU BAKAR

Independent Non-Executive Director

DATO' IBRAHIM MARSIDI

Independent Non-Executive Director

DAVIDE GIACOMO FEDERICO BENELLO

Q DAVID BENELLO

Independent Non-Executive Director

DATUK SERI FATEH ISKANDAR

TAN SRI DATO' MOHAMED MANSOR

Independent Non-Executive Director

GEE SIEW YOONG

Independent Non-Executive Director

ASRI HAMIDIN Q HAMIDON

Alternate Director to

Dato' Sri Dr Mohamad Isa Hussain

Non-Independent Non-Executive

Alternate Director

NIK RIZAL KAMIL

TAN SRI NIK IBRAHIM KAMIL

Alternate Director to Tunku Dato'

Mahmood Fawzy Tunku Muhiyiddin

Non-Independent Non-Executive

Alternate Director

SENIOR INDEPENDENT DIRECTOR

Dato' Danapalan T.P Vinggrasalam

Email : sid@tm.com.my

COMPANY SECRETARIES

Idrus Ismail

(LS0008400)

Hamizah Abidin

(LS0007096)

Zaiton Ahmad

(MAICSA 7011681)

REGISTERED OFFICE

Level 51, North Wing

Menara TM

Jalan Pantai Baharu

50672 Kuala Lumpur

Malaysia

Tel : +603-2240 1221

Fax : +603-2283 2415

HEAD OFFICE

Menara TM

Jalan Pantai Baharu

50672 Kuala Lumpur

Malaysia

Tel : +603-2240 9494

Website : www.tm.com.my

STOCK EXCHANGE LISTING

Listed on the Main Market of

Bursa Malaysia Securities Berhad

Listing Date : 7 November 1990

Stock Name : TM

Stock Code : 4863

Stock Sector : Trading/Services

SHARE REGISTRAR

Symphony Share Registrars Sdn Bhd

(Company No. 378993-D)

Level 6, Symphony House

Pusat Dagangan Dana 1

Jalan PJU 1A/46

47301 Petaling Jaya

Selangor Darul Ehsan

Malaysia

Tel : +603-7849 0777 (Helpdesk)

Fax : +603-7841 8151/52

Website : www.symphony.com.my

Email : ssr.helpdesk@symphony.com.my

AUDITORS

PricewaterhouseCoopers (AF: 1146)

Level 10, 1 Sentral, Jalan Rakyat

Kuala Lumpur Sentral

50470 Kuala Lumpur

Malaysia

Tel : +603-2173 1188

Fax : +603-2173 1288

Website : www.pwc.com

PRINCIPAL BANKERS

- CIMB Bank Berhad
- Malayan Banking Berhad

CONTACT US

For any enquiries on TM products and services

- Email: help@tm.com.my
- Call:
 - 100, if you are calling from a fixed line in Malaysia
 - 1 300 888 123 if you are calling from a mobile device
 - +603-2241 1290 if you are calling from overseas
 - +603-2240 9494 to reach our general line
- Follow TM on Twitter:
 - QTMCorp (www.twitter.com/tmcorp)
 - QTMConnects (www.twitter.com/tmconnects)
- Visit our TMpoint
 - Please refer to page 392 to 395 of this annual report for our nearest TMpoint.

CHIEF CUSTOMER EXPERIENCE

Dato' Rafaai Samsi

Dato' Rafaai is the Chief Customer Experience, responsible for TM's overall customer experience management and transformation initiatives. He is also the Deputy Chief Technology and Innovation Officer and Chairman of the Service Management Council. His profile is disclosed on page 90 of this annual report.

Tel : +603-2240 2944

Fax : +603-2240 8590

Email : rafaai@tm.com.my

HEAD OF INVESTOR RELATIONS

Rohaila Mohamed Basir

Rohaila is the General Manager, Investor Relations and is responsible for investor relations matters, reporting to the Executive Director/Group Chief Financial Officer. Rohaila graduated with an LLB (Hons) from the University of Malaya. She joined TM in February 2011. Rohaila spent five years in private legal practice specialising in banking and corporate finance prior to joining Malaysian Airline System Berhad in 2004, where she served as General Counsel until 2008. She then joined MMC Corporation Berhad as its Legal Advisor and later moved on to be Senior Manager, Group Managing Director's Office in 2009, where she headed the corporate communications function and handled investor relations for the company.

Tel : +603-2240 4848

Fax : +603-2240 0433

Email : rohailabasir@tm.com.my

CHIEF INTERNAL AUDITOR

Hazimi Kassim

Hazimi is responsible for the management of internal control and review of its effectiveness, adequacy and integrity. His profile is disclosed on page 91 of this annual report.

Tel : +603-2240 1919

Fax : +603-7955 6235

Email : hazimi.kassim@tm.com.my

CHIEF LEGAL, COMPLIANCE AND COMPANY SECRETARY

Idrus Ismail

Idrus is responsible for legal, compliance and company secretarial matters. He also oversees all programmes on corporate ethics and integrity practices in the Group. His profile is disclosed on page 89 of this annual report.

Tel : +603-2240 1700

Fax : +603-2240 6791

Email : idrus.ismail@tm.com.my

CHIEF CORPORATE AND REGULATORY OFFICER

Ahmad Ismail

Ahmad is responsible for the Group's corporate and regulatory matters. His profile is disclosed on page 90 of this annual report.

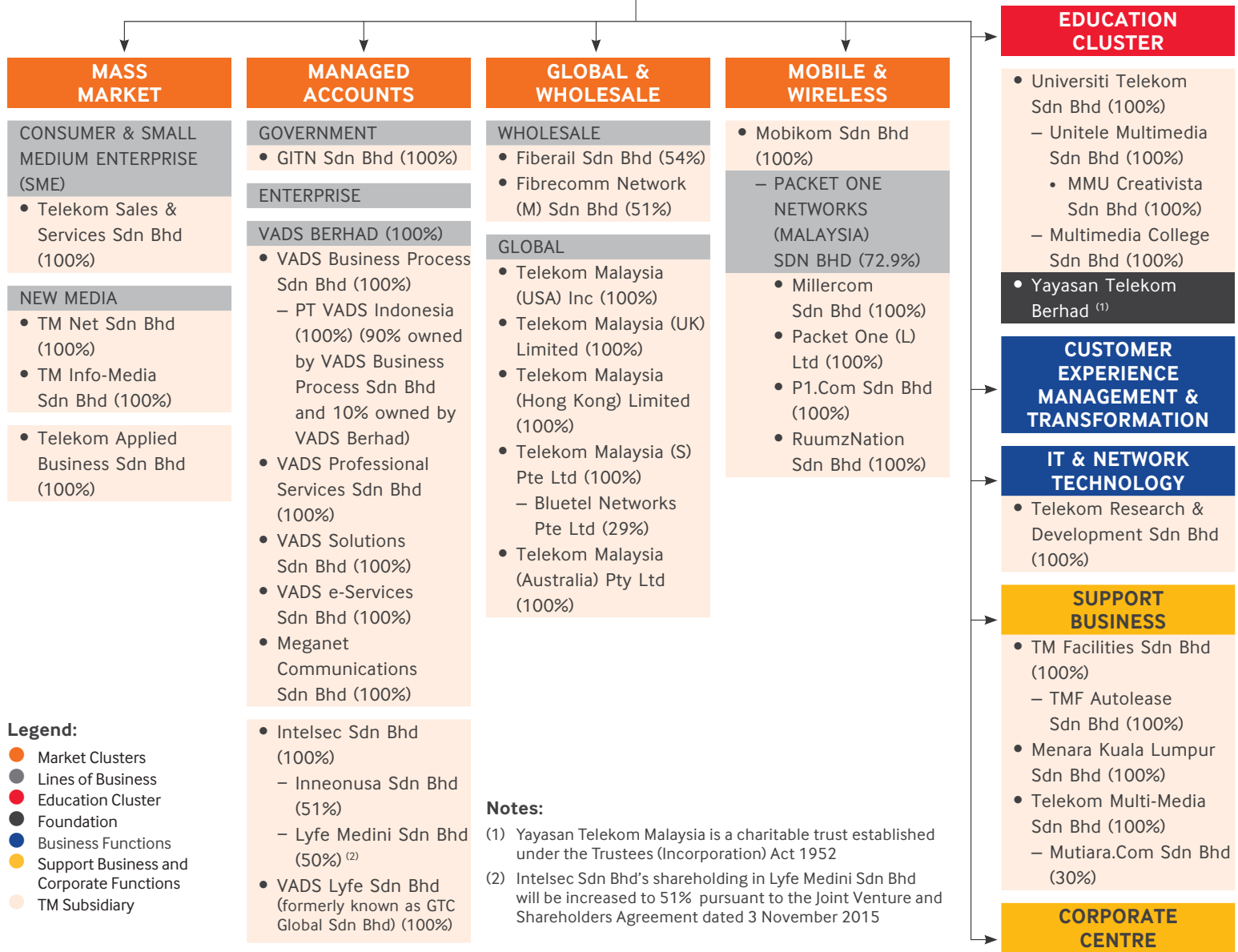
Tel : +603-2241 5799

Fax : +603-2241 5769

Email : ahmisa@tm.com.my

Group Corporate Structure

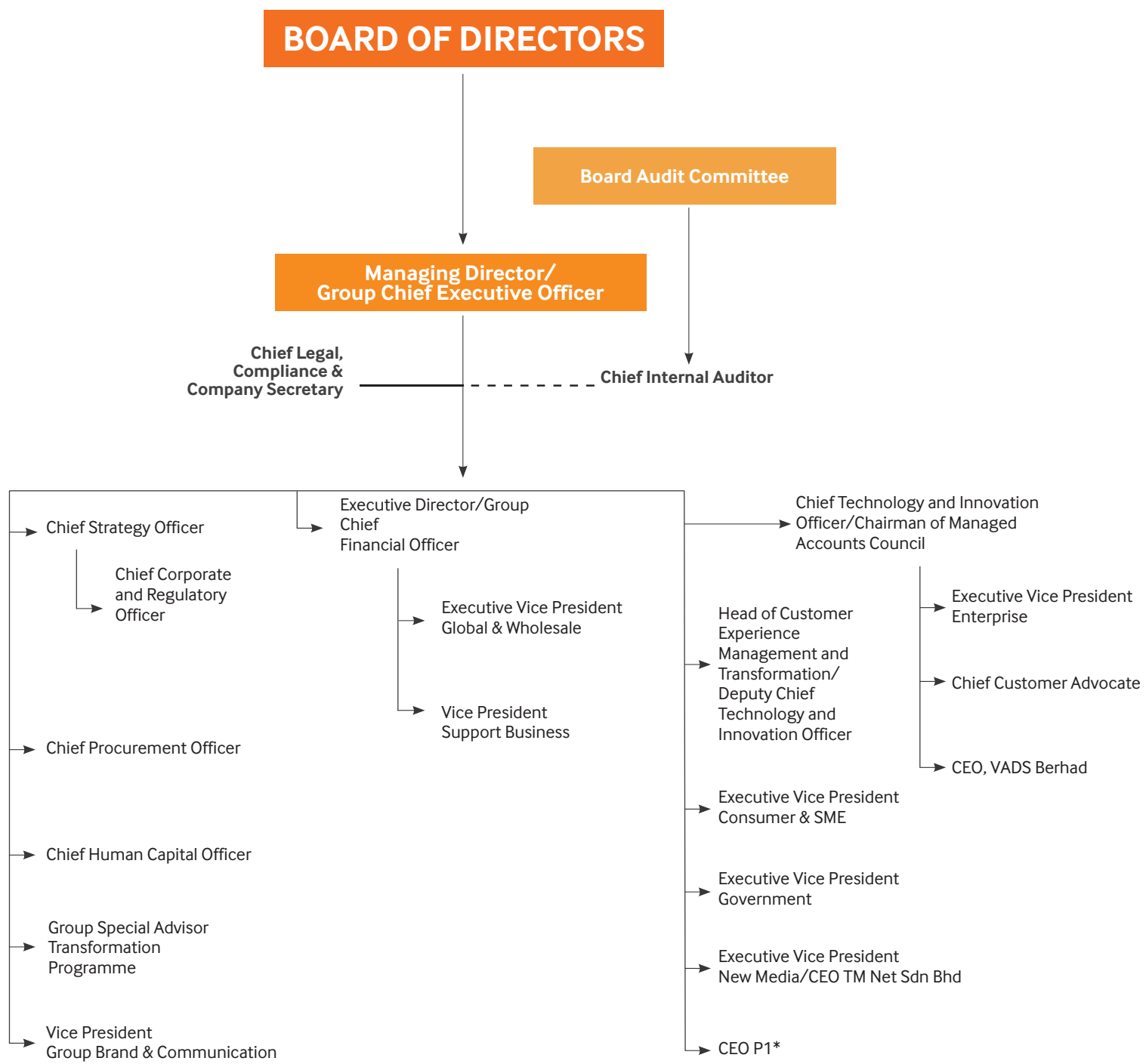
as at 14 March 2016



- This chart represents TM's lines of businesses, subsidiaries, associates, business functions and corporate functions.
- List of TM Group of Companies are shown on pages 374 to 379 of this annual report.

