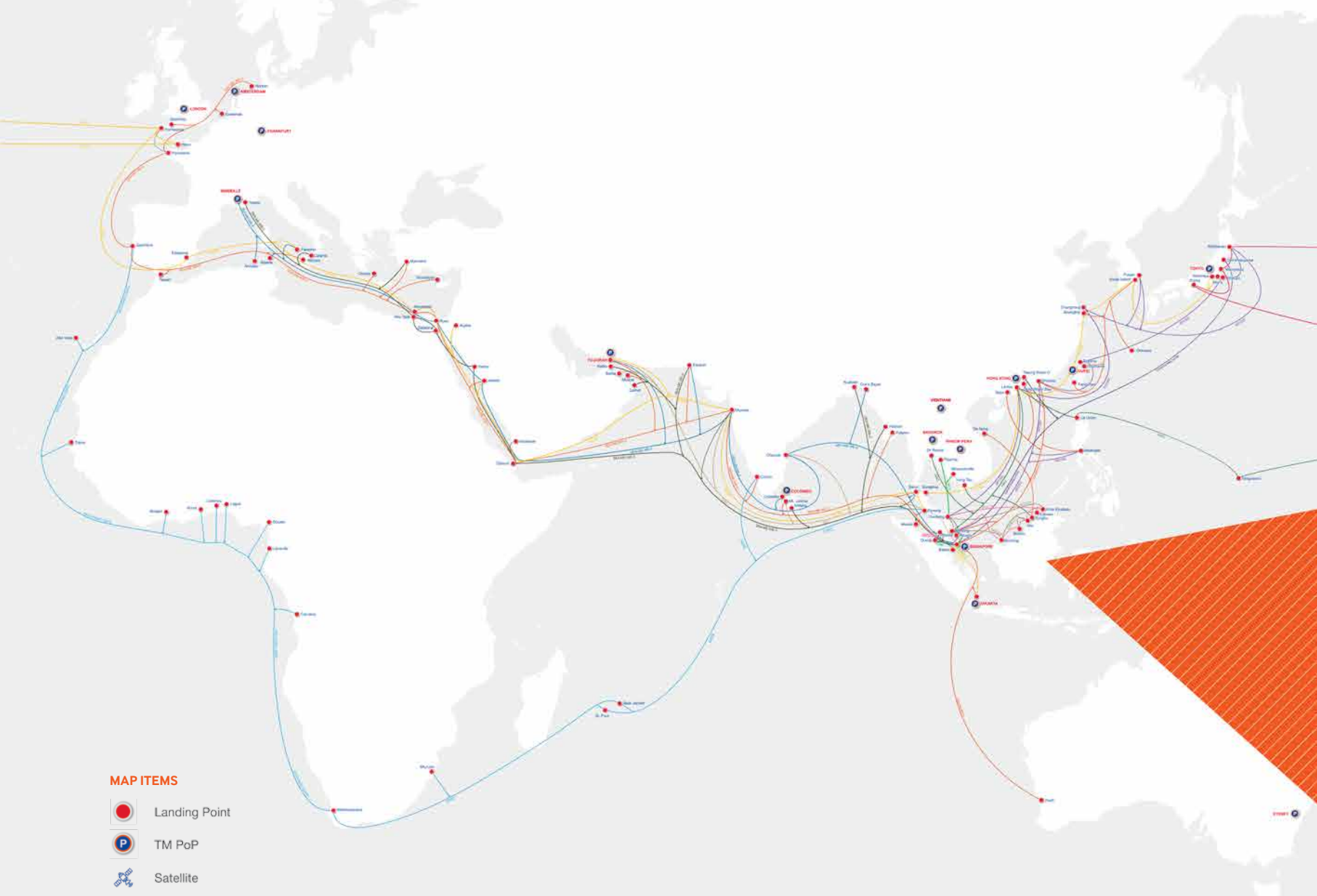


# Where We Operate

## TM Worldwide Coverage

As a leading telecommunications provider in Malaysia and one of the largest in Southeast Asia, Telekom Malaysia Berhad (TM or the Group) has a vast number of stakeholders who are impacted by what we do.



**MAP ITEMS**

- Landing Point
- TM PoP
- Satellite

**REGION**

**SUBMARINE CABLES SYSTEM**

South East Asia	AAG	APCN2	BBG	SDM	BRIGHT	CAHAYA MALAYSIA	DMCS	FLAG	MCT	MDSCS	NUGATE	SAT3-WASC-SAFE
Asia Pacific	SEA-ME-WE-3	SEA-ME-WE-4	SEA-ME-WE-5	SKR1M		JUSCN	SEA-ME-WE-3					
Europe	FLAG	SAT3-WASC-SAFE	SEA-ME-WE-3	SEA-ME-WE-4	SEA-ME-WE-5							
North America	AAG	FLAG	JUSCN									
Indian Sub Continent	BBG	FLAG	SAT3-WASC-SAFE	SEA-ME-WE-3	SEA-ME-WE-4	SEA-ME-WE-5						
Middle Eastern	BBG	FLAG	SEA-ME-WE-3	SEA-ME-WE-4	SEA-ME-WE-5							
Africa	FLAG	SAT3-WASC-SAFE	SEA-ME-WE-3	SEA-ME-WE-4	SEA-ME-WE-5							
Oceania	SEA-ME-WE-3											

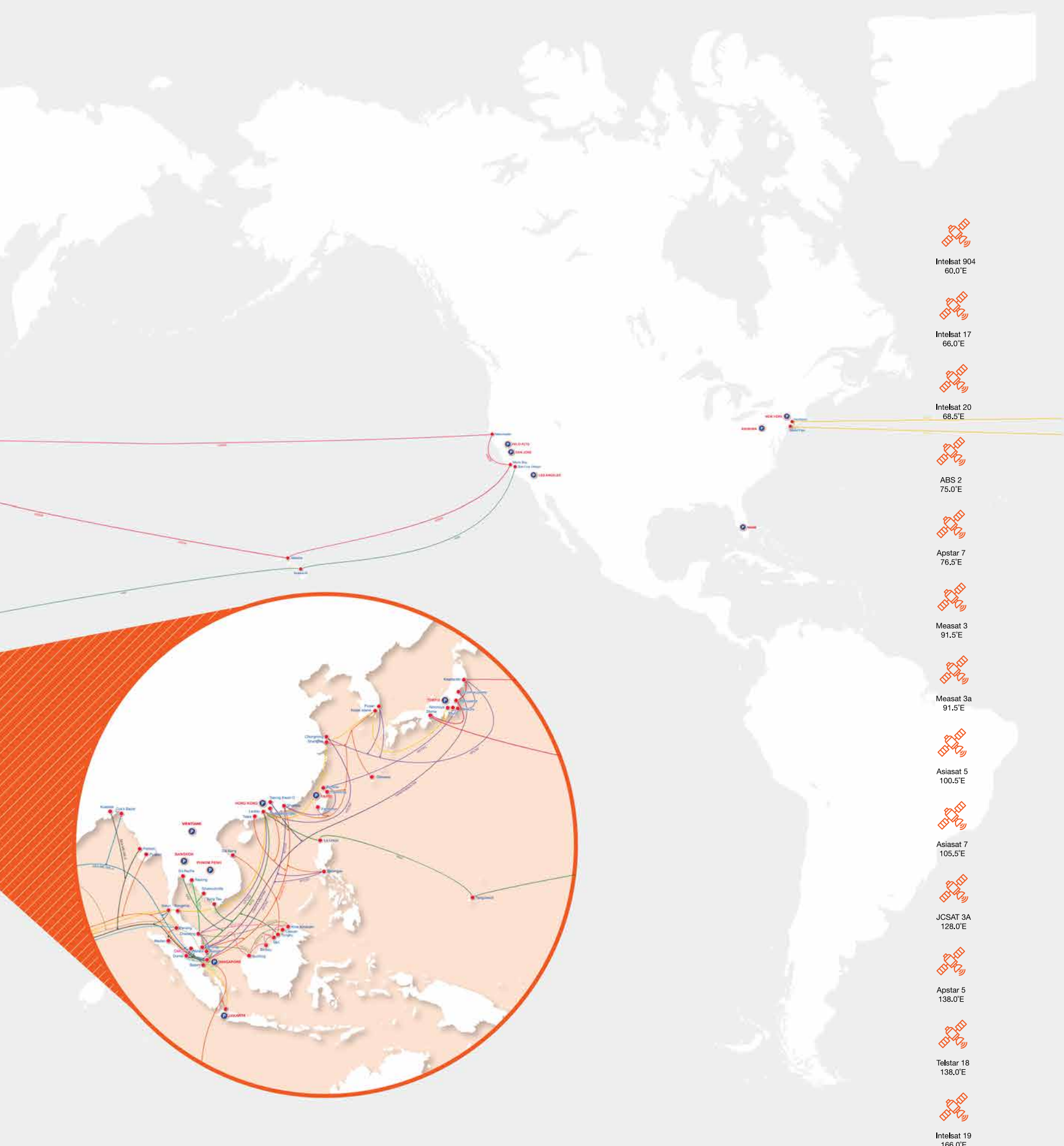
**30** Points-of-  
Presence  
(PoPs)