Group Organisation Structure

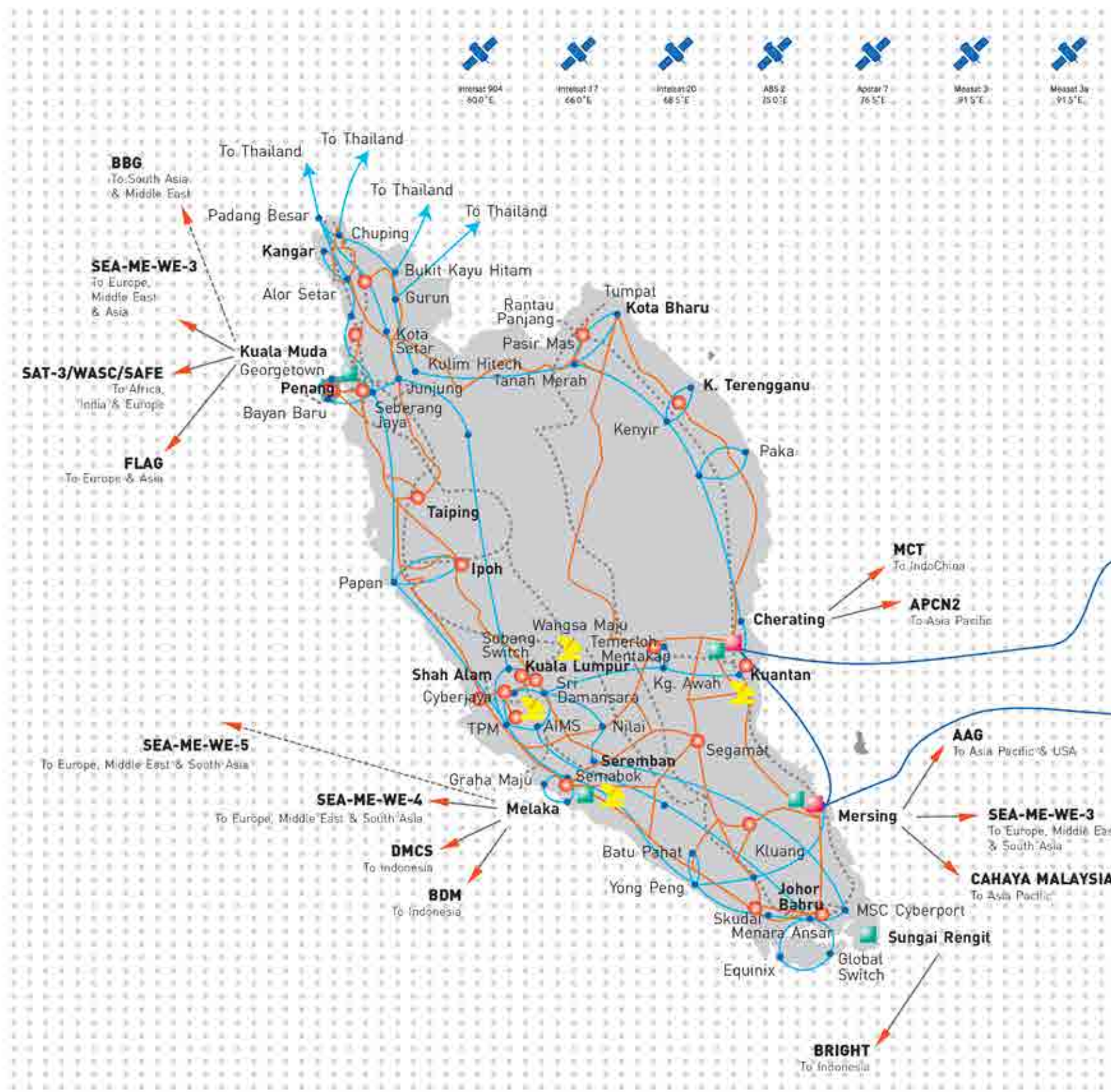
as at 13 March 2016



Note:

* Non GLT member

International & Domestic Infrastructure & Trunk Fibre Optic Network

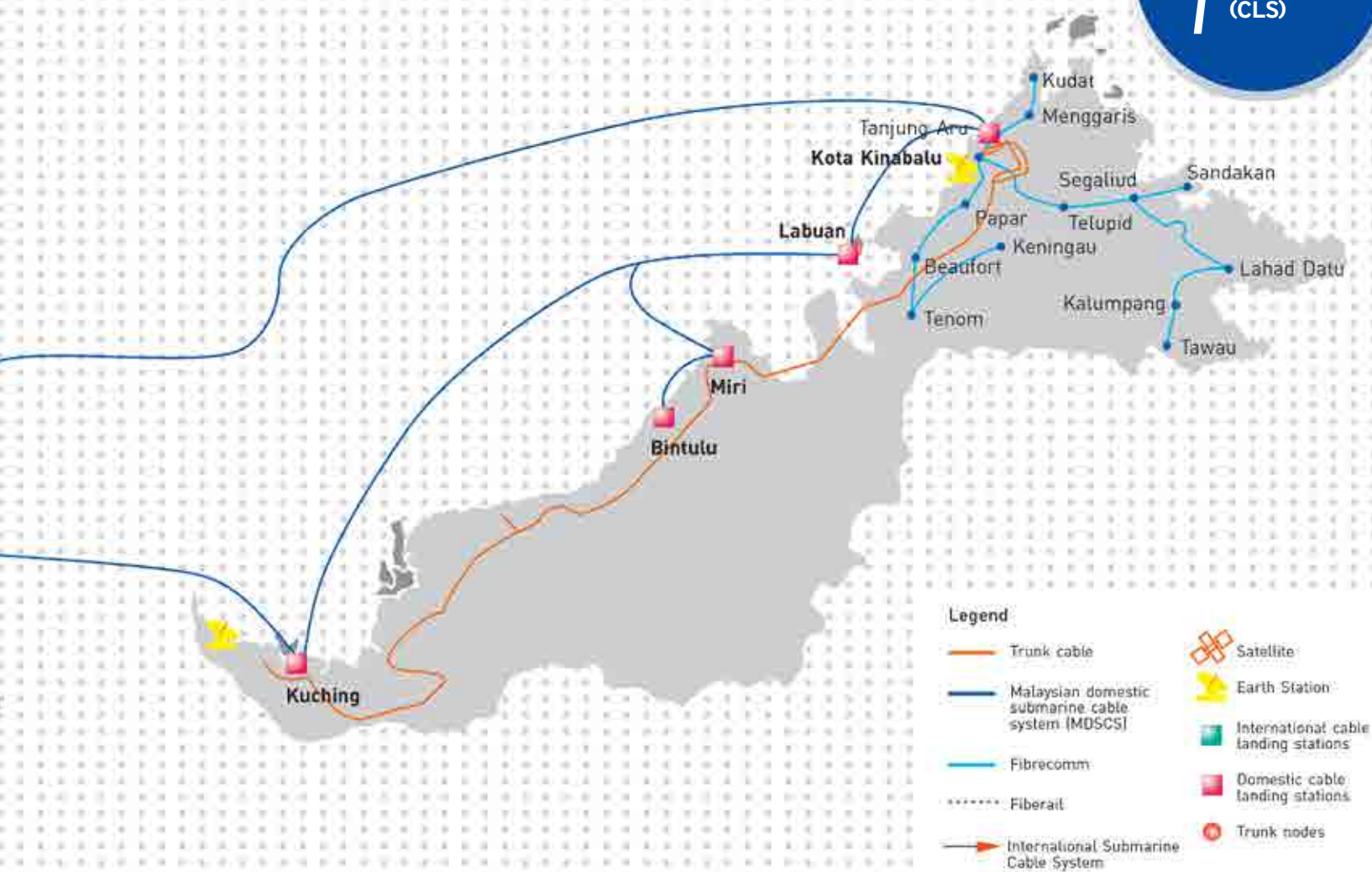


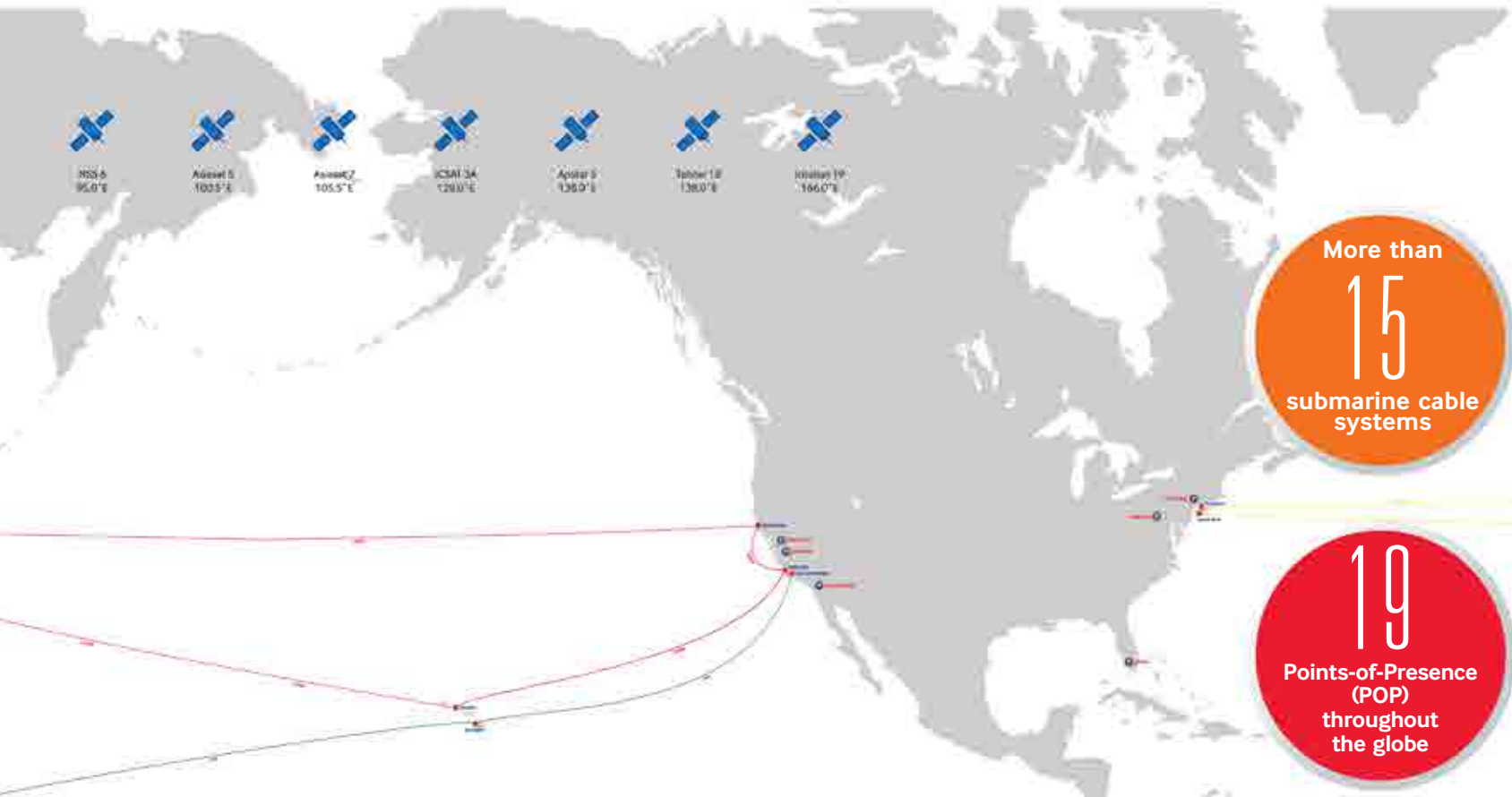
More than
3,200,000
kilometres
domestic fibre
core trunk and
junction

5 international
Cable
Landing
Stations
(CLS)

7 domestic
Cable
Landing
Stations
(CLS)

- 
NSS 6
95.0°E
- 
Astra 2S
100.5°E
- 
Astra 7
109.5°E
- 
JCSAT 3A
128.0°E
- 
Apsara 5
128.0°E
- 
Telstar 18
138.0°E
- 
Intelsat 19
166.0°E



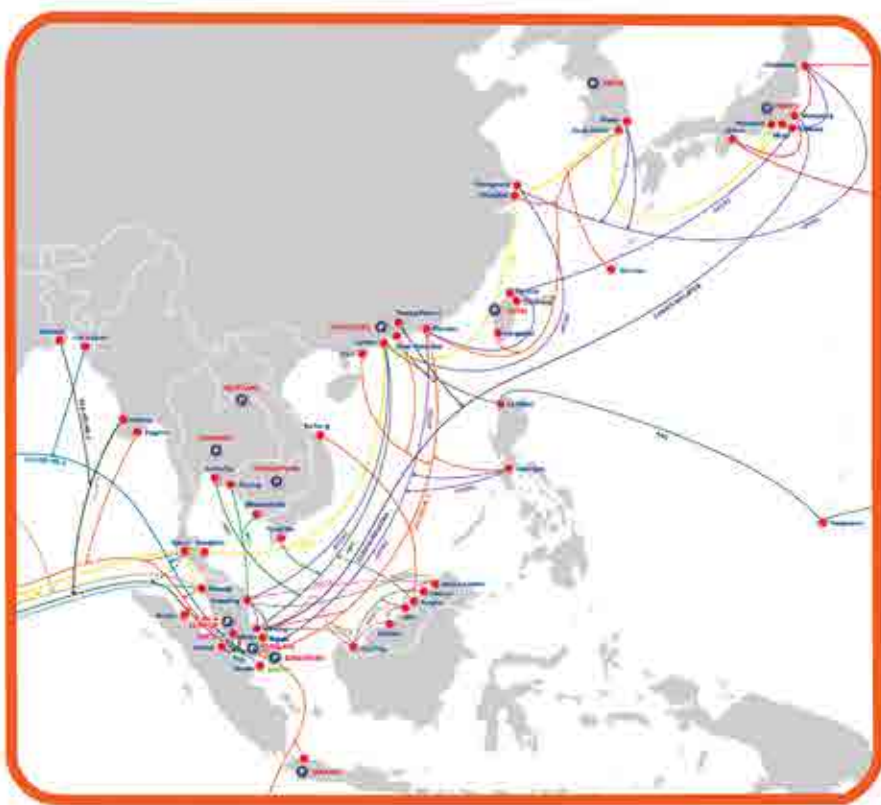


More than
15
submarine cable systems

19
Points-of-Presence (POP) throughout the globe

More than
200,000
fibre-route kilometres worldwide

6
Regional Offices (RO) globally – Singapore, Hong Kong, Sydney, Washington, San Francisco and London



1, Jalan 44 North Wing, Menara TM
40100 Putrajaya, Selangor, 50077
Kuala Lumpur, Malaysia
Domestic: +603 893 1100
International: +603 893 2277
Email: customer@tm.com.my
Web: www.tmm.com.my





Life Made Easier™



PERSPECTIVE

036 Milestones 2015

038 Media Milestones

040 2015 Corporate Events

044 Awards & Recognitions 2015

SINGULARITY
OF PURPOSE

MILEST

2015



January

- TM welcomes the year with a new Chairman on board
- The HyppTV Everywhere mobile app is made available to all, even those who do not subscribe to UniFi or Streamyx
- HyppTV unveils three new value packs – HyppTV Jumbo, HyppTV Aneka and HyppTV Varnam

February

- TM announces a 5.7% increase in revenue for the financial year 2014 despite the challenging economic environment and intense competition

March

- TM and Nusajaya Tech Park Sdn Bhd ink three agreements towards developing a flagship tech park in Iskandar Malaysia, Johor covering the provision of connectivity, data centre and cloud services, as well as smart services
- Citizens of Wilayah Persekutuan are set to enjoy free premium WiFi service following a collaboration between TM and Wilayah Persekutuan Infrastructure Sdn Bhd (WPI)

- TM and Microsoft sign a landmark joint effort to deliver cloud-based digital experiences, enabling Malaysians to meet the converging demands of life and work

April

- TM launches the HyppTV Everywhere mobile app in collaboration with DiGi
- TM bags the Telecom Service Provider of the Year at the 2015 Frost & Sullivan Malaysia Excellence Awards, for the fourth time
- TM introduces two new broadband packages with speeds of 1 Mbps and 10 Mbps at very affordable prices
- TM seals a collaborative deal with Celcom Axiata Berhad for Phase 2 of provisioning of additional Long-Term Evolution (LTE) sites through TM's Next-Gen Backhaul™ services to support Celcom's transmission requirements

May

- Shareholders approve a final single-tier dividend at the Company's Annual General Meeting (AGM), making the total dividend payout 22.9 sen per share or RM846.8 million

- TM inks a Memorandum of Agreement (MoA) with the National Institute of Occupational Safety & Health (NIOSH) for research collaboration on non-ionising radiation

- TM walks away with the 'Anugerah Majikan 1Malaysia (GLC) 2015' for the first time from the Ministry of Human Resources in conjunction with National Workers Day 2015

- TM, Symphony Communication of Thailand and Telcotech of Cambodia form a consortium to develop the Malaysia-Cambodia-Thailand (MCT) submarine cable system

- TM extends partnership agreements with four state-backed companies (SBCs) – D'Harmoni Telco Infra Sdn Bhd (Johor), Perak Integrated Network Services Sdn Bhd (Perak), Perlis Comm Sdn Bhd (Perlis) and Yiked Bina Sdn Bhd (Kedah) – for the provision of high-speed connectivity to network operators residing in telecommunications tower facilities owned by the SBCs

- TM Team Malaysia Fan Run is back for the fourth year to gather support for Malaysian athletes bound to the 28th SEA Games in Singapore

ONES

June

- TM introduces a High-Speed Offshore Network (HSON) at the 15th Asian Oil, Gas & Petrochemical Engineering Exhibition (OGA)

July

- TM revolutionises its Raya campaign, #PakcikMisteri, by utilising digital technology where members of the public are called to watch TM's interactive Raya-themed short-film and click as much as possible to convert the clicks into funds towards making a positive difference to the needy

August

- TM showcases *TM The Musical – A Story of Convergence* at Istana Budaya
- TM becomes the title sponsor of Malaysia Cup 2015 and the co-sponsor of Malaysia Super League (MSL) until 2017

September

- TM signs a Construction and Maintenance Agreement (C&MA) with TT dotcom Sdn Bhd (TTdC) for the development of a new submarine cable system, Sistem Kabel Rakyat 1 Malaysia (SKR1M), which will link Peninsular Malaysia with Sabah and Sarawak

- TM provides end-to-end managed services to Bank Simpanan Nasional (BSN) for the latter's banking operations via a Converged Network Transformation Project
- TM launches a Vendor Transformation Programme under its Bumiputera Vendor Development Programme, enhancing the scheme into a strategic partnership

October

- The all-new UniFi Advance is unveiled – for The Makers of Tomorrow!
- VADS announces the construction of a purpose-built VADS Nusajaya Data Centre in Nusajaya Tech Park, Johor
- TM collaborates with MekongNet, a leading Internet service provider and Internet exchange provider in Cambodia, to provide alternative connectivity solutions in Cambodia

November

- Telekom Sales and Services Sdn Bhd (TSSSB) enters into a distribution partnership with BSN, leveraging on BSN's agents nationwide

- TM R&D is recognised for the Best Broadband Partnership at the Broadband World Forum Awards 2015
- Malaysians are set to enjoy wider world-class entertainment content selection following TM's collaboration with iflix

December

- Group CEO Tan Sri Dato' Sri Zamzamzairani Mohd Isa is named CEO of the Year at the Malaysia-ASEAN Corporate Governance Transparency Index, Findings and Recognition (The Malaysian Chapter) 2015 organised by the Minority Shareholder Watchdog Group (MSWG)
- TM signs two Public-Private Partnership (PPP) agreements with the Government for the implementation of High Speed Broadband Phase 2 (HSBB 2) and the Sub-Urban Broadband Project (SUBB)
- TM's football reality TV show *Mencari Ramli* is back for its fifth season!



TM signs RM3.4b broadband deals



TM's story told in a musical

Show features line-up of artistes as well as telco's own employees and management

TM targets to produce 3 'Bumi champions' by 2018



TM group chief procurement officer Mohamad Mohamad Zain says 'Bumi champions' will be able to stand on their own feet and not rely on TM or other government-linked companies for jobs.



Sulaiman is new chairman of TM

KUALA LUMPUR: Telekom Malaysia Bhd (TM) has appointed the former director-general of the Economic Planning Unit in the Prime Minister's Department, Tun Sri Sulaiman Mahbob, as the new chairman of the firm yesterday. He succeeds Datuk Seri Halim Shaah, who has been appointed as



Tun Sri Sulaiman Mahbob succeeds Datuk Seri Halim Shaah

TM signs 5-year service deal with BSN

KUALA LUMPUR: Telekom Malaysia Bhd (TM) has signed a five-year service agreement with BSN, the national broadcaster, for the provision of network and services. The deal, worth RM1.5 billion, is the largest in the company's history. It covers the provision of network and services for BSN's digital television and pay-per-view services. The agreement also includes the provision of network and services for BSN's mobile TV and mobile video services. The deal is expected to generate significant revenue for TM over the next five years.



Tapping strong AEC potential

ADVANCED CONNECTIVITY: TM looking forward to tapping strong AEC potential with new 4G LTE services

Telekom Malaysia (TM) is looking forward to tapping the strong potential of the ASEAN Economic Community (AEC) with its new 4G LTE services. TM CEO, Datuk Seri Chuan Bee Kim, said the company is committed to providing high-quality services to its customers across the region.



Channelling a wider variety

IP TV service introduces new range of content with aim to cater to all tastes

TM's new IPTV service, MyTV, is designed to offer a wider variety of content to its subscribers. The service includes a range of local and international channels, as well as on-demand content. Chuan Bee Kim said the company is committed to providing a high-quality IPTV service to its customers.

TM expects P1 ops to stabilise by 2018

ROLLOUT WORKS: UTM will take a few years before it can contribute to group

Telekom Malaysia (TM) expects its P1 operations to stabilise by 2018. The company's CEO, Chuan Bee Kim, said that the rollout of the UTM service is progressing well, but it will take a few years before it can contribute to the group's overall performance.

TM and Digi launch new mobile app

BY S. PUSPADINI
puspadini@theedgeline.com

Telekom Malaysia (TM) and Digi have launched a new mobile app, MyTV, which allows users to watch TV content on their mobile devices. The app is available for both Android and iOS. Chuan Bee Kim said the company is committed to providing a high-quality mobile TV service to its customers.

TM's greater purpose of building the nation

DIFFERENT APPROACH: Telekom group aims to build a better future for the nation

Telekom Malaysia (TM) is committed to building the nation through its various services and initiatives. CEO Chuan Bee Kim said the company is focused on providing high-quality services to its customers and contributing to the nation's development.



TM moves beyond connectivity

FOR CONVERGENCE CHAMPION: TM aims to become a leader in the digital Malaysia 2030 vision

Telekom Malaysia (TM) is moving beyond connectivity to become a convergence champion. CEO Chuan Bee Kim said the company is focused on providing a range of services, including mobile TV, IPTV, and cloud services, to its customers.

EXCLUSIVE

Service	Price	Availability
MyTV	RM15 per month	Available in all major cities
Digi TV	RM10 per month	Available in all major cities
MyTV HD	RM20 per month	Available in all major cities
Digi TV HD	RM15 per month	Available in all major cities

VADS plans RM130m data centre in Nusajaya

CHUAN BEE KIM
INFORMATION: Increased information after the ground breaking ceremony for the centre at the Nusajaya Tech Park, here, yesterday.

VADS is planning to build a new data centre in Nusajaya, Johor. CEO Chuan Bee Kim said the company is committed to providing high-quality data services to its customers.



TM to collaborate with iflix Malaysia

SYNERGISTIC TRI-UP: TM, iFlix and Astro to provide a better TV service to customers

Telekom Malaysia (TM) is collaborating with iflix Malaysia to provide a better TV service to its customers. CEO Chuan Bee Kim said the collaboration will allow TM to offer a wider range of content to its subscribers.



TM sets 3 KPI targets this year

Telekom Malaysia (TM) has set three key performance indicators (KPIs) for this year. CEO Chuan Bee Kim said the company is committed to achieving these targets and providing high-quality services to its customers.

2015 Corporate Events



05 JANUARY

Aid to flood victims

More than 300 TM ROVERs (volunteers) joined in relief efforts in the East Coast, distributing basic necessities in Kelantan, Terengganu and Pahang which reached some 15,000 victims. They also helped to clean up houses and their surroundings. To facilitate communication, TM provided 50 sets of CDMA phones. In addition, the Company pledged RM500,000 in cash to ease the burden of the victims.



24 JANUARY

HyppTV launches new value packages

TM launched three new Value Packages at the HyppCarnival held at Paradigm Mall, Kuala Lumpur. The packages – HyppTV Jumbo Pack, HyppTV Aneka Pack and HyppTV Varnam Pack – came at very affordable prices.



14 FEBRUARY

TMgo ventures to Negeri Sembilan

TM launched its 4G broadband offering, TMgo, in Bahau, Negeri Sembilan. Subsequently, TMgo has been made available in three more localities in the state – Batu Kikir, Juasseh and Bandar Sri Jempol – providing residents of these underserved areas with high speed broadband connectivity.



26 MARCH

TM develops data centre and invests in Nusajaya Tech Park

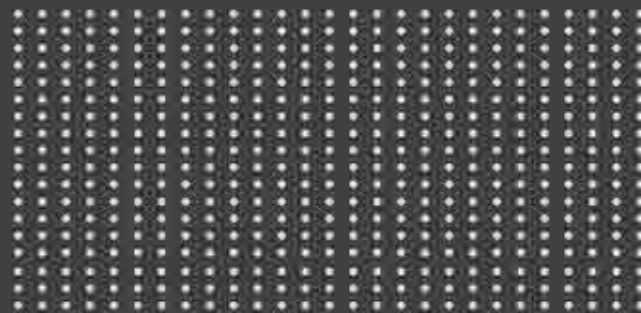
TM and Nusajaya Tech Park Sdn Bhd (NTPSB) inked three agreements towards developing a technology park in Iskandar Malaysia, Johor. The collaboration covers connectivity, a data centre and cloud services, as well as the provision of smart services to all locators and business owners in the park. The 210-hectare Nusajaya Tech Park, being developed by Ascendas and UEM Sunrise Berhad, will be TM's largest purpose-built data centre.



15 APRIL

Telecom Service Provider of the Year... again

TM was named Telecom Service Provider of the Year at the 2015 Frost & Sullivan Malaysia Excellence Awards, the fourth time it has been recognised with the accolade. It also won the Telecom Wholesale Service Provider of the Year for the second time, Data Communications Service Provider of the Year for the 11th consecutive year, and Fixed Broadband Service Provider of the Year. Subsidiary VADS Berhad won the Data Centre Service Provider of the Year.



16 APRIL

New broadband packages to drive penetration

TM announced two new broadband packages: the first at RM38 a month (excluding GST) for 1Mbps with data usage up to 1GB, which was 57% cheaper than the existing offering and a new UniFi 10Mbps triple-play package at RM179 a month (excluding GST). The latter includes unlimited broadband Internet access, free fixed telephone calls nationwide and 22 HyppTV channels at a 10% discount from the existing package.



25 APRIL

TM graduates its ninth adopted school

TM organised a graduation ceremony for SMK Chenderiang, Temoh, Perak to mark the end of the adoption of this school under the three-year PINTAR School Adoption Programme.



12 MAY

Collaboration with Microsoft on Digital Transformation

TM and Microsoft Corporation announced a landmark joint effort to deliver cloud-based digital experiences for Malaysians. The collaboration combines the portfolio strengths of both companies to offer integrated services designed specifically for consumers and businesses.



25 MAY

TM forms consortium for new regional cable system

TM signed an agreement with Symphony Communication of Thailand and Telcotech of Cambodia to form a consortium for the establishment of a state-of-the-art Malaysia–Cambodia–Thailand (MCT) submarine cable system.



31 MAY

10,000 take part in TM Team Malaysia Fan Run

The Company organised its fourth TM Team Malaysia Fan Run, this time in support of the country's athletes taking part in the 28th SEA Games held in Singapore from 5-16 June. Khairy Jamaluddin, Minister of Youth and Sports, flagged off the participants of the 5km, 10km and 15km runs, including 50 athletes from the National Sports Council (NSC).



13 JUNE

TM recognises efforts to curb cable theft

TM Negeri Sembilan organised an appreciation ceremony to recognise the contributions of police officers as well as members of the public in curbing cable theft in the state. Certificates of appreciation and cash were given to four police officers, six TM staff and two private security personnel whose actions led to the arrest of cable theft criminals in Mantin earlier in the year.



28 JUNE

TM completes Program Sejahtera in Kelantan

TM completed its three-year Program Sejahtera, targeted at helping five single mothers in Kelantan become financially independent. The closing ceremony was held in conjunction with a special *iftar* (breaking of fast) organised by TM Kelantan.



08 JULY

Annual 'Op Selamat' safety campaign returns

TM once again collaborated with the Police in the annual *Op Selamat* safety campaign organised in conjunction with the Hari Raya Aidilfitri celebration. Launched by Tan Sri Dato' Sri Khalid Abu Bakar, the Inspector General of Police, the seventh edition of the campaign ran for two weeks from 10-24 July.



16 AUGUST

TM brings 'TM the Musical – A Story of Convergence'

The Company staged *TM The Musical – A Story of Convergence*, first at the Group's Awards Night in May, and then for our external stakeholders at Istana Budaya from 14-16 August. Proceeds were donated to charity. The idea was to foster a sense of pride in being part of TM. (Turn to page 228 for more info)



02 SEPTEMBER

TM seals deal for Sistem Kabel Rakyat 1Malaysia (SKR1M)

TM signed a Construction and Maintenance Agreement with TT dotcom Sdn Bhd (TTdC) for the development and construction of a new submarine cable system, Sistem Kabel Rakyat 1 Malaysia (SKR1M), that will link Peninsular Malaysia with Sabah and Sarawak. SKR1M will utilise the latest 100Gbps wavelength technology with an initial capacity of 4 Terabits per second (Tbps) upgradeable to 12.8Tbps.



08 SEPTEMBER

TM to connect BSN branches

TM and Bank Simpanan Nasional (BSN) signed a five-year service agreement for a new Converged Network Transformation Project in which TM will be delivering Wide Area Network (WAN) services connecting 413 BSN branches nationwide. The agreement covers both connectivity and managed ICT, offering BSN end-to-end managed services for its banking operations.