throughout the globe  
including 9 PoPs in Malaysia

More than  
**190,000**  
kilometres worldwide

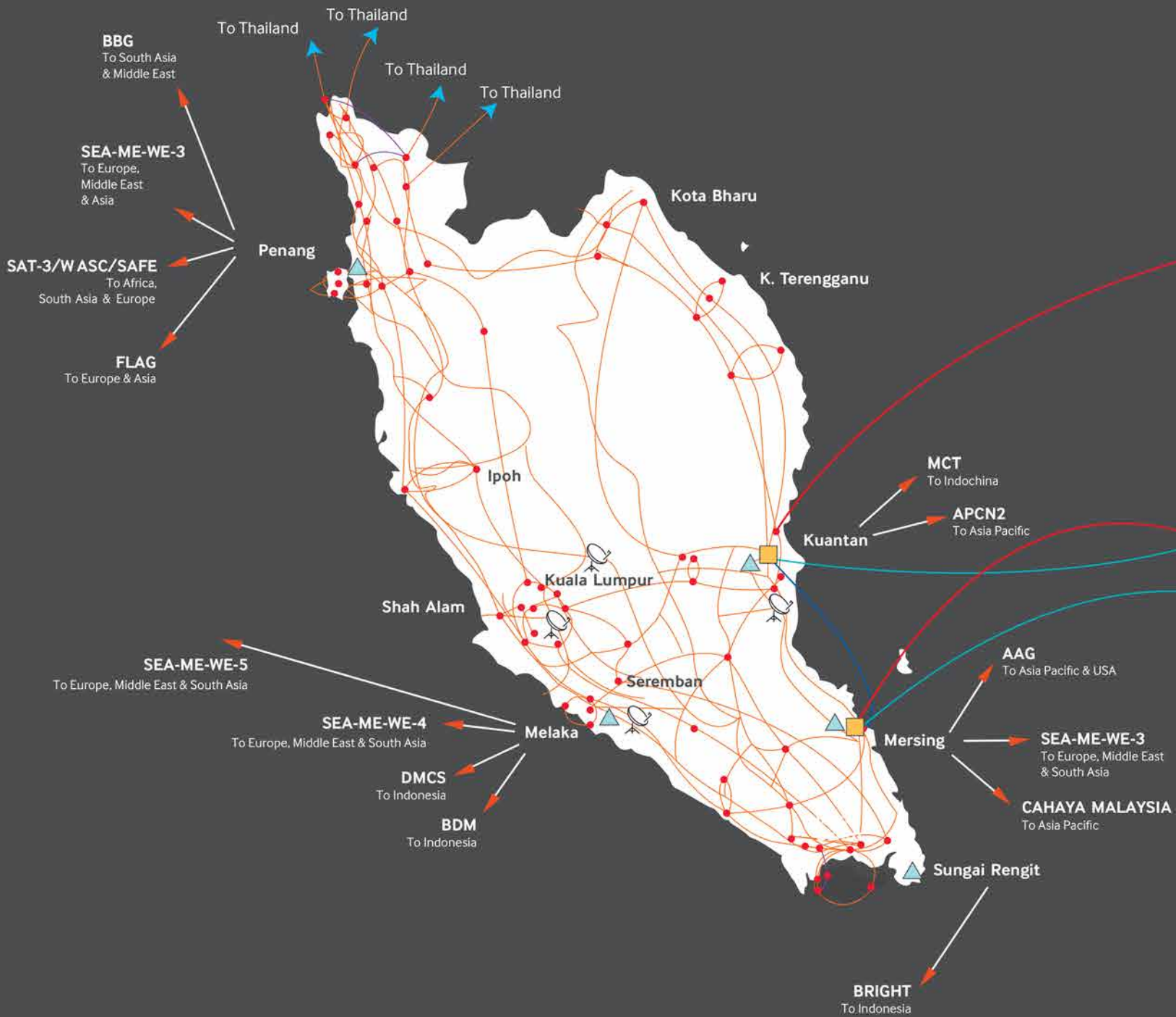
More than  
**20** submarine  
cable systems