17 SEPTEMBER

TM embarks on Vendor Transformation Programme

TM launched a Vendor Transformation Programme as part of its existing Bumiputera Vendor Development Programme, enhancing the scheme into a strategic partnership. The programme will enable TM to develop strong, resilient, competitive and sustainable Bumiputera corporate champions in line with the national agenda.



26 OCTOBER

Data centre in Nusajaya to serve ASEAN

A ground-breaking ceremony was held for VADS Nusajaya Data Centre, which will serve as a regional hub in providing end-to-end managed ICT services, BPO services, cloud services via a digital marketplace and high-speed broadband connectivity. The data centre, in Nusajaya Tech Park, Johor is expected to be completed in 2017.



28 OCTOBER

TM and MekongNet collaborate in Cambodia

TM announced a partnership with MekongNet under which the Cambodian company will host and provide network infrastructure for TM's multi-services node or Point-of-Presence (POP) in Cambodia. This will enable MekongNet to provide alternative connectivity solutions to its customers as well as serve Cambodia's growing demand for international Internet bandwidth.



02 DECEMBER

HyppTV unveils 'I Want to be a Filmmaker' reality show

HyppTV launched a reality TV contest called *I Want To Be A Filmmaker* to unravel a creative and ambitious young talent who will be given a RM100,000 scholarship from Yayasan Telekom Malaysia (YTM) to undergo the Bachelor in Cinematic Arts programme in Multimedia University (MMU).

03 NOVEMBER

Smart solutions for Medini Iskandar Malaysia

Medini Iskandar Malaysia Sdn Bhd (MIMSB) inked its first telecommunications agreement with TM for the establishment of a joint venture company to provide ICT services to fulfil the smart and sustainable aspirations of Medini.



16 DECEMBER

TM continues its winning streak of accolades

TM's Group CEO Tan Sri Dato' Sri Zamzamzairani Mohd Isa was named Minority Shareholder Watch Group (MSWG)'s Corporate Governance CEO of The Year while the Company swept five other MSWG awards on the back of four wins at the recent National Annual Corporate Report Awards (NACRA) and being named a Top 10 Malaysian corporation at the inaugural PWC Building Trust Awards Malaysia Chapter.



18 NOVEMBER

TM and KKMM organise public safety forum

TM collaborated with the Ministry of Communications and Multimedia (KKMM) to organise a Public Safety Forum focused on managing emergency call centres and disaster management. The forum featured distinguished speakers from Europe, India and ASEAN.

17 DECEMBER

TM signs HSBB 2 and SUBB agreements to further connect Malaysians

TM signed two Public-Private Partnership (PPP) agreements with the Government of Malaysia for the implementation of the High Speed Broadband Project Phase 2 (HSBB 2) and the Sub-Urban Broadband Project (SUBB) to deploy access and domestic core networks to deliver an end-to-end broadband network infrastructure and services, as well as to increase broadband coverage nationwide.

Awards & Recognitions 2015

10 FEB

ASIA'S BEST COMPANIES 2015

- No. 2 Most Committed to Paying Good Dividend
- Best CEO – Tan Sri Dato' Sri Zamzamzairani Mohd Isa

15 APR

FROST & SULLIVAN MALAYSIA EXCELLENCE AWARDS

- **TM Awards**
 1. Telecom Service Provider of the Year
 2. Champion for Excellence in Customer Experience for the Telecommunication Industry in Malaysia – Self Service Experience Category
 3. Telecommunication Wholesale Service Provider of the Year
 4. Data Communications Service Provider of the Year
 5. Fixed Broadband Service Provider of the Year
- **VADS Awards**
 1. Data Centre Service Provider of the Year

AT TM, WE BELIEVE IN INNOVATING AND CREATING NEW IDEAS TO INCREASE OUR CAPABILITIES, STRIVING FOR GREATER HEIGHTS, TO SERVE YOU BETTER.



1 MAY

ANUGERAH MAJIKAN 1MALAYSIA 2015

- GLC category

10 MAY

GRADUATES BRAND AWARDS 2014

- Top 10 Most Preferred Employer
- Top 3 Most Preferred Employer by Industry

21 MAY

2015 FROST & SULLIVAN EXCELLENCE IN CUSTOMER EXPERIENCE

- Excellence in Customer Experience

11 JUNE

COMPUTERWORLD MALAYSIA CUSTOMER CARE AWARDS (CCA) 2015

- VOIP/IP Telephony Systems

14 JUNE

EUROPEAN SOCIETY FOR QUALITY RESEARCH (ESQR) AWARDS 2015

- Quality Achievements Award 2015

25 JUNE

FROST & SULLIVAN ASIA PACIFIC ICT AWARDS

- Fixed Broadband Service Provider of the Year

11 AUG

THE BRANDLAUREATE SPECIAL EDITION WORLD AWARDS 2015

- Brand Excellence in Integrated Telcos

12 AUG

6TH ASIA'S BEST EMPLOYER BRAND AWARDS, SINGAPORE

- Asia's Best Employer Brand Awards 2015

15 AUG

CMO ASIA'S WORLD BRAND AWARDS

- Brand Excellence Awards – Telecommunication Service Sector

21 AUG

PUTRA BRAND AWARDS

- Silver Category

4 OCT

THE 11TH ASIAN ACADEMY OF MANAGEMENT INTERNATIONAL CONFERENCE 2015

- Business Person of the Year – Tan Sri Dato' Sri Zamzamzairani Mohd Isa

14 NOV

ASEAN CORPORATE GOVERNANCE AWARDS

- Top 50 Publicly Listed Company from ASEAN
- Top 3 Publicly Listed Company from Malaysia

29 OCT

MARKETING EXCELLENCE AWARDS 2015 (BRAND: TM SME BIZFEST 2015)

- Excellence in B2B Marketing – Silver
- Excellence in Government Sector Marketing – Silver

24 NOV

NATIONAL ANNUAL CORPORATE REPORT AWARDS (NACRA) 2015

- Overall Excellence Award – Gold
- Trading & Services Sector Award
- Best Design Award – Platinum
- Best CSR Award – Gold

30 NOV

PWC'S BUILDING TRUST AWARDS 2015

- Top 20

4 DEC

SME RECOGNITION AWARD BY SME ASSOCIATION OF MALAYSIA (SME MALAYSIA)

- Sahabat Negara Award 2015

10 DEC

MALAYSIA-ASEAN CORPORATE GOVERNANCE TRANSPARENCY INDEX, FINDINGS AND RECOGNITION (THE MALAYSIAN CHAPTER) 2015

- CEO of the Year – Tan Sri Dato' Sri Zamzamzairani Mohd Isa
- Top 10 CG Disclosure Merit Recognition
- Top CG Overall Recognition
- Long-term Value Creation (10 years)
- Exemplary AGM Conduct & Minutes
- Industry Excellence – Telecommunications & Media

15 DEC

NATIONAL CENTER FOR SUSTAINABLE REPORTING (NCSR)'S SUSTAINABILITY REPORTING AWARD 2015

- 2nd Runner Up, Best Sustainability Report 2014 (Overseas Category)





TM AURA

CREATING AND ENSURING SUSTAINABLE VALUE CREATION

- 048** The Telecommunications Sector:
Review & Outlook
- 050** Box Article: "A Day in a Life" with TM
- 052** Strategic Journey: A Day in a Life
with TM
- 054** TM's Value Creation
- 055** Converging Sustainability and Corporate
Responsibility via Value Creation
- 057** Stakeholder Analysis
- 061** Determining Material Matters
- 066** Holistic Measures to Monitor
Corporate Reputation and Brand Health
- 068** Occupational Safety, Health and
Environment (OSHE)
- 070** Box Article: TM Realising 'Life and Business
Made Easier' through Convergence

INGRAINING VALUE

The Telecommunications Sector: Review & Outlook

The year 2015 proved to be challenging for Malaysia given the global and local economic impact of depressed oil prices, introduction of GST and understanding the country's place within the Asean Economic Community framework. It was also a critical year for telecom service providers as the industry undergoes a major revolution driven by changes in user requirements, revenue drivers and new technologies.

According to the Malaysian Communications and Multimedia Commission (MCMC), as of Q4 2015, household broadband penetration in Malaysia had reached 71.8%, an increase from 70.2% in 2014. This is in line with Malaysian Institute of Economic Research (MIER)'s estimation of real GDP to grow at 5.0% in 2015, performing better than expected in an environment of fragile global recovery and renewed uncertainty. IDC, meanwhile, forecasts that the retail telco market in Malaysia will grow at a compound annual growth rate (CAGR) of 1.0% from 2014-2016 due to the negative CAGR of fixed and mobile voice at -4.9%. The trend clearly indicates the impact of data substitution across the industry and adoption of Over-the-Top (OTT) applications such as Viber and WhatsApp which offer cheaper alternatives to traditional domestic and international voice calls.

Telcos strive continuously to gain subscriber market share to drive service revenue. They are targeting newer customer segments through innovative pricing plans that integrate voice, data and digital services and incorporate their device strategy. Celcom introduced Magic SIM, its first prepaid plan to integrate calls, data and gaming services, in June 2015. In August 2015, Maxis launched its Zerolution plan to drive loyalty from the mid-segment, offering customers brand new smartphones with RM0 upfront, 0% interest, and zero penalty when they changed to a new device after 12 months. DiGi opted to partner with content and digital service providers to add value to its products.

WHAT'S NEW FOR TM IN 2015

TM had a promising start to the year as we continued with our Innovation Exchange business strategy by introducing new and innovative offerings to deliver an enhanced and integrated digital lifestyle to customers. We extended the HyppTV Everywhere app to non-UniFi or Streamyx customers and collaborated with DiGi to offer HyppTV packages to its customers.

We also continued to maintain our position as Malaysia's Broadband Champion; ready to evolve into a Convergence Champion. Our broadband infrastructure covers 53% of Malaysian households with approximately 2.34 million broadband subscribers as at December 2015. In October, we introduced a refreshed UniFi brand and proposition, called UniFi Advance Plan, offering speeds of 30 Mbps to 50 Mbps together with HyppTV Value Packs for customers to choose from based on their preference.

We further strengthened our position as Malaysia's Convergence Champion by collaborating with iflix, Southeast Asia's leading Internet TV service – the first such collaboration in the ASEAN region. With this, in addition to the existing HyppTV service, we are continuously improving our content proposition to give the highest quality entertainment to customers in line with our brand promise of Life Made Easier.

On 17 December 2015, we signed two Public-Private Partnership (PPP) agreements with the Government of Malaysia for the implementation of the High Speed Broadband Project Phase 2 (HSBB 2) and the Sub-Urban Broadband Project (SUBB). The aim is to deploy access and domestic core networks to deliver end-to-end broadband network infrastructure and services, as well as increase coverage nationwide.

Among new developments, TM entered into a partnership with Bank Simpanan Nasional (BSN) to manage its Converged Network Transformation Project. Under the agreement, we will provide the bank with end-to-end managed Wide Area Network (WAN) services connecting 413 BSN branches nationwide.

In October, we announced the establishment of a joint venture company with Medini Iskandar Malaysia Sdn Bhd to provide ICT services in Medini, Nusajaya, Johor. This will be in addition to an existing joint venture with UEM Sunrise Berhad and Iskandar Investment Berhad that was signed in 2014. Both these joint ventures will pave the way towards realising the Company's aspiration of establishing smart and connected townships.

Meanwhile, our wholly-owned subsidiary VADS Berhad (VADS) began the construction of a new purpose-built carrier-neutral VADS Nusajaya Data Centre (NJDC) in the Nusajaya Tech Park in Iskandar Malaysia, Johor, which is scheduled to be completed in early 2017. The data centre will house the TM Iskandar international gateway to serve as a regional hub for end-to-end managed ICT services, Business Process Outsourcing (BPO) services, Cloud Services via Digital Marketplace and high speed broadband connectivity.

TM is further strengthening our regional presence with the formation of a consortium to establish a new cable system, spanning approximately 1,300km linking Malaysia to Cambodia and Thailand. The Malaysia – Cambodia – Thailand (MCT) submarine cable system will also have access to Laos, Myanmar and Vietnam via terrestrial links. Apart from that, we inked a partnership with MekongNet, a leading Internet Service Provider (ISP) and Internet Exchange Provider (IXP) in Cambodia, to host our Point-of-Presence (PoP) in that country.

2016 OUTLOOK

In 2016, Fitch forecasts the global economy to grow by 2.5%, a modest pick-up after the weakest growth (2.3%) since the global financial crisis in 2015. Malaysia real GDP growth is expected to remain more or less the same as in 2015, at between 4.0% and 4.5%.

Fitch also reported a negative outlook for the Malaysian telecommunications sector in 2016, reflecting intense competition as telcos offer cheaper data and international direct dialing (IDD) services to counter weak consumer spending. Its forecast is for a low single-digit percentage revenue growth of Malaysian telcos, with expansion of the long-term evolution (LTE) network and fibre broadband driving capital expenditure (capex) investments.

Recognising 2016 will be a challenging year, TM will continue to invest in infrastructure expansion to ensure sustainable development. We are very optimistic of being at an inflection point in our transformation

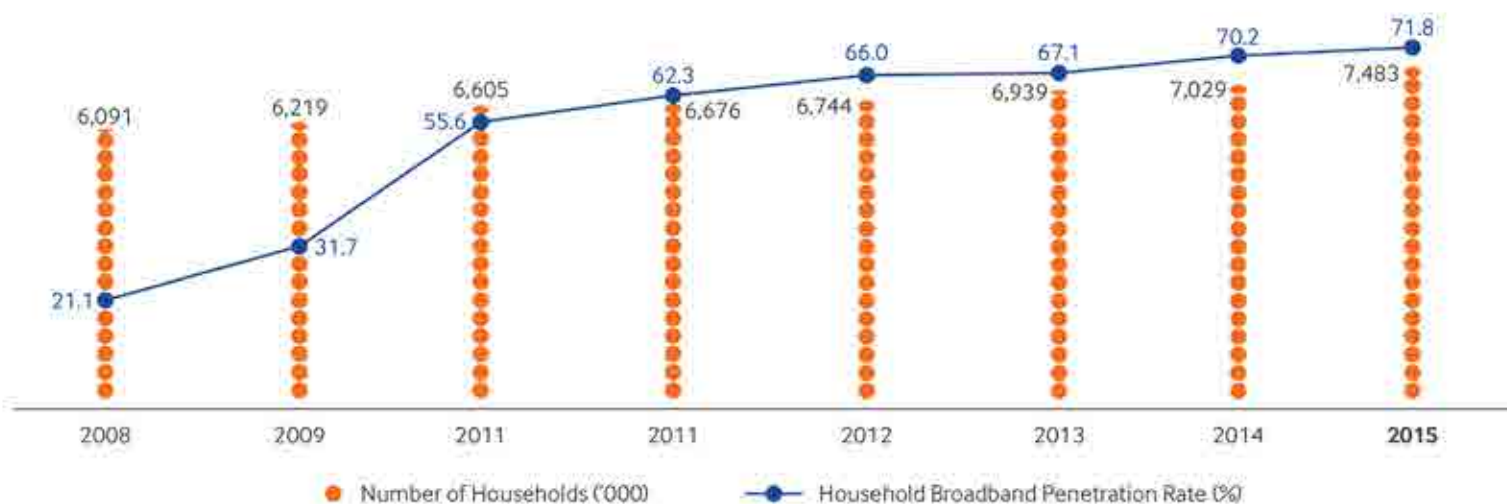
into a Convergence Champion and will not draw back from the necessary investments and execution plans required to better position ourselves for the future. Focusing on two key strategic thrusts, ie Deliver Convergence and Go Digital, we are confident of doing well in 2016. Supporting the execution of these strategies are continuous efforts to cultivate a Productivity and Innovation culture in everything we do. Becoming a Convergence Champion is key to positioning ourselves well in the changing market landscape.

We are working closely with our subsidiary, P1, to launch mobile services that will mark the beginning of our aspiration to provide fully converged services and a completely seamless experience to our customers using multiple devices in various environments. Kicking off with the iflix collaboration, we are open to partnering with OTT players to fulfil customer demand, in line with our brand promise of Life and Business Made Easier.

TM looks forward to a game-changing year ahead by continuing with our fresh and innovative approach to the market. We will continue to focus on executing our ongoing transformation journey towards becoming Malaysia's Convergence Champion and No. 1 Converged Communications Provider while delivering on our promise of Life Made Easier and Business Made Easier to our customers.

Sources:

1. IDC: Malaysia ICT 2015 Top 10 Predictions from IDC, IDC, 11 February 2015
2. SKMM, Communications & Multimedia Pocket Book of Statistics 2015
3. Malaysian Economic Outlook, MIER, 22 October 2015
4. IDC: 2nd half 2014
5. Malaysia ICT Outlook – 2016, Telecom Landscape, Frost & Sullivan
6. Fitch: World Growth Still Standing Despite Emerging Market Weakness
7. MIER, National Economic Outlook Conference 2016-2017
8. Fitch lowers telcos to 'negative', cites stiff competition, The Sun Daily, 23 November 2015
9. Budget 2016: Startup goodies, MaGIC boost, ho-hum broadband, DNA 23 October 2015
10. 2016 Budget Recalibration Thursday, 28 January 2016



"A DAY IN A LIFE" with TM

In this modern world of ours, time is of essence. The Internet has shrunk the world and the mantra of 'so many things to do, so little time' has become the norm. Innovations are needed so that we can be fully productive throughout the day. Without the hassle. Without the worry. With TM, life and business will be made easier. For all of us.

Come let's have a look at a day in the life of Linda, her husband, Zayn and their son, Adam.



01

Linda wakes up, picks up her tablet at her bedside and with just a tap on the screen, her bedside lamp switches on, the air-conditioner powers down and her bedroom curtains draw open, while the coffeemaker in the kitchen switches on.



02

She turns on the TV and skims the surveillance footage of her entire house streaming directly from the cloud storage.



Today everything is converging and increasingly digitalised, possibilities are limitless. At TM, we aspire to be your single provider fulfilling your every need, be it at home or for your business, even while you are on the go, to enhance the productivity and quality of every aspect of your lives. From the moment the sun rises in the morning till the moon and stars shine at night, we are right here by your side to take care of you and make life easier for you. Let us lead the way.

08 Linda then drives to her jewellery shop taking the shortest route and parks at a spot as suggested by the urban navigator.

08



09 Linda sets up her shop few years ago to serve both walk-in and online customers. Simply by subscribing UniFi Biz Advance Plan, Microsoft Office 365, SurePay and SurePay POS, Linda has all her connectivity and business tools that she requires.

09

07 As the school bus arrives, Adam quickly puts his tablet in his school bag for his e-learning Science class later in the day.

07



12 Checks the tracker application on her mobile and sees that Adam is safely in school. Adam is enjoying learning about mammals in his Science class.

12



Using their tablets, the children open their text book and scan the TM Aura marker. Automatically, videos of zebras and dolphins appear on their tablets, accompanied by facts and figures.

11 Video-conference discussion with one of her suppliers from India using her Microsoft Office 365 'Skype for Business'.

11



06 Waken up by Linda, Zayn gets ready for work and goes down for breakfast. He flips through the morning news on his tablet via e-browse and then he clicks on the TV to view real-life traffic conditions to know the fastest route to his office.

06



05 Opening the fridge, Linda notices she is running low on eggs and other groceries. She selects the grocery items that she needs from the kitchen TV screen and finally clicks 'Confirm'. Payment is made via her credit card, and the groceries will be delivered later in the day.

05



13 Students are given an online multiple choice test using their tablets, enabled through the school's high speed broadband Li-Fi connectivity using TM AILA applications. When presses the 'submit' button, automatically he receives his score of 92%. Linda also immediately receives Adam's test results on her mobile phone using P1's high-speed LTE network.

13

10 With SurePay payment and collection solution, she has received a fully paid order for a pendant which she needs to arrange for shipment to Johor. She clicks on the post-dispatch service portal, makes the required payment and arranges for the pick-up and delivery.

10



16 Meanwhile, at his office, Zayn is in the midst of presenting a report on his team's sale performance via a video conference. His presentation is conducted using a multi-link video-conferencing service, delivered through the ACASIA IP VPN network.

16

04 She goes to the small screen on the wall and calls on to Zayn and Adam, waking them both up. Zayn and Adam both see and hear Linda in the screens in their respective rooms.

04



14 On the way to the mall, Linda makes a car park reservation, a booking for two for lunch at the restaurant and an appointment at her hairdresser's with just a few taps on her mobile phone.

14



03 Linda changes into her running gear, straps on the fitness tracker and gets onto the treadmill in the exercise room downstairs for her daily morning exercise while watching her favourite talk show on HyppTV. She cools off and views her exercise tracking progress on her handphone.

03



15 After lunch with her friend, at the salon, the person delivering her groceries has arrived at her house and is calling her using the video camera and screen placed outside her gate. Linda opens her house gate using her mobile and the groceries are placed on her porch.

15

17 Linda reaches home, switches on to HyppTV Interactive Channel's Try Masak and follows the step-by-step instructions on a new chicken recipe given by the chef.

17



19 After dinner, Adam sits down at the laptop in his room for a 45-minute live video-call tuition session for Mathematics with his tuition teacher while Zayn makes a video call on his big screen TV to his parents in Johor through UniFi Advance high-speed broadband.

19



20 After completed his tuition, Adam eagerly sprints to the TV in his room for an online gaming session with two of his school friends.

20



21 Finally, everyone settles comfortably on the sofa as they watch a video-on-demand movie on HyppTV together.

21

Soon, it's time for bed and the end of another simple, easy and beautiful day.

18

18 Soon after Zayn and Adam reaches home, everyone settles in at the dining table to enjoy the chicken, which is a success.

Strategic Journey: A Day in a Life with TM

A SIMPLE AND BEAUTIFUL DAY. ANOTHER DAY DURING WHICH THE LIVES OF ZAYN, LINDA AND ADAM WILL BE MADE EASIER BY TM. A VISION THAT WE STRIVE TO REALISE THROUGH OUR TWO STRATEGIC THRUSTS OF DELIVERING CONVERGENCE AND GOING DIGITAL, SUPPORTED BY CONTINUOUS EFFORTS TO INTERNALISE A PRODUCTIVITY AND INNOVATION CULTURE WITHIN THE ORGANISATION.

These key strategic thrusts are fully aligned with our Information and Innovation Exchange business strategies, leading the way towards our aspiration of Life and Business Made Easier.

DELIVERING CONVERGENCE

As the industry progresses towards true convergence, TM is proud to position ourselves as the No. 1 Converged Communications Service Provider, not only from a technology or device perspective, but more importantly from a customer experience point of view. We are driven to deliver fully integrated high-quality Internet, data and application services seamlessly anytime, anywhere and on any device.

Convergence will be reflected by the customer value proposition that we aspire to deliver, which we are realising through several fundamental building blocks:

Increased reach and coverage

We are expanding our network reach and coverage through the HSBB2 and SUBB Public-Private Partnership projects with the government, expanding beyond the previous HSBB infrastructure to include other priority economic areas throughout the country.

Higher speeds and seamless Internet connection, anytime and anywhere

We offer customers choice and flexibility via our new founding platform for convergence, UniFi Advance Plan, which comes with various add-ons suited to different lifestyles. With the soft launch of UniFi Advance 30 Mbps in 2015, add-ons include upgrades to higher speeds, a P1 ToGo portable modem package and a voice package. Complemented by an LTE network currently being deployed by P1, and TM's extensive WiFi coverage, customers will soon be able to enjoy a truly seamless 'always on' Internet connection whether they are at home or in the office, or even while on the go, anytime and anywhere.

Fulfilment of customers' lifestyle and business needs

We are continuously enhancing our offerings to fulfil customers' communication and entertainment needs across all devices. For example, HyppTV and HyppTV Everywhere provide exciting content and entertainment, while our partnership with Microsoft enables us to offer Office 365 as a useful business and personal productivity tool.

We recognise that the above initiatives and plans would require significant investment in revamping our IT and network architecture.

However, these investments are necessary in order to transform TM into a Convergence Champion for future growth.

The goal of our next strategic thrust is to ensure our customers' end-to-end convergence experience journey with us is made as simple and easy as possible.

GOING DIGITAL

Our Going Digital aspiration involves redesigning our customer journey to ensure customers receive their desired experience when interacting with TM across multiple traditional and digital channels. The Group-wide initiative will reshape our organisational DNA on how we do business, to be achieved through four key programmes:

- Customer experience: Generate easy and simpler ways for customers to engage with TM
- Process optimisation: Simplify and streamline internal processes through digitalisation
- Analytics and omni-channel: Use analytics to ensure seamless integration among the channels
- New opportunities: Create completely new adjacencies/businesses enabled by digital

By Going Digital, we are investing in a different way of doing things that will enable us to cut costs in the long run. This initiative operationalises the ‘start with customers and end with customers’ framework based on input received from customers. It comprises the following steps:



For more details, please refer to Box Article: TM’s Digital Transformation on page 236.

PRODUCTIVITY

Productivity efforts within TM will be broadened beyond manpower to include asset utilisation, cash efficiency, process improvement, etc. We are also re-prioritising productivity initiatives by re-focusing on the fundamental basics of operational productivity to ensure results are achieved.

INNOVATION

Through TM’s existing innovation ecosystem, we will continue to inculcate innovation as a culture in TM to ensure that new ideas generated, both internally and externally, will not be wasted. We hope that through our internal innovation hubs (eg TM R&D, MMU) and external innovation initiatives (eg RE Accelerator Programme, partnerships), we will be able to tap more effectively into opportunities to improve our overall operations and offerings.

These strategies reflect TM’s commitment to transform towards a more **customer-centric organisation**, in order to deliver our promise to make **life and business easier, for a better Malaysia**.

TM's Value Creation

TM creates value by delivering our brand promise of 'Life and Business Made Easier'. In creating sustainability for our business, our business model comprises TM's Vision and Mission, and is guided by our values and principles. Our operating environment and communication with stakeholders play important roles in identifying risks and opportunities. Our strategy (refer to page 008 and 009) is devoted to maximising these opportunities.

	Capital Inputs	Capital Outputs and Outcomes
<p>Products, Services and Infrastructures</p> <ul style="list-style-type: none"> Our extensive, products, services and infrastructures are manufactured capitals critical in providing telecommunications products and services with value-added services connecting Malaysia to the world. 	<p>UniFi, LTE, Submarine Cable, Fibre backbones, Voice and content channels are TM's manufactured capital, offering Malaysians value propositions of Life and Business Made Easier. Social and relationship capital is applied as TM relies on our sales channels, suppliers and vendors to build and maintain this network.</p>	<p>A high-quality, resilient network helps TM offer wide-ranging products and services, increasing our brand image and enhancing our intellectual capital. The trade-off for this investment in manufactured capital is impact on natural capital (waste, energy).</p>
<p>People and Human Capital</p> <ul style="list-style-type: none"> Investing in people ensures TM is able to operate at the highest level of efficiency and efficacy. 	<p>Training accorded to employees and providing them with the right working environment build on our intellectual and manufactured capitals.</p>	<p>With people operating efficiently and effectively at all levels where we operate, social and relationship capitals are met, the trade-off for this being investment in manufactured capital.</p>
<p>Customer Experience</p> <ul style="list-style-type: none"> Redesign Customer Journey Going Digital – expand alternative channel reach Improve touch point efficiency and effectiveness Professional workforce with customer-centric mindset and Customer Education Brand awareness 	<p>Investing in our customers means investing in social and relationship, intellectual and human capitals. By exploring alternative channels such as digitalisation, and training of customer-centric mindset, TM broadens our customer touch points as far as possible.</p>	<p>Wide customer touch point channels ensure customers have access to TM at all times. Digitalisation will reduce our environmental impact. Positive customer experience will help retain customers, thus boosting human, social and ultimately, financial capitals.</p>

Converging Sustainability and Corporate Responsibility via Value Creation



In Supporting Government Initiatives

- Construction of Sistem Kabel Rakyat 1Malaysia (SKR1M) cable system to improve communication infrastructure, in-line with the Government's Economic Transformation Programme (ETP) for EPP 10 – "Extending the Regional Network" as well as National Key Economic Area (NKEA) for the Communications Content and Infrastructure (CC) sector
- Broadband for General Population (BBGP) to introduce broadband penetration in low penetration areas to achieve the Government's target of 90.0% broadband penetration by 2020
- TM MARA Smart Education to provide an integrated 21st century learning solution, in line with the National Education Blueprint 2013-2025
- Promoting public safety through cable theft prevention and 999

In Nurturing the Economic

- Bumiputera Vendor Development Programme (BVDP) which enhances the entire vendor ecosystem at TM to develop strong, resilient, competitive and sustainable Bumiputera corporate champions in line with the national agenda
- Enhancing SMEs in Malaysia through digital lifestyle which enables SMEs to expand beyond borders. TM SME encourages growth of SMEs beyond connectivity by providing ICT solutions which improve competitiveness, both domestically and beyond Malaysia

In the Environment

- Macro
- Contributions to MYCarbon Reporting
 - Carbon footprint measurement and calculations
 - Establishing a baseline and benchmark electricity usage for telecommunications network exchanges and commercial buildings using Power Usage Effectiveness (PUE) by Green Grid and Building Energy Intensity (BEI)
 - PSTN migration to the new architecture of NGN which consumes less energy and power, bringing potential reduction of 91.0GWh/year
- Micro
- BumiKu campaign and its activities the promote the importance of preserving the environment among employees of TM and as subsidiaries
 - TM Earth Camp in collaboration with the Malaysian Nature Society (MNS) that increase environmental awareness among school children nationwide.