**5** Regional  
Offices (RO)  
globally



# Where We Operate

## International & Domestic Infrastructure & Trunk Fibre Optic Network

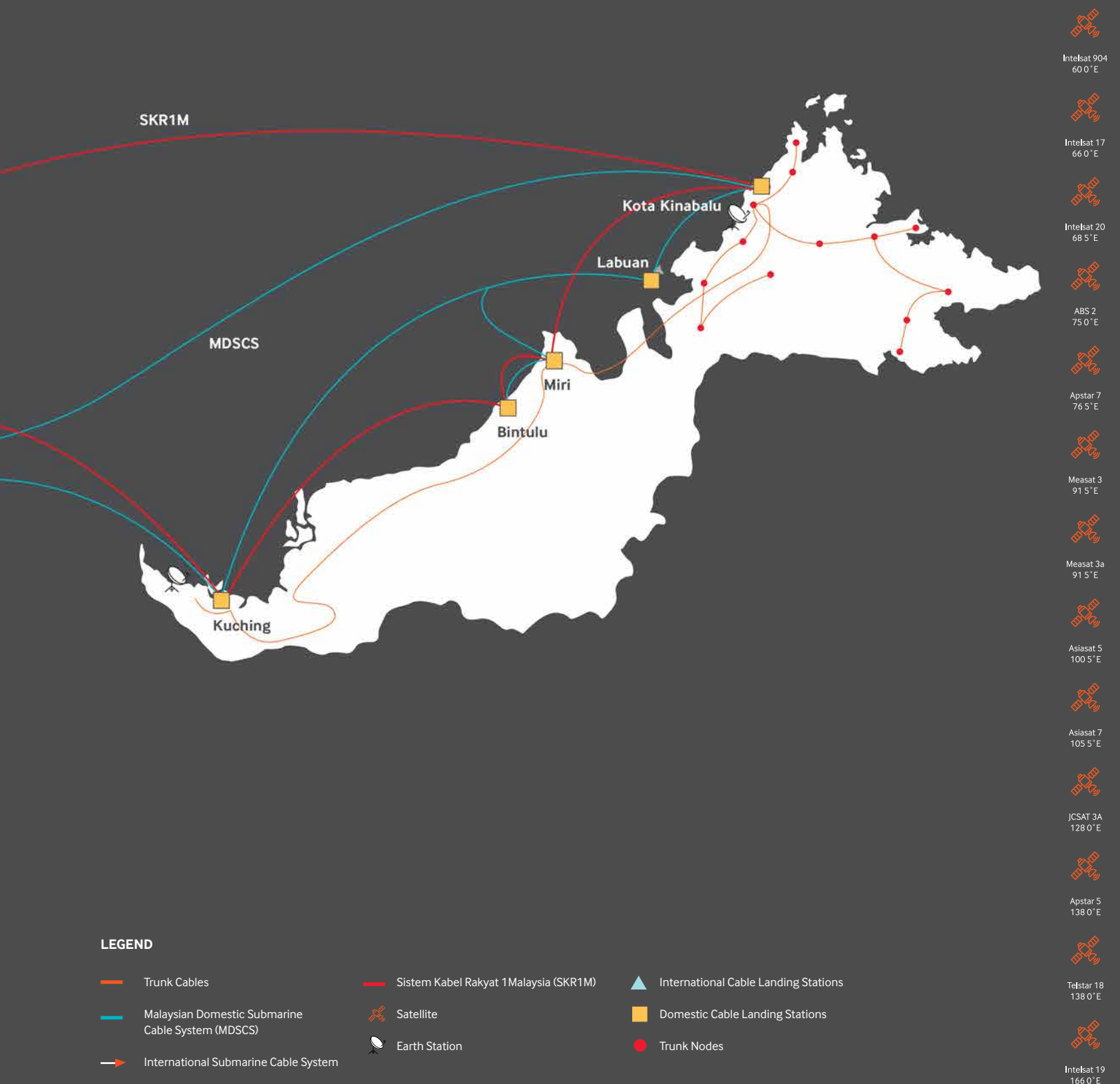


# 5

International  
Cable Landing  
Stations

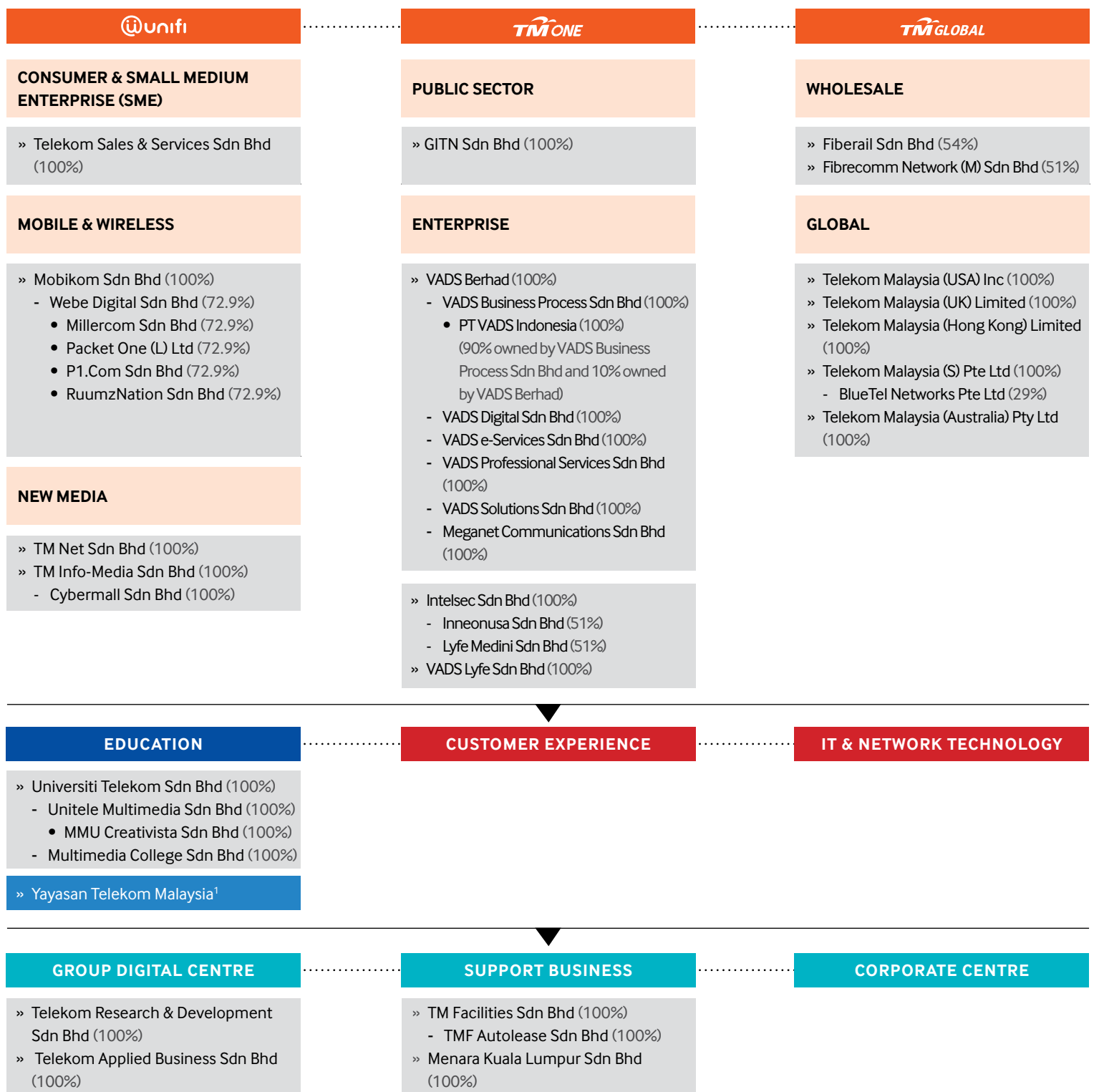
# 7

Domestic  
Cable Landing  
Stations



# Group Corporate Structure

as at 5 March 2018



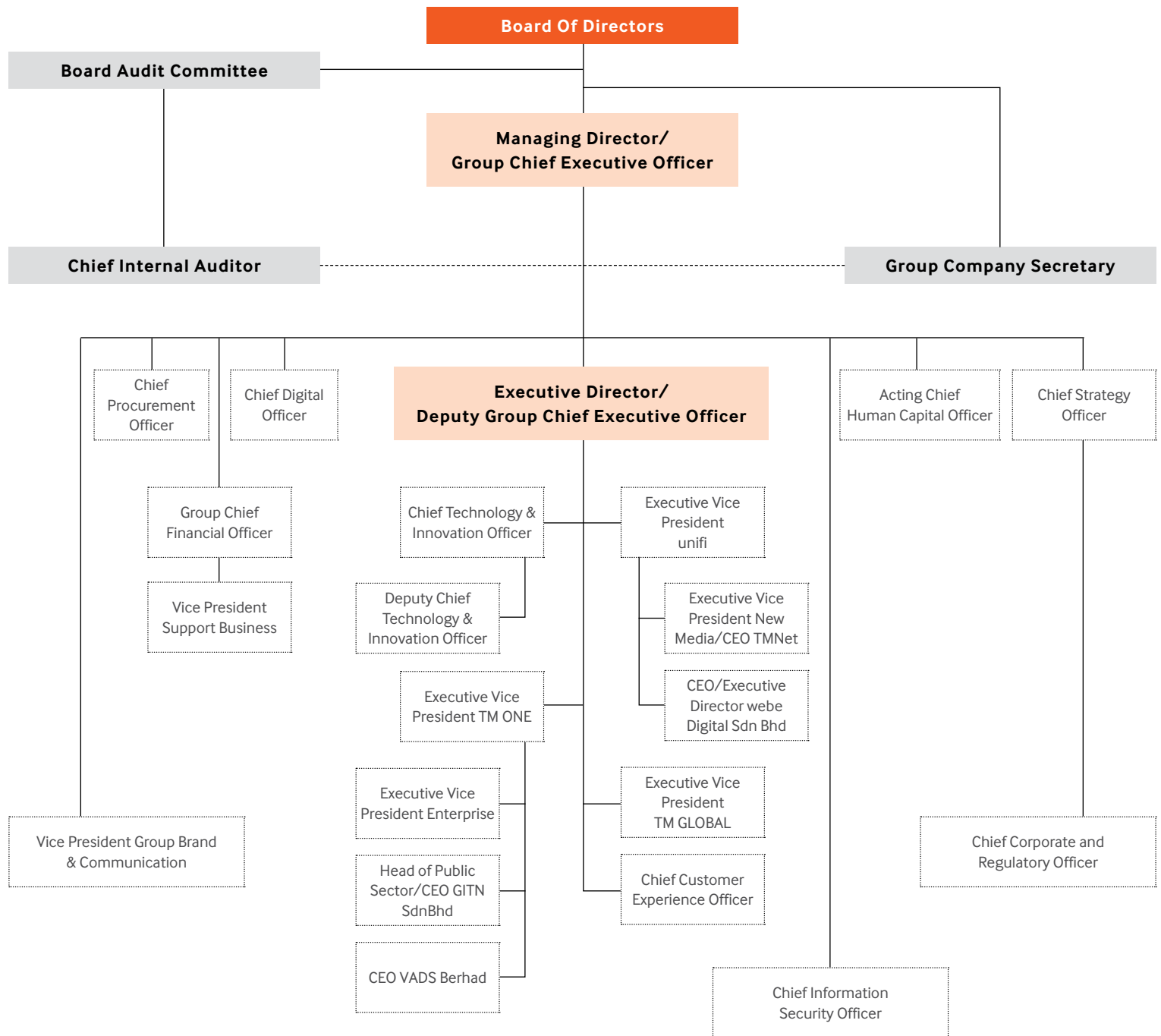
● Business Clusters ● Line of Business ● Education Cluster ● Foundation ● Business Function ● Support Business and Corporate Function ● TM Subsidiary

<sup>1</sup> Yayasan Telekom Malaysia is a charitable trust established under the Trustees (Incorporation) Act 1952

● List of TM Group of Companies are shown on pages 130 to 135 of the Financial Statements

# Group Organisation Structure

as at 1 January 2018





# Corporate Information

as at 5 March 2018

## BOARD OF DIRECTORS

- 1**  
**Tan Sri Dato' Seri Dr Sulaiman Mahbob**  
Chairman  
Non-Independent Non-Executive Director
- 2**  
**Dato' Sri Mohammed Shazalli Ramly**  
Managing Director/Group Chief Executive Officer  
Non-Independent Executive Director
- 3**  
**Datuk Bazlan Osman**  
Executive Director/Deputy Group Chief Executive Officer  
Non-Independent Executive Director
- 4**  
**Dato' Sri Dr Mohamad Isa Hussain**  
Non-Independent Non-Executive Director
- 5**  
**Nik Rizal Kamil Tan Sri Nik Ibrahim Kamil**  
Non-Independent Non-Executive Director
- 6**  
**Tunku Dato' Mahmood Fawzy Tunku Muhiyiddin**  
Senior Independent Director
- 7**  
**Datuk Zalekha Hassan**  
Independent Non-Executive Director
- 8**  
**Davide Giacomo Federico Benello (Q David Benello)**  
Independent Non-Executive Director
- 9**  
**Datuk Seri Fateh Iskandar Tan Sri Dato' Mohamed Mansor**  
Independent Non-Executive Director
- 10**  
**Gee Siew Yoong**  
Independent Non-Executive Director
- 11**  
**Tunku Afwida Tunku Dato' A.Malek**  
Independent Non-Executive Director
- 12**  
**Balasingham A. Namasiwayam**  
Independent Non-Executive Director
- 13**  
**Dato' Asri Hamidin (Q Hamidon)**  
Alternate Director to Dato' Sri Dr Mohamad Isa Hussain  
Non-Independent Non-Executive Alternate Director

## SENIOR INDEPENDENT DIRECTOR

**Tunku Dato' Mahmood Fawzy Tunku Muhiyiddin**  
Email : sid@tm.com.my

## COMPANY SECRETARIES

**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 REGISTRARS**

Symphony Share Registrars Sdn Bhd (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 PLT (LLP 001440-LLA & AF 1146)  
Level 10, 1 Sentral, Jalan Travers  
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

- www.tm.com.my
- 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:
  - @unifi (www.twitter.com/unifi)
  - @helpmeunifi (www.twitter.com/helpmeunifi)

**1. CHIEF CUSTOMER EXPERIENCE OFFICER****Azhar Omar**

Azhar is responsible for TM's overall customer experience management and initiatives. His profile is disclosed on page 104.

Tel : +603- 2242 9292

Email : azhar.omar@tm.com.my

**2. CHIEF CORPORATE & REGULATORY OFFICER****Ahmad Ismail**

Ahmad is responsible for the Group's corporate and regulatory matters. His profile is disclosed on page 104.

Tel : +603-2241 5799

Fax : +603-2241 5769

Email : ahmisa@tm.com.my

**3. 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 105.

Tel : +603-2240 1919

Fax : +603-7955 6235

Email : hazimi.kassim@tm.com.my

**4. GROUP COMPANY SECRETARY****Hamizah Abidin**

Hamizah is responsible for corporate secretarial matters for the TM Group, as well as PLC Compliance. Her profile is disclosed on page 98.

Tel : +603-2240 1204

Fax : +603-2283 2415

Email : hamizaha@tm.com.my

**5. HEAD OF INVESTOR RELATIONS****Rohaila Mohamed Basir**

Rohaila is the General Manager, Corporate Finance and Investor Relations. She graduated with an LLB (Hons.) from the University of Malaya. She joined TM in February 2011. Prior thereto, Rohaila spent five years in private legal practice specialising in banking and corporate finance before 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





# Key Milestones

## JANUARY

TM starts the new year with a 'Thank You Surprise' for customers, upgrading their unifi speeds.

VADS Lyfe signs a Memorandum of Understanding (MoU) with Malaysia Airports for the deployment of Smart Services to transform KLIA Aeropolis into a world-class airport city.

1

## FEBRUARY

Football talent search TV show – *Mencari Ramli* – returns for its sixth season.

TM delivers on Convergence, reporting solid financial results for the year 2016, and meeting all three Headline KPIs.

TM empowers Johor Halal Park with converged telecommunications and ICT solutions.

Menara TM receives its first Royal visit when DYMM Seri Paduka Baginda Yang di-Pertuan Agong XV performs Friday prayers at our *surau*.

2

## MAY

*Warga Keluarga* TM welcomes Dato' Sri Mohammed Shazalli Ramly as the new Group CEO while bidding farewell to Tan Sri Zamzamzairani.

TM announces Nor Fadhilah Mohd Ali as the new Group CFO, the first woman to hold the position.

TM is named the Best Asian Telecom Carrier and Best Broadband Carrier at the 20<sup>th</sup> Telecom Asia Awards, while Tan Sri Zamzamzairani is named Telecom CEO of the Year.

5

## JUNE

unifi family hits the 1,000,000 mark! #KeajaibanRamadan led to #Keajaibanunifi as the Group calls our million customers the 'Miracle Million'.

6

## OCTOBER

TM starts providing high speed broadband via unifi Wifi at all KFC and Pizza Hut restaurants across Malaysia following an MoU with QSR Brands.

10

## NOVEMBER

TM ONE officially launches Iskandar Puteri Data Centre (IPDC), a new state-of-the-art Data Centre in Nusajaya Technology Park, Iskandar Puteri, Johor.

11

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## MARCH

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The Malaysia-Cambodia-Thailand (MCT) cable system is completed.

3

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## APRIL

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unifi TV (previously known as HyppTV) celebrates its seventh anniversary with the introduction of seven new world-class entertainment channels.

TM bags the Telecom Service Provider of the Year award at the Frost & Sullivan Malaysia Excellence Awards for the sixth time; while former Group CEO, Tan Sri Zamzamairani Mohd Isa is bestowed the Outstanding Contribution to the Industry Award.

Shareholders approve all resolutions presented at the Company's Annual General Meeting (AGM).

4

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## AUGUST

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TM supports the 29<sup>th</sup> Southeast Asian Games and the 9th ASEAN Para Games as the Platinum Sponsor, providing multiple platforms for Malaysians to follow and share every exciting moment during the Games.

TM steps up the pace of executing our business plans via PERFEXE 10, a new approach to accelerate convergence and empower digitisation.

TM and Grab sign an MoU to provide more convenience and added mobility to our employees and customers.

8

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## SEPTEMBER

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The all-new TM Call Centre at Graha Maju, Melaka is officially launched.

Sistem Kabel Rakyat 1Malaysia (SKR1M) connecting Peninsular Malaysia and Sabah and Sarawak, starts carrying commercial traffic.