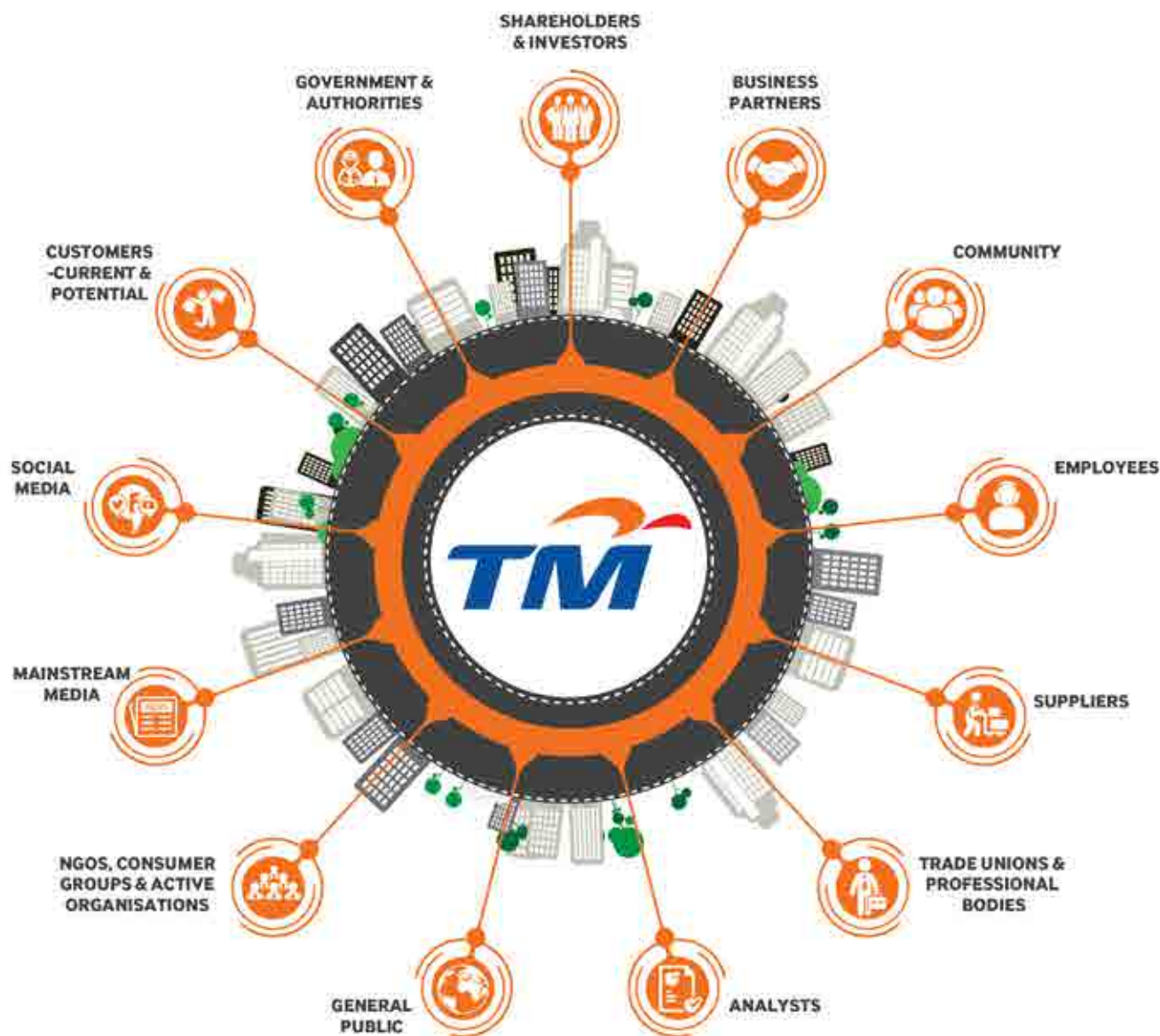
Stakeholder Analysis

We define our stakeholders as those who may be affected by or have an effect on our operations. We are mindful of who our stakeholders are, categorising them as key, primary or secondary stakeholders.

IDENTIFICATION OF STAKEHOLDERS

Stakeholders have the capacity to affect our business activity both positively and negatively. Each year, we monitor the type of publicity generated about the Company, and assess the perceived impact of this on our stakeholders.

TM'S STAKEHOLDERS: THOSE WHO MATTER MOST TO US













TM engages actively with our stakeholders to improve our performance in all areas, including sustainability. We believe it is critical to maintain a close dialogue with the various stakeholder groups to deliver the Company's strategy and achieve our vision, as it would help to improve our financial, social and economic performance. Stakeholders are engaged through various channels, and can reach us easily through our website, Tmpoint outlets, social media and our customer support centre. Face-to-face meetings are made possible at events and roadshows.



The table below presents our promise to each stakeholder group and describes our engagement methods with them.

STAKEHOLDER GROUP	OUR COMMITMENT	ENGAGEMENT METHOD	FREQUENCY OF ENGAGEMENT
CUSTOMERS 	We communicate honestly, offer simple and relevant products and deliver on our promises to the customer with speed and consistency.	Customer feedback management Customer support centre at 100 Social media tools – Twitter, FB, YouTube Market research Loyalty programmes Events, dialogue sessions, roadshows and engagement sessions	Daily Daily Daily Regular Ad-hoc
GOVERNMENT & AUTHORITIES 	We build constructive, respectful, open and transparent relationships with all regulators. While being compliant with all regulations and applicable laws, we adopt a firm approach on issues that may be detrimental to industry growth.	Formal meetings Performance reports Discussions on government initiatives	Ad-hoc Regular Ad-hoc
SHAREHOLDERS & INVESTORS 	We enhance shareholder value by adherence to the highest standards of corporate governance and world-class management practice. Our shareholders can expect timely and accurate information and the opportunity to engage with us through various forums.	Investor Relations engagement – One-on-one meetings, conference calls and investor conferences Annual and sustainability reports Annual general meetings Extraordinary general meetings Shareholder updates Quarterly reports	Ad-hoc Annually Annually Ad-hoc Regular Quarterly

STAKEHOLDER GROUP	OUR COMMITMENT	ENGAGEMENT METHOD	FREQUENCY OF ENGAGEMENT
BUSINESS PARTNERS 	<p>We engage in mutually beneficial and sustainable relationships with all business partners in an environment of equity, mutual respect and honesty. We are committed to growing Malaysia’s telecommunications businesses and offer preferential support to innovative local businesses.</p>	<p>Progress reports Annual and sustainability reports Corporate presentations Signing ceremonies</p>	<p>Regular Annually Ad-hoc Ad-hoc</p>
COMMUNITY 	<p>We work closely with local communities to be a respected and empowering contributor to society. While we participate as an integral part in the upliftment of society, our relationship is built on the principles of partnership, humility, openness and professionalism.</p>	<p>Website and service catalogues Annual and sustainability reports Visits, seminars and joint activities Community engagement activities</p>	<p>Daily Annually Ad-hoc Regular</p>
EMPLOYEES 	<p>We provide a great place to work and grow, where both individual accomplishments and team effort are rewarded. We provide opportunities for personal empowerment and career growth in an atmosphere of trust, honesty and openness.</p>	<p>Employee satisfaction survey Dialogue and engagement Top management messages Intranet, internal social media, departmental meetings and newsletters Employee engagement programmes TM's Society and Club Activities</p>	<p>Annually Regular Regular Regular Regular Regular</p>
SUPPLIERS 	<p>We are committed to developing and maintaining effective professional relationships with our suppliers to provide quality service to our customers.</p>	<p>Transparency survey Supplier training programmes Supplier relationship management</p>	<p>Annually Regular Regular</p>
TRADE UNION & PROFESSIONAL BODIES 	<p>We work together with our trade unions to ensure their members’ needs are met.</p>	<p>Dialogue and engagement Joint activities Consultations and negotiation</p>	<p>Regular Regular Ad-hoc</p>

STAKEHOLDER GROUP	OUR COMMITMENT	ENGAGEMENT METHOD	FREQUENCY OF ENGAGEMENT
ANALYSTS 	We provide accurate and up-to-date results to facilitate ongoing analyses.	Analyst briefings Site visits Seminars, question and answer sessions Performance reports	Regular Regular Regular Quarterly
GENERAL PUBLIC 	To be Malaysia's Convergence Champion, providing integrated information and communications services.	TM website and social media presence TM touchpoints such as TMpoint outlets Media Annual and sustainability reports Campaigns and roadshows	Daily Daily Regular Annually Regular
NON-GOVERNMENTAL ORGANISATIONS (NGOs), CONSUMER GROUPS & ACTIVE ORGANISATIONS 	We work together with relevant NGOs for the benefit of society at large.	Dialogue and engagement Collaboration Sponsorships and donations	Regular Regular Ad-hoc
MEDIA 	We engage proactively with the media in a factual, timely and honest way, in order to shape informed public opinion. We assume a lead role in building industry knowledge among various media groups and hold them accountable for responsible reporting.	Press releases Press conferences, question and answer sessions Media coverage Media luncheons	Regular Regular Regular Regular
SOCIAL MEDIA 	Social media enables us to interact with our customers in a way that traditional websites cannot. We use social media as part of our commitment to transparency and to provide timely information to our customers and stakeholders.	Engagement sessions with social media practitioners TM corporate and customer service Twitter, Facebook and Youtube accounts Other online channels	Regular Daily Daily

Determining Material Matters

We are faced with a wide range of topics on which we could report. In the past, we tried to report extensively on all topics. It is now clear that some areas of sustainability are more much more important to TM than others. Similarly, our stakeholders are more interested in certain areas than others.

THE METHODOLOGY

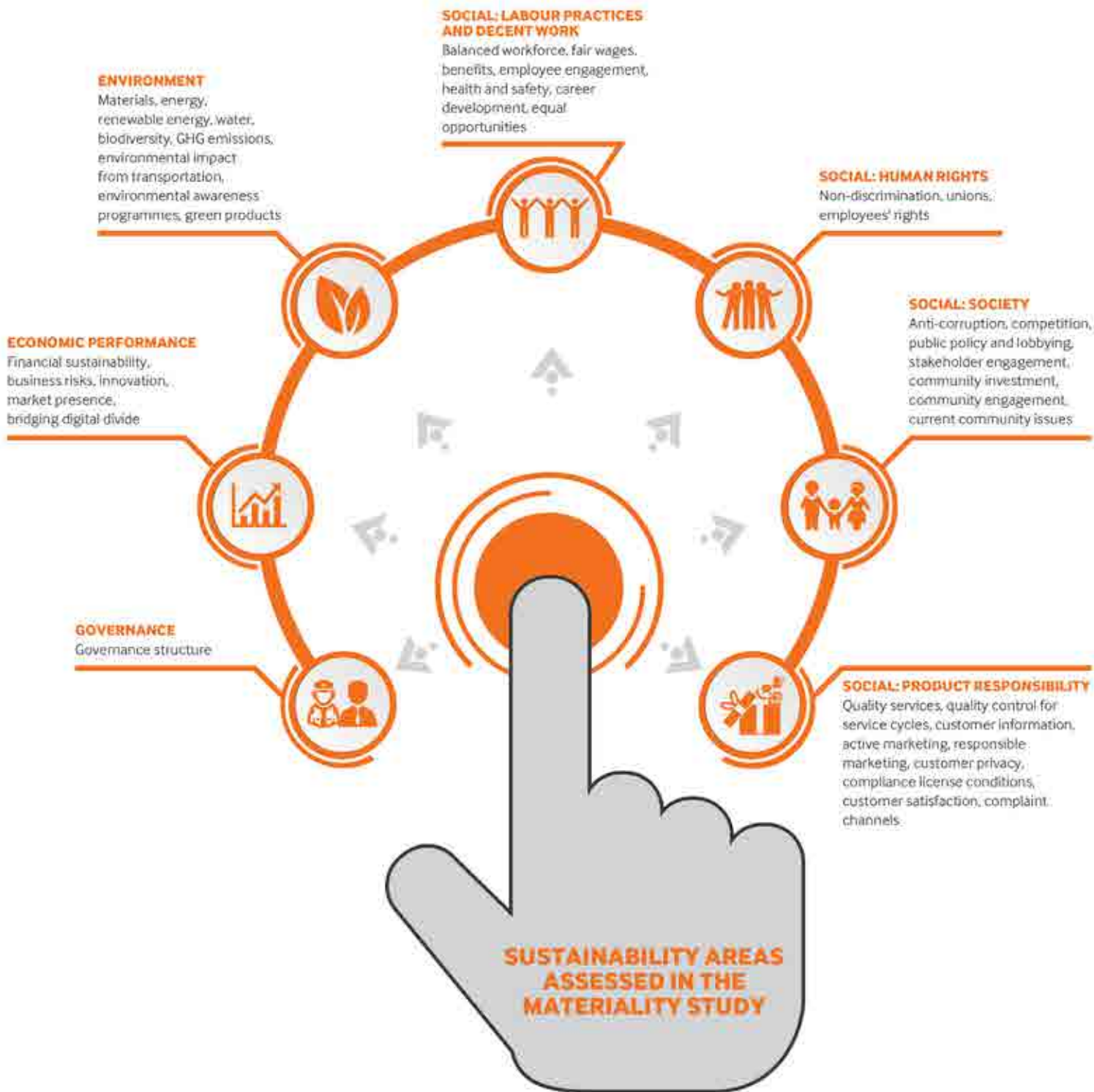
We believe the best way of prioritising sustainability aspects for inclusion in our report is to consult our stakeholders. A wide range of engagement methods was considered including focus groups and dialogue sessions. However, these groups are affected by herd behaviour and we were concerned that the more vocal and passionate individuals might dominate the proceedings.

In 2014, we performed our first materiality survey to obtain the views of both stakeholders and decision makers within TM. The online survey was performed by an external consultant to guarantee complete objectivity. The process was repeated in 2015. A total of 2,541 responses were obtained, of which 1,954 were complete and used. Although fewer stakeholders completed the survey than in 2014, the sample was less skewed, leading us to believe the survey provides a reasonably accurate representation of our stakeholders' opinions. A five-point Likert scale was employed, allowing respondents to indicate how important each criterion was, from 'Less important' at (1) to 'More important' at (5). The survey could be completed in either English or Bahasa Melayu.