The Prime Minister visits TM and interacts with over 20,000 *Warga Keluarga* TM nationwide via telepresence facilities; launches new unifi packages – unifi edu and unifi ebiz; and announces new enhanced benefits for *Warga Keluarga* TM.

9

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## DECEMBER

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28,000 *Warga Keluarga* TM join the Company as we become the first telco and largest group of employees to make a corruption-free pledge with the Malaysian Anti-Corruption Commission (MACC).

TM bags five awards each at the Malaysia-ASEAN Corporate Governance 2017 Awards and National Annual Corporate Report Awards (NACRA) 2017. TM also receives a Bronze for the Specialised Annual Report – Combined Annual & Sustainability Report category – at the Annual Report Competition (ARC) 2017 Awards held in New York.

12

# Media Clippings



### TM UNVEILS 'PERFECT EXECUTION' PLAN

Telecommunications giant, Telekom TM will unveil its strategy addressing gaps and challenges to boost performance



**T**elekom Malaysia (TM) has unveiled its 'Perfect Execution' plan, a strategic blueprint to address operational gaps and challenges, aiming to boost performance and drive growth. The plan focuses on enhancing network quality, improving customer service, and optimizing operational efficiency. TM CEO, Datuk Seri Dr. Syed Tanjong, stated that the company is committed to delivering a superior customer experience and maintaining its leadership in the telecommunications market. The plan also emphasizes digital transformation and the adoption of new technologies to streamline operations and reduce costs. Key initiatives include upgrading the core network, implementing advanced analytics for network optimization, and launching new services to meet the evolving needs of customers. TM expects these measures to significantly improve its operational performance and financial results over the next few years.



Unifi services get makeover

### Connecting everyone to the games

Telekom Malaysia offers access to the excitement on various platforms



**C**onnecting everyone to the excitement of gaming, Telekom Malaysia (TM) has launched a new initiative to provide high-speed internet access to various gaming platforms. This initiative is part of TM's broader strategy to enhance its digital services and cater to the growing gaming community in Malaysia. TM has partnered with leading game developers and publishers to ensure that gamers can enjoy seamless and lag-free gaming experiences. The new service offers dedicated bandwidth for gaming, ensuring that users can play their favorite games without interruptions. TM also provides a range of gaming-related services, including cloud gaming and streaming, to further enhance the gaming ecosystem. The company is committed to providing the best possible gaming experience to its customers, ensuring that everyone can enjoy the excitement of gaming on various platforms.



Adding zest to TM

### TM SEES GROWTH BOOST FROM WEBE

New mobile portfolio complements group's fixed-line business — Dr. Syed Tanjong and UHF



**T**elekom Malaysia (TM) has announced a significant growth boost from its new mobile portfolio, which complements the group's existing fixed-line business. The new mobile services, including 4G LTE and fiber-to-the-home (FTTH) offerings, are expected to drive revenue growth and improve customer satisfaction. TM CEO, Datuk Seri Dr. Syed Tanjong, highlighted the company's commitment to providing high-quality mobile services and expanding its reach to underserved areas. The new mobile portfolio includes a range of plans and services tailored to meet the needs of different customer segments. UHF, a subsidiary of TM, is also contributing to the growth of the mobile portfolio through its innovative solutions and services. The company is confident that the new mobile services will significantly boost its overall performance and market share.

### TM launches webe packages for SMEs

TM has launched a range of web-based services and packages specifically designed for Small and Medium Enterprises (SMEs). These packages offer a variety of services, including cloud storage, email, and collaboration tools, all accessible through a single platform. The new webe packages are designed to be cost-effective and easy to use, making them ideal for SMEs looking to streamline their operations and improve productivity. TM is committed to providing tailored solutions for SMEs, ensuring that they can benefit from the latest technologies and services. The launch of these packages is a key part of TM's strategy to support the growth and development of the SME sector in Malaysia.

### TM, TMS INK COLLABORATION

Companies to provide infrastructure for provision of Smart C-RAN in Putrajaya



**T**elekom Malaysia (TM) and Telekom Malaysia System Integrations (TMS) have inked a collaboration agreement to provide infrastructure for the provision of Smart Cloud-RAN (C-RAN) in Putrajaya. This collaboration is a key part of TM's strategy to enhance its network capabilities and provide advanced services to its customers. The agreement involves the joint development and deployment of Smart C-RAN infrastructure, which will enable TM to deliver higher quality and more efficient network services. TMS will provide the system integration and support for the C-RAN infrastructure, ensuring that it is fully operational and optimized for performance. The collaboration is expected to significantly improve the network performance and service quality in Putrajaya, benefiting both TM and its customers.

### TM appoints 2 'homegrown talents' to key positions

TM has appointed two homegrown talents to key positions within the company. The appointments are a testament to TM's commitment to developing and promoting local talent. The two individuals, who have worked for TM for several years, have demonstrated exceptional skills and leadership capabilities. Their new roles will involve overseeing key areas of the company's operations and contributing to its long-term growth and success. TM is proud to have identified and promoted these homegrown talents, and is confident that they will bring a fresh perspective and drive innovation within the organization.

### High-speed WiFi upgrade at KFC and Fizza Hot outlets

TM has upgraded the high-speed WiFi services at KFC and Fizza Hot outlets across Malaysia. This upgrade is part of TM's initiative to provide better digital services to its customers and enhance their overall experience. The new high-speed WiFi services will allow customers to enjoy faster and more reliable internet access while dining at these popular outlets. TM is committed to providing the best possible digital services to its customers, and this upgrade is a key step in achieving that goal. The high-speed WiFi services are now available at all participating KFC and Fizza Hot outlets, ensuring that customers can enjoy a seamless digital experience wherever they dine.



# Corporate Gallery



10  
JAN

Smart Services Deployment in KLIA Aeropolis



22  
FEB

Solid FY2016 Performance



15  
MAR

On the Road with SME BIZFEST™ 2017



27  
APR

Change in leadership with the appointment of Dato' Sri Mohammed Shazalli Ramly as the new Group CEO replacing Tan Sri Zamzamzairani; and Datuk Bazlan Osman as the Deputy Group CEO



8  
MAY

Appointment of Key Management Positions



14  
JUN

TM Launches Op Selamat 11 Campaign in collaboration with PDRM



18  
JUN

unifi Family Now 1 Million Strong



19  
AUG

TM Team Malaysia in action at KL2017



7  
SEP

Smart Solutions for Iskandar Malaysia



11  
SEP

Launch of TM's Largest Contact Centre in Melaka



17  
SEP

SKR1M Submarine Cable System to Benefit All Malaysians



25  
SEP

PM Acknowledges G20 and Vendors for Empowering Bumiputeras



25  
SEP

Warga Keluarga TM Give PM Rousing Welcome with the First-ever GLC 360 Photo with the PM



14  
OCT

Free wifiQunifi at All KFC & Pizza Hut Outlets



25  
OCT

TM Collaborates with Edotco Malaysia



7  
NOV

Iskandar Puteri Data Centre (IPDC) Officially Launched



23  
NOV

28,000 Warga Keluarga TM Take Corruption-Free Pledge

# Achievements



## **World CSR Day 2017**

18 February 2017 Taj Lands End, Mumbai.  
100 Most Impactful CSR Leaders - Izad Ismail

## **Malaysia's leading ICT, BPO provider in Gartner market guide for Year 2017**

31 March 2017

## **2017 Frost & Sullivan Malaysia Excellence Awards**

13 April 2017 Hilton Hotel, Kuala Lumpur

- Telecom Service Provider of the Year - Telekom Malaysia Berhad
- Infrastructure as a Service Provider of the Year - VADS Berhad
- Outstanding Contribution to Industry Development - Tan Sri Dato' Sri Zamzamairani Mohd Isa

## **ASTRID Awards 2017**

8 May 2017 New York, USA

Silver Winner - Excellence in Design  
(Convergence Champion Twenty Fifteen Annual Report)

## **7<sup>th</sup> Asia Communication Awards (ACA) 2017**

24 May 2017 Marriott Tang Plaza Hotel, Singapore

Best Customer Care: Business Category -  
TM R&D for Mobile Application Self Troubleshooting Tool (MAST)

## **12<sup>th</sup> Employer Branding Awards 2017**

1 August 2017 Le Meridien Sentosa, Singapore  
Asia's Best Employer Brand Awards

## **7<sup>th</sup> Asia Best CSR Practices Awards 2017**

2 August 2017 Le Meridien Sentosa, Singapore  
CSR Leadership Award - Izlyn Ramli

## **The Edge-Billion Ringgit Club 2017**

21 August 2017 Grand Hyatt, Kuala Lumpur

The Best CR Initiatives Big Cap Companies

## **Chief Minister's Industry Excellence Awards 2017 (CMIEA)**

8 September 2017 Borneo Convention Centre, Kuching, Sarawak

Gold Award (Large Company Category) - TM Sarawak

## **Top 25 Data Centre Solution Provider in the APAC Region for Year 2017**

30 September 2017

## **Annual Report Competition 2017 in New York**

12 Oct 2017, New York

Bronze under Category Special Annual Report -  
Combine Annual & Sustainability Report 2017



#### **HR Asia Best Companies to Work for in Asia 2017**

13 October 2017 The Majestic Hotel, Kuala Lumpur

Best Company to Work for in Asia

#### **Putra Brand Awards 2017- The People's Choice**

2 November 2017 The Majestic Hotel, Kuala Lumpur

Silver (Communication Networks)

#### **National Annual Corporate Report Awards (NACRA) 2017**

23 November 2017 Hilton Hotel, Kuala Lumpur

- Overall Excellence Awards for Most Outstanding Annual Report of the Year (Silver)
- Annual Integrated Reporting (Gold)
- Sustainability Report (Gold)
- Best Annual Report in Bahasa Malaysia (Silver)
- Industry Excellence Award for Main Board Company in Trading and Services category – 21<sup>st</sup> consecutive year

#### **Platinum Business Award 2017**

23 November 2017 Sunway Pyramid Convention Centre

SME Supporter Award

#### **Minority Shareholder Watchdog Group (MSWG) Award**

6 December 2017 The Majestic Hotel, Kuala Lumpur

- Top 4 Excellence Award for Overall CG & Performance
- Top 2 Excellence Award for CG Disclosure
- Excellence Award for Sustainability Practices
- Merit Award for Board Diversity
- Industry Excellence Award - Telecommunications & Media

#### **Services Partner and Managed Services Provider of the Year 2017 (awarded by Cisco)**

18 Jan 2018 Hotel Sofitel, Kuala Lumpur

#### **National Center for Sustainability Reporting Award 2017**

24 February 2018 Solo, Jawa Tengah Indonesia

Best Sustainability Report 2016 Category Overseas 1<sup>st</sup> Runner Up

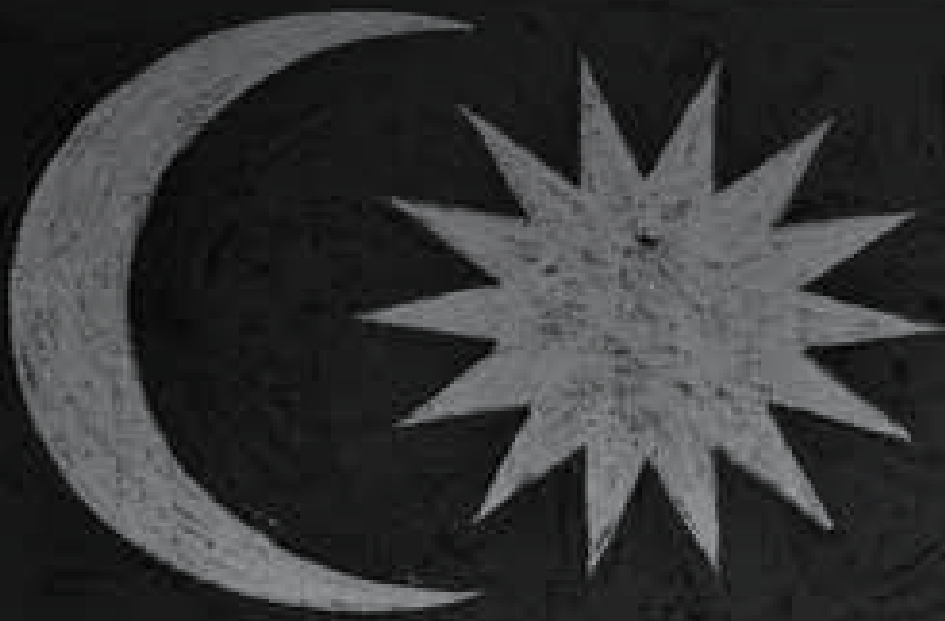
#### **Mercury Excellence Awards 2017**

28 February 2018

- Websites/Mobile Media: Investor/Shareholder Relations Site (Bronze)
- Annual Reports - Interior Design: Non-Traditional (Honors)
- Publicity: Media Exposure (Honors)



# NEGA



Inspiring  
Moments

# RAKU

In life, and in business, there are moments that stand out over and above everything else. Moments that inspire positivity and awaken us to better possibilities. For TM, the change in leadership in 2017 infused new energy into our organisation, and inspired transformational action that further strengthens our capabilities and underpins our competitive advantage.





**TAN SRI DATO' SERI DR SULAIMAN MAHBOB**  
Chairman

# Chairman's Statement

Dear valued shareholders,

Last year's publication was the first time we presented our fully-integrated annual report. Our concept of integrated reporting refers to how TM as a Group creates value as well as reflect our short, mid and long-term plans and abilities to continue to grow sustainably.

This year, we aim to bring even more transparency in our integrated reporting. Over the years, we have shared our annual headline Key Performance Indicators (KPIs) so that you, our shareholders and all stakeholders, are able to track and evaluate our performance against the results achieved, as well as have a view of our future plans. This report also contains all the information you need about TM – our objectives, strategies, business operations, the challenges we face and how we mitigate them.

# Chairman's Statement

First and foremost, allow me to open my statement by acknowledging the milestone 'change of the guard' in the leadership at TM that took place in 2017. We announced the appointment of Dato' Sri Mohammed Shazalli Ramly as our new Managing Director/Group Chief Executive Officer (CEO) with effect from 1 May 2017, following the retirement of Tan Sri Zamzamzairani Mohd Isa as Group CEO of TM with effect from 30 April 2017.

Concurrently, we also announced the appointment of our then Executive Director/Group Chief Financial Officer (Group CFO), Datuk Bazlan Osman as Executive Director/Deputy Group CEO effective 1 April 2017.

Under Tan Sri Zamzamzairani's stewardship, TM recorded multiple milestones - overcoming the challenging demerger exercise in 2008, successfully rolled out the national High Speed Broadband (HSBB) project achieving global recognition and launched unifi, the nation's first triple play service in 2010. Tan Sri Zamzamzairani has set the aspiration for TM to become Malaysia's Convergence Champion and has lead the journey that made us who we are today. Also, as a government-linked company (GLC), TM graduated top of the class in the 10-year GLC Transformation Programme, under Tan Sri Zamzamzairani's helm in 2015.

It is with a measure of sadness that I bid adieu to Tan Sri Zamzamzairani, 'a true TM career man' and 'a transformative leader' whose passion for TM inspired a sense of belonging and purpose among Warga Keluarga TM during his 9 years as Group CEO and Managing Director. We attribute this as instrumental in driving the Company's exemplary success thus far. Tan Sri Zamzamzairani will be remembered as a leader of great integrity, passion, charisma and intellect. As he once said: "TM is not just an organisation, it is an institution", and this is true as the shared purpose and values are carried and displayed by all Warga Keluarga TM. Thank you Tan Sri Zamzamzairani for your legacy.

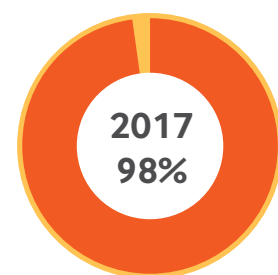
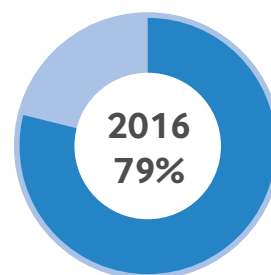
At the same time, I would like to extend a warm welcome to Dato' Sri Shazalli and congratulate Datuk Bazlan on their appointments. The Board unanimously agree that Dato' Sri Shazalli's leadership and vast experience in branding, sales and marketing; complemented by Datuk Bazlan's proven ability to deliver results make them the right choice to execute TM's strategic priorities and objectives.

It is thus with pleasure that I present TM's Integrated Annual Report for 2017. While we further strengthen our leadership as the country's Convergence Champion offering converged services and solutions, we have also deepened our contributions to national development, creating value for all our stakeholders with the aim of truly making life easier for everyone.



TM is on course to accelerate convergence and empower digital, in order to expedite national broadband adoption towards the realisation of a digital economy; whilst continuing our proven track record in value creation.

## NUMBER OF unifi CUSTOMERS SUBSCRIBING TO SPEEDS OF 10 MBPS AND ABOVE





## 2017 PERFORMANCE HIGHLIGHTS

Several years ago, we had consolidated our businesses into three customer-focused clusters to serve our target markets better; and in 2017 we rebranded these clusters, with unifi representing lifestyle offerings for homes and individuals; TM ONE offering end-to-end converged solutions to business verticals; and TM GLOBAL presenting a more integrated front in serving domestic and international telecommunication service providers.

I am pleased to report that for our full year performance for 2017, TM is on course to accelerate convergence and empower digital, in order to expedite national broadband adoption towards the realisation of a digital economy whilst continuing our proven track record in value creation.

Overall, TM was resilient amid a challenging environment, where we sustained stable revenue and profitability. Group revenue came in at RM12.09 billion, on the back of higher internet revenue contribution, which rose 8.3% against 2016, to RM3.97 billion; contributing 32.9% of total revenue. As a result of various initiatives, the number of unifi customers subscribing to speeds of 10 Mbps and above has increased to 98%, as compared to 79% at the end of 2016. Our earnings before interest and tax (EBIT) stood at RM 1.09 billion and most encouragingly, we exceeded our customer satisfaction index (TRI\*M) target of 73, for the 7<sup>th</sup> consecutive year.

## TOTAL DIVIDEND PAYOUT



First interim dividend of

**9.4 sen** per share  
paid in **October 2017**

Second interim dividend of

**12.1 sen** per share  
announced in **February 2018**

Total dividend payout of

**21.5 sen** per share  
or **RM808.0 million**

Given the challenging industry conditions in 2017, we continue to progress with our business objectives whilst fulfilling our commitment to our shareholders. We have declared a first interim dividend of 9.4 sen per share for the financial year, paid in October 2017, and the Board of Directors announced a second interim dividend of 12.1 sen per share in February 2018; bringing the total dividend payout of 21.5 sen per share or RM808.0 million, consistently meeting our dividend commitment to our valued shareholders every year as promised.

We have strengthened our total shareholder return (TSR), which stands at more than 393.3% since demerger in 2008. Beyond our operational and financial performance, we are also proud of the ways in which TM has continued to contribute to nation-building as well as enriching the lives of Malaysians, and this is what I would like to highlight in my message.

## BUILDING A DIGITAL NATION AND A DIGITAL ECONOMY

One of our key contributions to the nation is through the development of our world-class high speed broadband (HSBB) network infrastructure that supports most of our services and solutions as well as the service offerings of other industry players. Since 2008, we have collaborated with the Government in rolling out HSBB, first in the major cities, and now, through the HSBB2 and Sub-Urban Broadband (SUBB) projects, to the rest of the country.

Most recently in January 2018, TM and Tenaga Nasional Berhad (TNB) signed a Memorandum of Understanding (MoU) to jointly develop an implementation plan to deliver on the Government's Nationwide Fiberisation Plan (NFP). This collaboration will capitalise on the combined strength of both GLCs in terms of reach, infrastructure and expertise. In particular, the synergies will enable the most efficient cost structure, and further accelerate the fibre broadband network reach. Further, the roll-out under TM and TNB, as two of Malaysia's leading institutions, ensures the safety and security of the nation's strategic and critical infrastructure. The proposed network will also continue the existing open access participation of industry players to promote private sector competition in retail broadband.

Having a strong HSBB network increases the country's attractiveness to foreign investors, drawing a greater influx of foreign direct investment. For the nation, we recognise that by making our services more accessible and affordable to all Malaysians, we are promoting greater ICT proficiency, knowledge acquisition and capacity building right from the grassroots level up, thus continuing to bridge the socio-economic divide in ensuring inclusivity in this new digital economy.

# Chairman's Statement

We have always sought to make HSBB affordable to all Malaysians, and in support of the national agenda, we had in fact jump-started this effort ahead of the Budget 2017, as tabled by the Prime Minister. Since January, we have been upgrading eligible and infra-capable home broadband customers, enabling them to enjoy higher speeds at the same price under our Broadband Improvement Plan (BIP). Later in the year, we unveiled two new affordable packages aimed at students of institutes of higher learning and e-entrepreneurs, two customer segments that we felt would benefit the most from HSBB. We also launched the unifi Wifi i-foundit! app that enables all Malaysian to access the internet via wifi@unifi nationwide. These ongoing initiatives have already brought the results we had hoped for, and continue to attract more Malaysians to experience high speed broadband and the digital opportunities that come with it.