Determining Material Matters

Respondents were asked to rate the importance they placed on 41 issues related to governance, economic performance, the environment and social issues pertaining to labour practices and decent work, human rights, society and product responsibility.

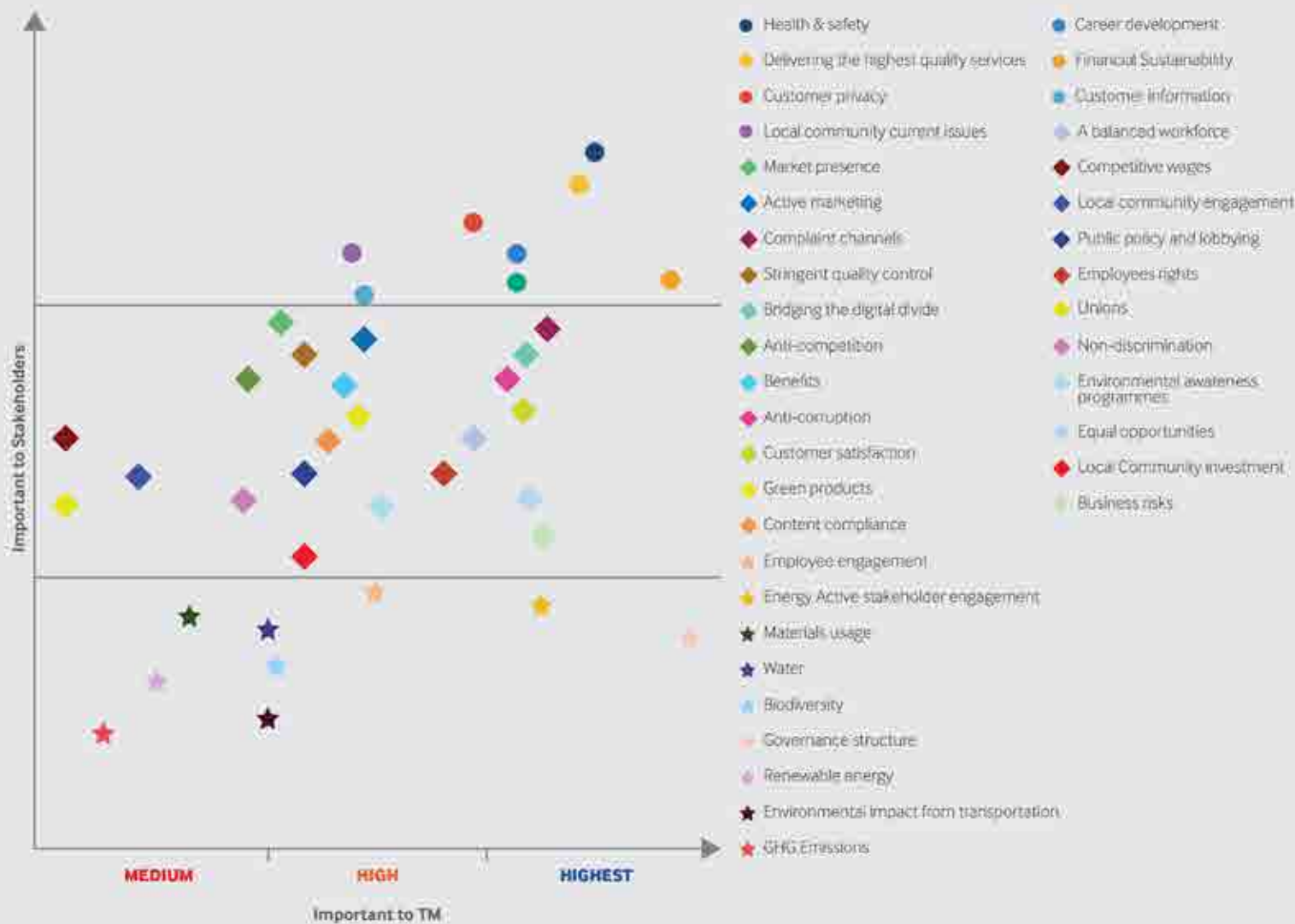


Employees were the most represented in the survey, while the mainstream and social media groups were the least represented. To help redress the imbalance, a separate average score was calculated for each of the 41 areas within each stakeholder group, following which an average from all 10 stakeholder groups was obtained. The same survey was completed by 20 members of the Board and senior managers, whose responses were used to represent the views of TM.

THE RESULTS

As in 2014, scores over 3 were considered above average. Stakeholder scores ranged from 3.8 to 4.27, while TM’s scores varied from 3.80 to 4.95. As all issues were material to a greater or lesser degree, a scale of medium to highest was adopted.

Results of the analysis were then used to develop a materiality matrix, with the level of importance to TM plotted along the X axis and importance to stakeholders on the Y axis. The matrix is presented in the following diagram.



MATERIAL ISSUES

TOPICS MOST RELEVANT FOR

WHERE ARE THEY ADDRESSED IN THIS REPORT

LOOKING AHEAD

GOVERNANCE STRUCTURE



Corporate Governance



Good corporate governance at TM means committing to best practices. We are committed to ethical practices and upholding the highest standard of integrity.

FINANCIAL SUSTAINABILITY



Economic



- To include social elements in suppliers' screening process
- Reach out to more demographic groups and geographical areas in making TM relevant to them

BUSINESS RISKS



INNOVATION



MARKET PRESENCE



BRIDGING THE DIGITAL DIVIDE



MATERIALS



Environment



- Assess the long-term energy impact of technologies within our operations
- Establish e-waste recycling capability

ENERGY



RENEWABLE ENERGY



WATER



BIODIVERSITY



GHG EMISSIONS



ENVIRONMENTAL IMPACT FROM TRANSPORTATION



ENVIRONMENTAL AWARENESS PROGRAMMES



GREEN PRODUCTS



BALANCED WORKFORCE

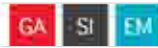


Social: Labour Practices and Decent Work



- Maintain at least 20 hours of training per employee per year
- Continue to promote inclusivity and empowerment through internal engagement activities championed by our clubs and societies as well as TM ROvers
- Improve employee health and well-being, and reduce workplace injury and accidents

FAIR WAGES



BENEFITS



EMPLOYEE ENGAGEMENT



HEALTH AND SAFETY



CAREER DEVELOPMENT



EQUAL OPPORTUNITIES



NON-DISCRIMINATION

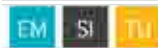


Social: Human Rights





Treating employees with honesty and respect, free of discrimination and providing avenues for employees to stand up for their rights

UNIONS



EMPLOYEE RIGHTS



MATERIAL ISSUES	TOPICS MOST RELEVANT FOR	WHERE ARE THEY ADDRESSED IN THIS REPORT	LOOKING AHEAD
ANTI-CORRUPTION	TM NG BP	Social: Society 	<ul style="list-style-type: none"> Continue with our community support programmes Create value from every community initiative, whether to the people or to the nation
PUBLIC POLICY AND LOBBYING	ME NG GA		
COMPETITION	TM BP NG		
STAKEHOLDER ENGAGEMENT	TM NG ME		
COMMUNITY INVESTMENT	BP TM NG		
COMMUNITY ENGAGEMENT	BP TM NG		
CURRENT COMMUNITY ISSUES	TM NG BP		
QUALITY SERVICE	TM BP TU	Social: Product Responsibility 	<ul style="list-style-type: none"> Invest in our networks to achieve targeted network quality standards Maintain 100.0% compliance with RF radiation levels and safety guidelines set by local regulators and ICNIRP Continue to enhance the 'customer journey experience' Strengthen internal controls to ensure we uphold the highest standards of professional values and integrity
QUALITY CONTROL FOR SERVICE CYCLES	TM BP TU		
CUSTOMER INFORMATION	TM BP EM		
ACTIVE MARKETING	TM BP TU		
RESPONSIBLE MARKETING	TM BP NG		
CUSTOMER PRIVACY	TM BP NG		
COMPLIANCE LICENSE CONDITIONS	TM BP NG		
CUSTOMER SATISFACTION	TM BP NG		
COMPLAINT CHANNELS	BP TM NG		

- Legend:**
- BP : Business Partners and Suppliers
 - EM : Employees
 - GA : Government and Authorities
 - ME : Mainstream and Social Media
 - NG : Non-Governmental Bodies, Consumer Groups and Active Organisations
 - SI : Shareholders, Investors and Analysts
 - TM : Telekom Malaysia Berhad
 - TU : Trade Unions and Professional Bodies

STAKEHOLDERS' PERCEPTION OF TM'S SUSTAINABILITY

The TM Sustainability Perceptions Survey was conducted alongside the Materiality Survey to gauge stakeholders' perceptions of sustainability initiatives in TM. The survey was conducted anonymously by independent consultants in the last quarter of 2015, obtaining responses from 1,954 stakeholders.

As with the Stakeholders Materiality Survey, a five-level Likert scale was used, allowing respondents to indicate how important each criterion was, from 'Less important' at (1) to 'More important' at (5). Again, the survey could be completed in either English or Bahasa Melayu. Highlights of the results can be found throughout the report in the relevant sections.

Holistic Measures to Monitor Corporate Reputation and Brand Health

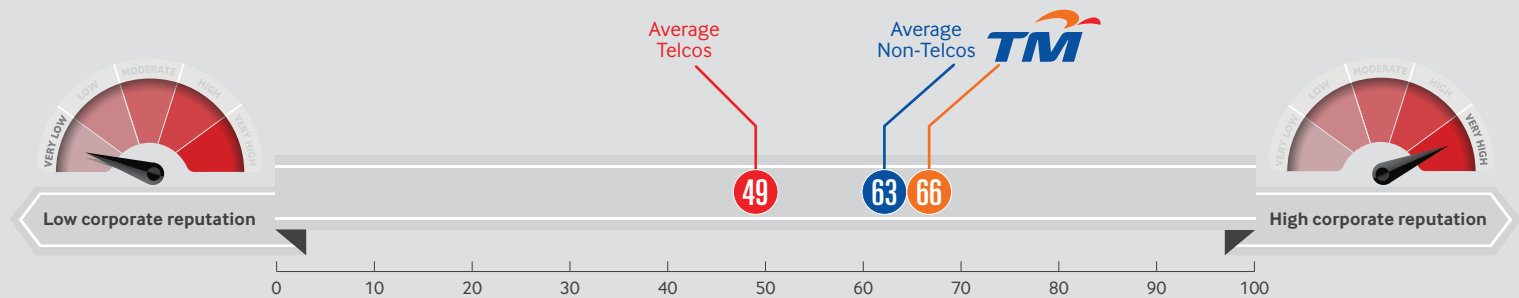
CORPORATE REPUTATION

Towards continuously safeguarding and enhancing TM's overall reputation, our inaugural Corporate Reputation Index was conducted in 2015 to help us gauge where we stand among other key Corporate brands. The TM Corporate Reputation Index spans a wide range of stakeholders: customers, internal talents, partners/peers, capital/investors, media/influencers and society.

The Corporate Reputation Index covers:

- Our reputation and image in the market
- Our role in Corporate Responsibility
- How our customers see us
- How our employees feel about us
- Overall satisfaction towards our products and services

For the 2015 Corporate Reputation Index, TM is top-ranked among all Telco brands and at par with the Non-Telco brands; proving that TM is a highly reputable and balanced organisation in our role as a service provides and in contributing to nation-building – very much aligned to TM's vision of "Making Life and Business Easier, for a better Malaysia"



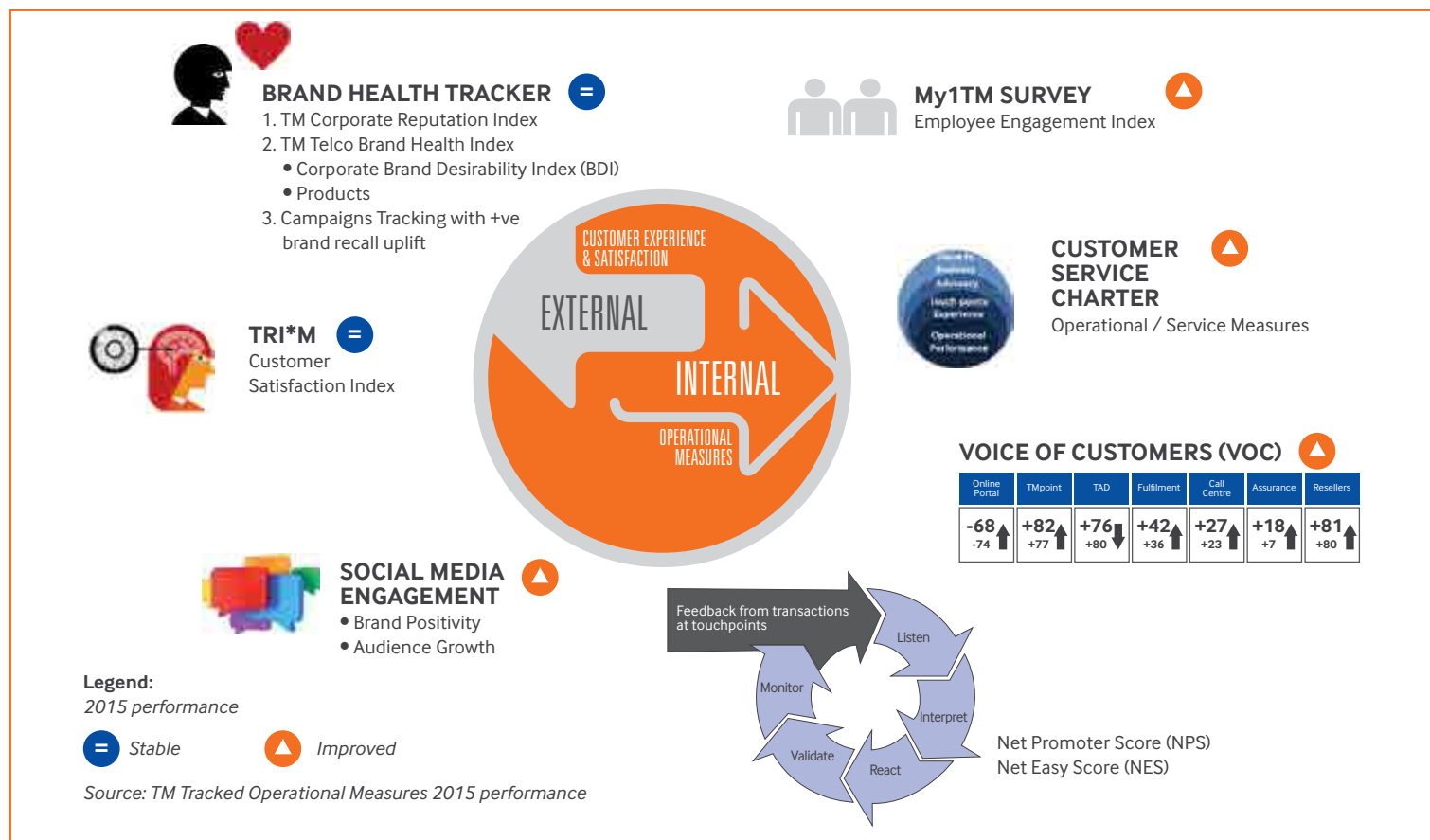
We are now being seen as delivering "Life Made Easier" by meeting customer expectations and providing good value; a key differentiator in building an indispensable customer relationship to further strengthen the TM brand at the corporate level.