In addition to promoting development through broadband, we are leveraging on TM ONE's core competencies to deliver the nation's aspiration of becoming a world-class digital and Internet of Things (IoT) hub in the region. In the process, we are also contributing to economic growth through the creation of skilled, high-value jobs.

In September 2017, we launched a new call centre in Graha Maju, Melaka, and our state-of-the-art Iskandar Puteri Data Centre (IPDC) in Johor – the first commercial Data Centre in Malaysia to achieve the Uptime Institute Tier III certification for design and constructed facility. It is expected that the completion of both facilities will boost the nation's economy and offer job opportunities.

Additionally, we are propelling the development of smart zones in the country that have been identified to catalyse high-value economic activity. Through a Memorandum of Understanding (MoU) signed with Iskandar Regional Development Authority (IRDA) in September 2017, we are putting in place systems enabling smart safety and security, smart mobility as well as smart energy and facilities management in Iskandar Malaysia. We have also signed an MoU with Malaysia Airports Holdings Berhad earlier in January 2017 to deploy Smart Services in KLIA Aeropolis, which is being developed as a world-class airport city and a tourist destination in itself. Iskandar Malaysia is already attracting a number of leading local and international corporations, and we expect the same at KLIA Aeropolis.

Meanwhile, the launch of Sistem Kabel Rakyat 1Malaysia (SKR1M) in September will boost economic development in Sabah and Sarawak. Undertaken as a Public-Private Partnership (PPP) between TM and the Government.

## PROTECTING THE NATION'S CRITICAL INFRASTRUCTURE

Perhaps still unbeknown to many, TM plays a unique and important role as the country's key enabler for strategic and critical communications infrastructure – something that figures highly in the nation's interest. We are designated as the one and only trusted service provider to protect Key Strategic Installations such as communication hill stations as well as cable landing stations, and are recognised as a support agency in the National Security Council (NSC) Order 20. This entails ensuring uninterrupted telecommunications services in the event of any disaster or emergency. It is a privilege to be accorded with this responsibility and we continue to uphold our duty to ensure the safety and security of the nation's strategic and critical infrastructure, as we have always done, since the days of our establishment as a government department. Membership of the NSC is a natural extension of the role we play on a day-to-day basis by providing the nation's emergency response service, MERS999, in collaboration with the government. From MERS999, we have stepped up to provide Malaysians with the SaveME 999 POLIS app, developed together with the Royal Malaysia Police to enable people to connect with them in times of crisis. We have also launched a version of the app that caters specifically to the visually impaired.

## CHAMPIONING CORPORATE RESPONSIBILITY & SUSTAINABILITY

TM has long been the protector of national interest and we take pride in the unique role that we play in nation building as described above, and this is also the foundation of our Corporate Responsibility (CR) and Sustainability areas. Much of our CR initiatives began as well-meaning contributions to the community, which evolved to incorporate greater elements of accountability over the years. True to our vision of life and business made easier for a better Malaysia, we have converged sustainability into our business and Annual Operating Plans so it is embedded in all our current and future actions. For TM, our sustainability lies in our concerted efforts to remain relevant to our customers, creating value for all our stakeholders. At the macro level, we believe this will translate to Smarter Living, Smarter Businesses, Smarter Cities, Smarter Communities and, ultimately, a Smarter Nation enabling Malaysia's digital economy. In fact, our annual targeted but impactful CR spending has always been more than the recommended 1% Profit Before Tax (PBT) for all GLCs – which was recently announced by the Prime Minister - in both areas of social and environment and this demonstrates our commitment to being the model and responsible Corporate Citizen that we are.

TM's framework for CR and Sustainability covers the three pillars of Economic, Environment and Social areas.

Our 2017 Sustainability Report themed Caring Moments provide further details of our CR and Sustainability details and programmes.

## SUPPORTING MALAYSIAN PRIDE IN EDUCATION, INNOVATION AND SPORTS

Our spirit of nationalism has seen TM play an active role in other critical areas for national development; namely education, innovation and sports.

In the educational sphere, we provide holistic assistance from primary all the way up to tertiary levels. Our foundation – Yayasan Telekom Malaysia (YTM) – has been providing scholarships and financial aid to over 15,000 primary, secondary and university students amounting to more than RM500 million since 1994. Our Multimedia University (MMU), is the country's first private university, which offer quality tertiary education, particularly focused on related ICT and being Digital Economy industry ready; from which 97% of its graduates have secured employment within six months of completing their studies. We have also adopted a total of 14 schools to date, where we have built ICT labs, held ICT-based skills and training workshops as well as motivational seminars, and created modules for robotics courses.

Further entrenching our community service, we provide broadband services to 5,500 community centres and schools in partnership with the Malaysian Communications and Multimedia Commission (MCMC), under the Universal Service Provision (USP) Programme.

In the field of innovation, leveraging on our Group Digital Centre (GDC), TM Research and Development (TM R&D), Multimedia University (MMU) and our strategic industry alliances; we are well positioned to stimulate and inculcate innovation, creativity and entrepreneurship within TM and the innovation and Digital Economy ecosystem at large, as well as to capitalise on market opportunities.

In the development of sports in the country, we help to identify and nurture more than 200 young football talents from the grassroots level nationwide. Out of this number, 50 players have realised their dreams of attending the famous Manchester United Soccer School (MUSS) through our "Mencari

Ramli” initiative over the last 6 seasons. We also sponsor competitions at the national and regional levels. Recently, and most significantly, we were the Platinum Sponsor of the 29<sup>th</sup> KL SEA Games 2017 and 9<sup>th</sup> ASEAN Para Games 2017 (KL2017), providing connectivity and broadcast facilities to enable real-time coverage locally and internationally.

In addition to our sponsorship, members of TM Team Malaysia were at the events in full force, supporting our national athletes with unbridled passion. The team’s energy and patriotism have not only spurred Malaysian sportsmen and women to many glories, but have also earned themselves recognition as the “Official Supporter of the National Athletes”. It is a source of great national pride when Malaysia emerged champions at KL2017!

## UPHOLDING OUR CORPORATE GOVERNANCE AND INTEGRITY

TM places high priority in conducting our business with integrity, transparency and strong governance. It remains as one of our greatest responsibilities, being a public-listed company, to continue instilling confidence and the trust placed upon us by our stakeholders. As a model corporate citizen upholding corporate governance, TM was once again lauded at both the Minority Shareholders Watch Group (MSWG) ASEAN Corporate Governance Awards and the National Corporate Reporting Awards (NACRA). Most importantly, we walked away with the Gold Award in Integrated Reporting in our first year embarking in this new approach.

On top of this, our upholding the highest level of integrity saw the signing of various integrity pacts over the years. We took our commitment to another level this year by signing the Corruption-Free Pledge with the Malaysian Anti-Corruption Commission (MACC). The ceremony saw the participation of over 26,000 Warga Keluarga TM from around the country together with employees of our subsidiary in Indonesia, PT VADS Indonesia, at their respective offices via TelePresence. This live streaming event broadcast reinforced our unified voice in upholding integrity and corporate governance above all else. We are the first telco in the country to make this pledge via our TelePresence service, making it the largest and most technologically advanced pledge done thus far.

## ALIGNING CULTURE, STRATEGY, AND EXECUTION

Along with the branding and organisational realignment that took place during the year, TM has also undergone a leadership evolution. On 1 May, Dato’ Sri Mohammed Shazalli Ramly took over at the helm of the Group as new Group CEO. We also created a new post, Deputy Group CEO, filled by our former Group CFO, Datuk Bazlan Osman. We subsequently appointed Nor Fadhilah Mohd Ali as our new Group CFO, and Dato’ Kairul Annuar Mohamed Zamzam as our Chief Strategy Officer.

With other members of TM’s leadership team, our new leaders took a step back in 2017 to review our performance and, together, developed an execution plan with 10 key thrusts, namely PERFEXE 10. PERFEXE 10, as our blueprint for change as it is called, is meant to align with our strategies to Accelerate Convergence and Empower Digitisation. The results are evident in our operational and financial performance, which will be detailed in our Management Discussion & Analysis.

Here we have set a new inspirational theme for TM – to capture more of our customers’ ‘Share of Moments’. By this, the idea is to continue to be entrusted by all Malaysians by keeping them connected at all times, providing the services to share their precious moments with friends, family and all that matter to them.

## ACKNOWLEDGEMENTS

TM has made great strides over the years, thanks to the contributions of many stakeholders, whom I would like to acknowledge.

To our shareholders, we hold the highest appreciation and regard for the trust you have placed in TM and we are committed to reciprocate in equal measure by providing you with attractive and sustainable returns. We are grateful to the Government and regulators for nurturing a healthy industry ecosystem, and would like to thank them, along with our business partners and members of the media, for supporting our ongoing journey.

I would also like to express my heartfelt gratitude to the entire Warga Keluarga TM for making us who we are – the nation’s Convergence Champion. I am surrounded by individuals of the highest calibre and integrity on the Board whom I would like to thank for their commitment and dedication to seeing TM grow sustainably. A special note of thanks goes to Dato’ Ibrahim Marsidi, who has resigned, for his contributions during his tenure with us. On behalf of my colleagues on the Board, we wish him the best in all his undertakings.

Most of all, I would like to say a heartfelt terima kasih to the real engine of growth of TM: our employees. It is because of their hard work and willingness to go the extra mile that we have accomplished the many successes that milestone our journey. As we move into even more challenging yet exciting times, I have every confidence that they will step up to the challenges and, in true TM style, take us to greater heights.

Finally, to our customers, thank you for your loyalty and support. You have always and will continue to inspire us to serve you better. Let TM today, and tomorrow, be the one and only partner you choose to share all your moments with.



Tan Sri Dato’ Seri Dr Sulaiman Mahbob  
Chairman





**DATO' SRI MOHAMMED SHAZALLI RAMLY**  
Group Chief Executive Officer

**DATUK BAZLAN OSMAN**  
Deputy Group Chief Executive Officer

# Management Discussion & Analysis

Our Management Discussion & Analysis for the financial year 2017 is presented jointly by Dato' Sri Mohammed Shazalli Ramly, who was appointed as our Managing Director/Group CEO with effect from 1 May 2017, and Datuk Bazlan Osman, who was previously our Group CFO since 2005, and appointed as the Deputy Group CEO with effect from 1 April 2017.

Dato' Sri Shazalli succeeds Tan Sri Zamzamzairani Mohd Isa, who retired after helming the Company for nine years. On behalf of management and Warga Keluarga TM (TM family), we would like to pay tribute to Tan Sri Zamzamzairani for his outstanding leadership and service to the Company, which have brought TM to where we are today. We would also like to acknowledge how Dato' Sri Shazalli and Datuk Bazlan represent a change of guard that continues to build on TM's legacy while injecting fresh vigour into the Company, ensuring that we maintain our edge in a fast-changing, unpredictable industry.