As we now have established a new TM vision and purpose, internalisation of 'Life Made Easier' (LME) as an organising principle takes priority. This encapsulates all that we do, where each TM employee and our extended family of frontliners and partners are more focused on customer experience and business objectives.

BRAND HEALTH

We take the delivery of our brand promise of Life/Business Made Easier to our stakeholders seriously. This has been clearly articulated and simplified embedded in TM's organisational culture to be understood and lived by all our employees. We have established meaningful operational measures in monitoring the translation of LME and track its impact holistically - externally and internally, in the areas of:

- Brand Health Trackers amongst TM customers and non-TM customers, covering Corporate Reputation, Telco Brand Health, Brand Desirability Index and Campaigns Tracking.
- Customer Satisfaction Index or TRI*M measuring overall Customer Satisfaction of our products, service delivery and touch points experience amongst TM customers.
- Social Media Engagement looking at TM's brand positivity and audience growth over our social media platforms.
- Voice of Customers via Net Easy Score (NES) and Net Promoter Score (NPS) amongst our customers. NES is measuring the 'easiness' experience when dealing with TM, whilst NPS measures the tendency of customers to promote TM to others.
- Internal Operational Service Measures via Customer Service Charter, from both market-facing and service-facing elements.
- Employee Engagement Index amongst Warga TM via My1TM Survey.



TM continues to make good progress in all our tracked operational measures as depicted above. From our recent Brand Health Trackers, the TM brand is consistently seen as making customers' life easier with our offerings, being innovative, modern and up-to-date. Our key product brand Unifi is perceived as a trusted brand and being innovative. This is very well aligned to TM's brand promise of Easy, Trusted and Innovative.

Occupational Safety, Health and Environment (OSHE)

NEW LOGO

for Safety, Health and Environment



1st

NIR Research Project in Malaysia

TM'S OVERALL OCCUPATIONAL SAFETY AND HEALTH (OSH) PERFORMANCE IN 2015 WAS BETTER THAN IN THE PREVIOUS YEAR, WITH A SLIGHT DECREASE IN NUMBER OF OCCUPATIONAL ACCIDENTS. ACCORDINGLY, OUR RISK RATING IMPROVED FROM 'HIGH' TO 'SIGNIFICANT'. SAFETY AND HEALTH AT TM IS DRIVEN FROM THE TOP MANAGEMENT AND CASCADES THROUGH THE ORGANISATION VIA A COMPREHENSIVE NETWORK OF COMMITTEES WHICH MAINTAINS A HIGH LEVEL OF SAFETY AWARENESS AMONG EMPLOYEES AND CONTRACTORS, AND ADHERENCE TO APPROPRIATE BEHAVIOURS.

SAFETY PERFORMANCE

There were 49 accidents in 2015 compared to 52 in 2014. This represented an incident rate of 1.95 per 1,000 employees (including contractors), which is lower than the previous year's 2.20 per 1,000 employees. Most of the accidents involved falls from height or were due to slippery surfaces. We also saw a decrease in Lost Time Injury (LTI) from 554 days in 2014 to 531 days.

TM continued our excellent run of zero fatality among employees, which we first achieved in 2010. However, there were two fatalities among our contractors from a traffic accident in Kuantan, Pahang.

ACTIVITIES AND PROGRAMMES

Compliance

TM complies with the Occupational Safety and Health Act (OSHA) 1994 and its

regulations in order to promote a safe and healthy work culture.

Steering and State OSHE Committees

In 2015, our Occupational Safety, Health and Environment (OSHE) Steering Committee, all State OSHE Committees and Building/Premises OSHE Committees demonstrated compliance with OSHA 1994 and Occupational Safety & Health (OSH) Committee Regulations 1996. The Steering Committee inspected TM's work spaces in Seremban, Labu, Butterworth, Seberang Jaya, Kangar, Padang Besar and Beseri, Perlis in addition to TM Convention Centre and our headquarters, Menara TM.

OSHE Management System (OSHE MS) Implementation

TM's OSHE MS was reviewed in 2014, based on MS 1722:2011 and OHSAS 18001:2007. In mid-2015, an OSH MS internal audit and contractor management audit were

conducted to ensure procedures and work instructions complied with OSH MS. Findings of the internal audit were analysed for continual improvement.

OSHE Promotion at the Workplace

Continuous efforts are made to recognise OSHE in promoting a safe and healthy work culture.

OSHE Campaign

The OSHE team and committees organised various activities to mitigate OSHE-related risks, including inspections, TM National Safety Day, OSHE Week, Wellness and Health Day, OSHE Committee Meetings, OSH Plans, OSHE Alerts, OSH Legal Register, OSH Compliance Audit, 5S Activities, Fire Drill and Emergency Response Exercises.

On 5-6 May, during TM's National Safety Day 2015, we unveiled a new logo for Safety, Health and Environment to symbolise a shift in the Company's safety and health perspective. The new logo represents TM's total commitment to the implementation of Safety, Health and Environment practices; and to inspire employees to assimilate safety values and best practices thus enabling them to play the role of 'TM safety ambassadors'. In conjunction with the launch, all state offices organised OSHE campaigns to increase safety and health awareness among employees and contractors.

Contractor Management

Various programmes were held to improve our contractors' safety awareness. Our contractors were also invited to participate in TM-led OSH seminars, training, briefings, exercises and competitions. OSH

programmes are conducted regularly to ensure our contractors' management and workers understand their responsibilities and requirements. All new and existing contracts include the provision of OSH requirements and planning guidelines. Our offices in Negeri Sembilan, Johor, Perak, Kelantan and Melaka continued with their OSHE mentor-mentee programmes in collaboration with the respective state Departments of Occupational Safety and Health (DOSH). The OSHE unit also conducted a Contractor Management Audit on selected contractors under Network Maintenance Operation (NMO). Meanwhile, NMO and Network Development (ND) conducted their own Contractor Mega Inspections in all regions.

NIOSH-TM Safety Passport (NTMSP)

Approximately 50,000 contractor workers have been trained under the joint programme between the National Institute of Occupational Safety and Health (NIOSH) and TM since it was launched. All workers have to pass the training before they can carry out any work related to TM's business.

OSH Plan

Contractors and suppliers are guided to provide an OSH Plan to ensure they comply with OSH requirements. The plan has to be approved before work begins.

OSHE Training

Concerted efforts are made to improve the knowledge, understanding and competency of TM employees with regard to OSHE. Training, conducted either by external or in-house resources, include the Safe Work Instruction Training, Effective Supervision (With Supervisor Log Book), Authorised Entrant and Stand-By Person, Basic Occupational First-Aid (BOFA), OSH Awareness, OSH Management System, OSH MS Lead Auditor, Internal Auditor and Ergonomics. The e-Learning module on Basic OSHE Awareness, launched in December 2014, continues to be applied.

Workplace Safety

TM has taken reasonable and practical steps to identify hazards and minimise work-related risks.

Hazard Identification Risk Assessment & Risk Control (HIRARC)

The HIRARC programme has been extended to TM work teams and contractors to identify possible hazards, and assess and eliminate risks as far as practicable.

Safe Work Instruction Training

Employees in NMO, ND and Property Operations (PO), as well as our contractors' workers, are required to undertake this programme to gain a deeper understanding of work safety. Non-priority staff who are interested in safety and health at work are also welcome to join the training.

TM Wellness Challenge

This ongoing programme has been designed to motivate employees to adopt a healthier lifestyle to reduce health risks, improve their quality of life, enhance personal effectiveness and enhance TM's productivity. About 40 participants from every state were chosen to take part in the 37-session programme, which is to be completed by Q2 of 2016. The Kuala Lumpur chapter, taglined #FitKL, included weekly fitness activities at recreational parks, information sharing and monthly health talks.

Technical Competition

A competition was held to test the theoretical and practical knowledge of contractors and NMO staff about high-risk activities, such as work in confined spaces and at height. The event was held in conjunction with NMO OSH day in Sarawak, Sabah and the Eastern, Southern and Northern regions.

Safe Riding Programme

An increase in number of accidents as employees commute between home and work prompted TM to conduct a Safe Riding Programme, involving theoretical and practical demonstrations.

Ergonomics

Ergonomics Training was organised for our Ergo-Leads and Ergo-Contacts nationwide.

Internal Audit Programme

An OSH Internal Audit of all states is in progress, focusing on compliance with OSHA 1994 and FMA 1967. The audit started in Q3 2015 and is expected to be completed by Q2 2016.

Subsidiaries' Safety Performance

In 2015, all TM subsidiaries complied with OSHA 1994 especially in the establishment of their own OSH policy and Safety and Health Committees. Some of our subsidiaries conducted their own OSH programmes, legal registers and HIRARC while establishing their own safe work instructions. Their efforts led to a reduction in number of accidents from 12 in 2014 to 11; however, Lost Time Injury increased to 266 days, from 48 days in 2014.

WAY FORWARD

As part of continuous efforts to improve work safety, TM aims to ensure that our employees, contractors and subsidiaries comply with all legal OSHE requirements, are aware of the importance of safety and health at the workplace, and practise safety as part of the work culture. At the Group level, TM will continue to place emphasis on the implementation of OSHE MS, HIRARC, enforcement, workplace inspections and consequence management.

ACHIEVEMENTS

1st Non-Ionizing Radiation (NIR) Research by TM & NIOSH

On 6 May 2015, TM signed a Memorandum of Agreement (MoA) with NIOSH to collaborate on research on enhancing the safety and health of TM employees at the workplace. The research, revolving around Non-Ionizing Radiation (NIR), will cover:

1. Medical Surveillance of TM employees who are potentially exposed to NIR
2. Knowledge, Attitude and Practice (KAP) on Occupational Safety & Health among TM employees who are potentially exposed to NIR

As part of the research medical surveillance by an occupational health doctor (OHD) and a KAP survey by NIOSH consultants will be conducted at 20 TM Hill Stations and Earth Satellite Stations nationwide, involving about 200 TM employees. The projects, which will take approximately 18 months to be completed, began in June 2015.

TM REALISING 'LIFE AND BUSINESS MADE EASIER' THROUGH CONVERGENCE



"ALL OUR ACHIEVEMENTS HAVE BEEN INSPIRED BY THE ONE THING THAT IS CLOSEST TO OUR HEART: THE CONTINUOUS WELL-BEING OF THE COMMUNITY. WE BELIEVE THAT WE ARE MORE THAN JUST A CONVERGENCE CHAMPION."

– Tan Sri Dato' Sri Zamzamairani Mohd Isa, Group CEO of TM

That ICT adoption is one of the primary contributors to a nation's economic well-being has been well documented and accepted by experts globally. Malaysia itself aspires to catalyse the growth of industries identified in the National Key Economic Areas (NKEAs) with ICT to emerge as a fully digitised economy by 2020, a vision that is upheld by the Prime Minister.

TM is set to play a key role in this journey, as it has in the long, rich history of Malaysian telecommunications. The Company has been at the forefront of every major telecommunications milestone, most recently the roll-out of the globally acclaimed High Speed Broadband (HSBB) project undertaken via a Public-Private Partnership (PPP).

Today, as the country's only truly integrated telecommunications provider, TM is committed to enabling the nation's digital transformation. Not content to roll out the best high-speed fixed and mobile broadband networks that connect even the remotest corners of the country, we aim to converge and embed technology-enabled solutions into lives and businesses to make them easier and more seamless every day. We believe real digital growth will happen when communities are empowered and connected.

TM's ambitions are symbolised by the campaign we embarked on in 2013 – *Life and Business Made Easier* – an inspirational pledge that goes beyond dedication to better customer service to ensuring that everything we do is geared towards making the lives of our stakeholders easier. TM does not only make lives easier by enriching lifestyles and enhancing business productivity, but also by going beyond connectivity to provide opportunities for communication and collaboration. We continue to play an important role in transforming the way Malaysians connect, communicate and collaborate towards a better future; in the way we touch the lives of Malaysians – be it through our products and services, solutions, community or nation-building programmes.

CONNECTIONS MADE SIMPLER

As TM's vision of a converged nation takes shape, people are being empowered by digital technology in a way that really makes a difference. Malaysians such as Paridah Ahmed and Hasan Haji Ismail from Titi Gajah, Alor Setar are enabled by TMgo to connect and remain close to their son in New Zealand. Entrepreneurs like Humble Chef owner, Rosman Hussin Rizal, are able to grow their business with ICT tools that help them manage operations, such as accepting credit and debit card payments.

EDUCATION MADE ACCESSIBLE

Education, too, is being empowered by convergence. Under the TM Pintar school adoption programme, students at Sekolah Kebangsaan Pendidikan Khas Pekan Tuaran are enjoying broadband connectivity and using learning aids that allow them to stretch their imagination and fulfil their potential.

DREAMS AND PASSIONS MADE POSSIBLE

Dreams can be realised with convergence. TM's *Mencari Ramli* talent search programme tapped into the power of digital technology and connectivity to hand-pick young Malaysians from Johor, Penang, Terengganu and Perak for the opportunity to meet and train with their soccer heroes from Manchester United. The nation's love for sports is further fueled by technology, which enables fans from all over to come together as Team Malaysia and rally behind national athletes who fly the national flag on the global stage.

MALAYSIA'S CONVERGENCE CHAMPION

A vision that enhances the lives of Malaysians

Convergence by TM is inspired by a single dream and vision. A vision to infuse a seamless broadband-enabled experience into people's lives in more ways than one. A vision to empower every facet of the nation – from education, healthcare and banking to entertainment, retail and more. With ambitious plans set firmly in sight, the Company will continue to converge technologies across all platforms to enrich, improve and impact the lives of Malaysians everywhere, making their lives and businesses easier.