# Management Discussion & Analysis

## Dear valued shareholders,

It is with great honour for us to have been appointed to our respective positions in the first half of the year under review, and we take great pride in being able to present this discussion and analysis, through which we hope to provide a clear account of what TM has achieved during the year, the strategies that are driving us, whilst addressing the challenges that come our way.

Competition in the industry has certainly intensified over the last decade. However, we have always welcomed healthy rivalry amongst industry players as this will encourage all of us to better serve our customers. We are at an advantage by almost always attaining first-mover status when it comes to new innovation or technology that have transformed, and will continue to transform the industry. We have been able to achieve this due to TM's state-of-the-art infrastructure established over the years as well as the unwavering support of our stakeholders, particularly our customers and shareholders.

We are today pushing the boundaries of convergence, blurring lines that previously demarcated traditional services to lead the change in offering Malaysians solutions that make their lives easier. As Malaysia's Convergence Champion, we are the one and only service provider that is able to connect Malaysians anytime, anywhere, on any device. At the macro level, we believe this will translate into Smarter Living, Smarter Businesses, Smarter Cities, Smarter Communities and, ultimately, a Smarter Nation. However, we realise that in the rapidly changing industry and with increased competition, we cannot be complacent. Accordingly, the year 2017 was all about further entrenching our leadership position by continuing to build trust in our ability to serve Malaysians better every time they need to connect to the digital world – either to people or information – in Malaysia or anywhere else globally.

Our Vision to Make Life and Business Easier, for a Better Malaysia, is manifested in everything that we do; by being an integral part of our customers' and indeed all of our stakeholders' share of moments. We understand that these moments are meant to be celebrated and shared with everyone that matters to them. TM is always with them, throughout 24 hours of their day, whether they are at home, at work or on the move, regardless of the devices that they use. We firmly believe that our customers' trust and loyalty with us is key for them to achieve peace of mind, indirectly making their lives more connected, more wholesome and ultimately easier.

The year also witnessed us continue to support the Government's national broadband and Digital Economy agenda as we further developed and strengthened our network infrastructure and coverage. This includes concerted efforts to meet agreed targets under the High Speed Broadband Project Phase 2 (HSBB2) and Sub-Urban Broadband (SUBB) agreements, which TM signed with the Government in December 2015.

We are today pushing the boundaries of convergence, blurring lines that previously demarcated traditional services to lead the change in offering Malaysians solutions that make their lives easier.

We also completed the first few phases of our high-speed LTE network rollout, which immediately accelerated our service coverage as our fixed connectivity is now complimented with wireless. In addition, to cater to those on-the-go who need to connect to the internet wherever they are, we further expanded the number of our unifi Wifi hotspots throughout the country, establishing over 9,400 hotspots nationwide to date.

These achievements are highlights of our FY2017 performance which showed resilience amidst a challenging environment, where TM was able to sustain its revenue and profitability. At the same time, it is gratifying to see that our relentless focus on customers continues to place us among the most trusted brands in Malaysia. In 2017, we once again recorded a high customer satisfaction index, as measured by TRI\*M, which not only surpassed the global industry average of 66 for the seventh consecutive year, but also exceeded our own target of 73.





## OUR OBJECTIVES & STRATEGIES

In 2017, we identified a new purpose to link our objectives and strategies in order to capture a larger share of our customers' moments. This would translate into a bigger share of their wallet as they set aside larger budgets for their communication and digital needs. Broadband has become a critical household need, as important as, or more so, than other utilities; and we aim to serve this need by becoming Malaysians' preferred home service provider, able to help Malaysians stay connected to their digital world wherever they are. This will ultimately lead to more value creation for all our stakeholders; customers, employees, and shareholders alike.

We continued to maintain our two key strategic thrusts, namely to Accelerate Convergence and Empower Digital, with the objective of making lives easier. To Accelerate Convergence, we are employing the latest technologies and delivering relevant products and services to bring seamless digital experiences to everyone, thus maintaining our leading edge in the industry. This, in fact, is very closely tied with the thrust to Empower Digital, which entails not only the 'digitisation' of many of our internal systems and processes for increased productivity and efficiency, but also the development and introduction of innovative 'digitalisation' applications (apps) and initiatives for enhanced customer experience and new business opportunities.

To achieve our strategic objectives in a more expedient and efficient manner, we have crafted a new execution model – PERFEXE 10. This new game plan was developed after intense discussion and evaluation by our management on where we stand and how far and fast we want to go. "PERFEXE" is short for "Perfect Execution" and the number 10 denotes 10 high-priority plans designed to proactively motivate ourselves and bring TM to the next level. PERFEXE 10 will drive our strategic initiatives from now onwards, anchoring on the following principles:



### Aspiration

The entire Group, namely our business clusters (unifi, TM ONE and TM GLOBAL), business function, central functions and support businesses, have set new aspirations over and above their respective Business Plan targets in an effort to motivate employees to achieve better performance. This has energised our people to push boundaries to achieve their Key Performance Indicators (KPIs).



### Acceleration

We will continue to keep abreast of rapid changes in the technology landscape, and adopt the latest technologies ahead of other players to provide our customers with superior service and stay ahead of disruptive trends. This also refers to acceleration of how we do things internally and the execution speed of our initiatives.



### Execution

We exist to provide the best convergence solutions to our customers and to enhance their digital lifestyle, everywhere and on any device. This will require a differentiated approach to execution, to improve on the business-as-usual with higher digitalisation, use of analytics and new ways of working to take our efficiency and performance to a higher level.





# Management Discussion & Analysis



## REALISING OUR STRATEGIES THROUGH PERFEXE 10

01

### Trust as our Key Defining Value

We are amplifying the element of trust in our brand essence of 'Easy, Trusted and Innovative' because we believe it is important to earn our customers' trust in our ability to serve them, thus earning their loyalty and recommendation of our service to others. This requires consistent service excellence, which we measure via the Net Promoter Score (NPS) – an indicator of the likelihood of our customers promoting our services to others. NPS sums up both the customer experience (Cx) score when interacting with us, and the user experience (Ux) score when they are using our service. Ultimately, we aspire to establish trust as a key defining value among our existing and potential customers.

02

### Unifying unifi

As we move our portfolio of products and services towards a convergence proposition, we are consolidating our various service brands such as Streamyx, TM WiFi, HyppTV and webe into a single identity - unifi. Recently, unifi was given a refreshed look and feel reflecting the completion of a single brand approach to our mobile and TV services in addition to our home and public WiFi service offering. With this strategic repositioning, we are now the one and only brand in Malaysia that offers truly seamless Internet connectivity everywhere, be it with unifi Home for households, unifi Wifi or unifi Mobile while on-the-go, as well as enable the viewing of a wide array of world-class content with unifi TV and unifi PlayTV, under one roof. unifi is perfecting the convergence experience to enable the digital aspirations of our customers.

03

### Transforming the unifi Business Operations

To accelerate unifi growth, we are transitioning from conventional ways of doing business into digital sales and marketing models, enabling us to capture and attract customers en masse via mobile apps and public WiFi. We made a first step in this direction in September, with the launch of the unifi WiFi ifoundit! app which allows users to locate and connect to more than 9,400 hotspots across Malaysia. Providing seamless connectivity for all Malaysians and tourists, the app will become a window for more unifi domain services for potential customers. This is our way of enabling as many potential customers as possible to experience unifi, enabled by digital apps.

04

### TM ONE as the Verticals Digital Enabler

We are building TM ONE as a converged business solutions expert for industries across the private and public sectors, and have termed our approach of customising industry-relevant solutions for our customers as 'verticalisation'. Using this approach, vertical/industry specific converged solutions are offered versus the more traditional connectivity based sales approach, with top-priority verticals already identified for immediate revenue generation. Powered by secured connectivity, world-class Data Centre facilities, and industry experts for ICT, Business Process Outsourcing (BPO) and Smart Services, TM ONE enables its customers to realise the full potential of their digital opportunities and business needs.

05

### Accelerating Growth with TM GLOBAL

TM GLOBAL is our global and wholesale business arm serving global carriers and local operators. It also plays an important role in driving cost reduction for TM Group. This business cluster aspires to accelerate its business growth via content localisation and further improve in EBIT and revenue. Content localisation is about localising international contents to minimise outbound bandwidth and offer easier access for businesses at a lower price. In addition, TM GLOBAL is growing its reach by penetrating deeper into the ASEAN market via various innovative business and technology arrangements.

06

## Empowering Digital

Empowering Digital entails 'digitisation' (driving productivity via digital) and 'digitalisation' (monetisation of digital businesses) which, combined, will enable us to reap the full benefits of improved productivity and monetisation of opportunities presented. This is governed by a top management committee. We have launched a number of mobile apps for Warga Keluarga TM such as FLOW, for Group-wide communication and collaboration; GROW, a cloud-based app that facilitates employees to advance their careers; and HERO as a platform for Warga Keluarga TM to help channel customers' issues directly to our Customer Experience management for faster resolution. For our customers, wifi@unifi, WiFi Optimiser and unifi PlayTV are available via AppStore and Google Play to enhance their unifi experience. These apps will always be in beta since we are constantly improving the functions according to current requirements.

07

## Improving Employee Happiness

We believe that a positive work culture with flexible, results-oriented work arrangements has the potential to provide immense benefits for individual employees and organisations in general, which is measured by the Key Happiness Index (KHI). Recognising, too, that employee happiness and productivity come hand-in-hand, it is thus our goal to ensure that Warga Keluarga TM is provided with an environment, or working conditions that will raise our KHI.

08

## Expedite Network Rollout

Our network is growing by the day and we have developed plans to bring high-speed internet to Malaysians faster via both fixed and wireless infrastructure. To expedite the rollout, we are rejuvenating existing infrastructure with upgraded speeds as well as introducing new technology in wireless communication. We have also identified selected high-rise residential buildings nationwide as part of our expansion plan and are working with technology partners and vendors for an effective rollout.

09

## Liberating WiFi

We have a unique strength in WiFi because of our extensive nationwide coverage, which we are further building by expanding into high-density locations such as transport hubs including airports, hotels, shopping malls, food and beverage outlets as well as healthcare centres. We are also reinforcing our brand presence by enabling 'Qunifi' to all WiFi service set identifiers (SSID) everywhere encompassing homes, commercial premises and public areas. Our aim is to increase customers' awareness of our service and enabling them to enjoy seamless unifi experience beyond their homes.

10

## Sweat the Assets

"Sweat the assets" refers to our plan to maximise the utilisation of our existing assets. While executing PERFEXE 10 and unleashing innovative ideas, we will continue to ensure returns on our internal resources and existing assets first, through optimising the utilisation of existing broadband ports, public WiFi, Data Centre spaces and submarine cables. Cost saving initiatives will be championed across the Group, to further improve our net cash flow. Smart saving and spending will remain a priority, as we balance our new execution model and its monetisation.

2017 was a transformational, yet challenging year for TM. Despite this, we are on course and focused on achieving our strategic thrusts. Our Key Performance Indicators (KPI) and Key Happiness Index (KHI) are driven by the PERFEXE 10 strategies discussed above and we will continue to be guided by them in 2018.



# Management Discussion & Analysis

## FINANCIAL PERFORMANCE REVIEW

Amidst a demanding environment, we sustained stable revenue and profitability. Our operating revenue was RM12.09 billion for FY 2017 on the back of higher internet revenue contribution; which saw a strong growth of 8.3% YoY achieving RM3,974.0 million up from RM3,668.3 million in 2016. This was led by our unifi business cluster, which continues to deliver on our convergence proposition as mentioned. Internet and multimedia services contributed 32.9% to Group's total revenue in 2017, versus 30.4% in 2016.

Although we faced revenue challenges from competition and softer corporate and public sector ICT related spend; we focused our efforts on optimising cost to maintain our profitability. There were a number of non-operational items which impacted the reported numbers, which we clarify on below.

Our Group Reported Earnings Before Interest, Tax, Depreciation and Amortisation (EBITDA) for FY2017 was 5.6% lower than FY2016 at RM3.58 billion, mainly due to higher operating costs related to mobile services. Our Normalised EBITDA stood at RM3.67 billion for FY2017, which after excluding non-operational items such as foreign exchange loss on trade settlements and placements, was lower by 3.9% compared to FY2016.

Our Group Operating Profit (Earnings Before Interest and Tax (EBIT) for FY2017 was 5.3% lower against last year at RM1.09 billion. This was due to higher operating costs despite reduction in depreciation and amortisation charges. However, we maintained Group Normalised EBIT at RM1.19 billion after stripping off the foreign exchange loss on international trade settlements and placements, and loss on disposal of financial assets.

Group Reported Profit Before Tax (PBT) rose 14.1% to RM1.05 billion against RM918.5 million in the corresponding period last year. We reported a 19.8% growth in Group Reported Profit after Tax and Non-controlling Interest (PATAMI) at RM929.7 million as compared to RM776.0 million recorded in FY2016. This was primarily due to foreign exchange gain on the Group's borrowings in FY2017. Excluding this, the Group Normalised PATAMI was 1.8% higher at RM863.2 million.

The total capital expenditure (CAPEX) for FY2017 as a percentage of revenue was 22.8%, amounting to RM2.76 billion, which was lower than guided in 3Q2017, due to internal re-prioritisation of projects. The expenditures comprised of 42% of total spending to access, followed by core network at 34% and the remaining 24% for support systems.

In line with its dividend policy, the Group is declaring a second interim single-tier cash dividend of 12.1 sen per share or RM454.7 million for the financial year ended 31 December 2017. Together with the 1<sup>st</sup> interim dividend of 9.4 sen per share amounting to RM353.2 million which was paid on 13 October 2017, the total dividend payout is 21.5 sen per share, or RM808.0 million. The second interim dividend will be paid on 13 April 2018.

For a more in-depth review of our Financial Performance, please refer to the accompanying separate book on Financial Statements; and on our Financial Management, to the Group Chief Financial Officer (Group CFO) Review, on pages 64 to 69 which immediately follows this MD&A.

### Financial Performance (For FY2017)

#### REVENUE

**RM12.09** billion

#### Group Operating Profit (Earnings Before Interest and Tax (EBIT))

**RM1.09** billion  
was **5.3%** lower against last year

#### Total capital expenditure (CAPEX)

**RM2.76** billion  
as a percentage of revenue was **22.8%**

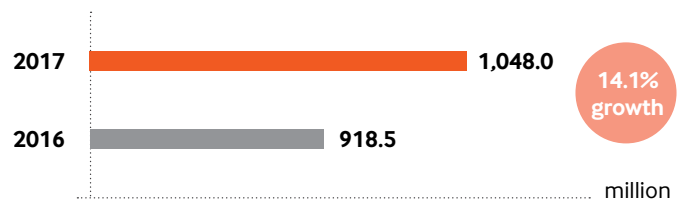
#### Second interim single-tier cash dividend of

**12.1 sen** per share or  
**RM454.7** million

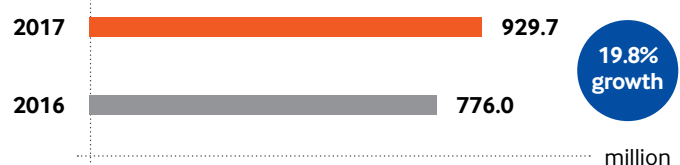
#### The total dividend payout is **21.5 sen** per share, or

**RM808.0** million

#### Group Reported Profit Before Tax (PBT) (RM)



#### Profit after Tax and Non-controlling Interests (PATAMI) (RM)



Group Normalised PATAMI was **1.8%** higher at

**RM863.2** million

For a more in-depth review of our Financial Performance, please refer to the accompanying separate book on Financial Statements; and on our Financial Management, to the Group Chief Financial Officer (Group CFO) Review, on pages 64 to 69 which immediately follows this MD&A

## BUSINESS OPERATIONS REVIEW

### Key Achievements in 2017



#### Surpassed

**1 million unifi customers**

**TM ONE launched Tier III certified Iskandar Puteri Core Data Centre (IPDC)**

#### TM GLOBAL added

**3 new submarine cable networks across ASEAN**

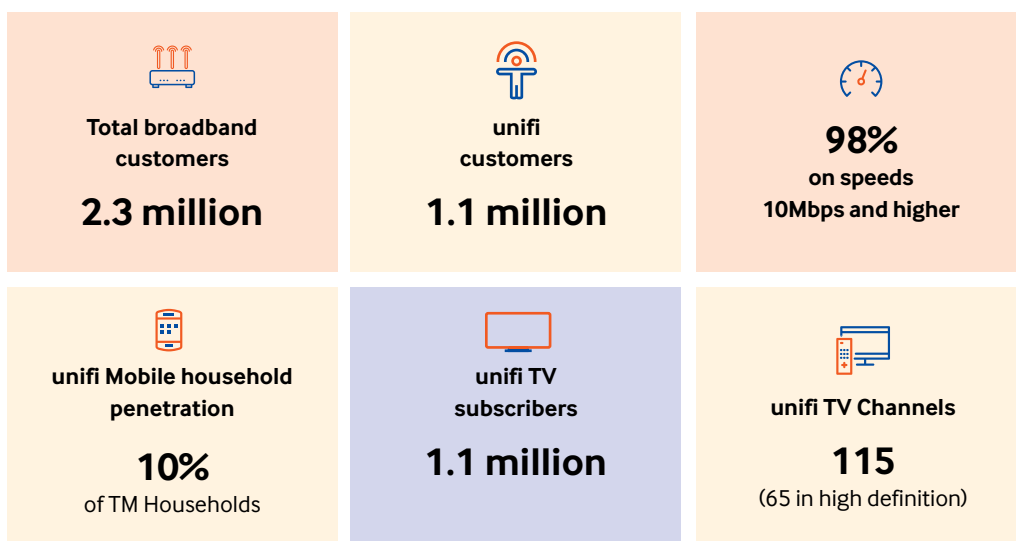
As per our Financial Performance review, our business operations have continued to sustain performance despite the challenging market we are in. Our key business clusters, now named unifi, TM ONE and TM GLOBAL, have been busy managing and fulfilling customers' demand while strengthening our core connectivity services with convergence offerings and solutions. In August 2017, we introduced and officially embarked on PERFEXE 10, with the specific pillars serving as a guide as we closely track the progress of each plan and re-evaluate specific initiatives to ensure we execute them in a timely manner. Although PERFEXE 10 is a long-term plan, we are pleased with the progress of each business cluster in delivering its respective execution plans.



unifi

In the year under review, we continued with our efforts to ensure our customers are enriched with unifi convergence services anytime, anywhere, on any device, thus bringing more meaning to our true convergence proposition.

We continuously expanded our network, resulting in wider unifi service coverage for both fixed and wireless services. 2017 saw unifi Mobile's (previously webe) post-paid plan gain stronger traction, signifying the attractiveness of its affordable proposition. As at January 2018, 10% of TM Households were subscribing to unifi Mobile, and we expect the number to grow further with the launch of our unifi Mobile hybrid #BEBAS plan in end-January 2018.



Note: Figure as of 31 January 2018

We also heeded the Government's call on improving affordability, reach and quality of broadband services. In 2017, under the Broadband Improvement Plan (BIP), we have successfully enhanced the digital experience of Malaysian homes and SMEs by upgrading the broadband speeds at the same price. This is also in appreciation of the support and trust given by our customers to unifi over the years.

To address the ever-changing needs of our customers, we have broadened into new market segments, specifically targeting the education sector and start-ups – demographics envisaged by the Government as important drivers to our

nation's digital economy. We launched the unifi edu pack tailored for the youth, specifically students at institutions of higher learning and unifi e-biz pack for e-entrepreneurs.

We are pleased with the market's response to the initiatives implemented during the year, and are delighted when unifi Home reached a significant milestone of surpassing the one-million customer mark in June 2017. As of January 2018, our customer base had increased to 1.1 million, with 98% of them on speeds 10 Mbps and higher.

To read more about our unifi business during the year, please turn to pages 73 to 75.





# Management Discussion & Analysis



## TM ONE

With PERFEXE 10, all accounts previously under TM Enterprise, TM Government, GITN, VADS and VADS Lyfe, are now under one brand and organisation, TM ONE.

This business cluster enables private enterprises and government agencies to enhance the way they work, with 'Consider IT Done' as its calling card and driving force. Connectivity services for data, internet and voice are being converged with Data Centre, ICT and Business Process

Outsourcing (BPO) services, Smart Services, as well as mobility offerings to enable end-to-end solutions catering to specific business verticals. We embarked on what we call a "verticalisation" approach to the market, namely offering convergence solutions for specific industries/verticals to unleash their full digital potential by becoming their trusted digital partner.

As an example, we were selected to provide converged solutions to the Retail & Hospitality vertical by entering into a B2B partnership with QSR Brands in October 2017. Through this partnership, we will provide converged solutions to more than 1,000 QSR restaurant outlets across Malaysia for the next five years, complete with firewall, switches and WiFi access points. In November 2017, we signed a strategic agreement

with Gamuda Land that will see TM provide network infrastructure and services in Kundang Estates, Selangor over the next four years.

At the same time, TM ONE continued to develop two state-of-the-art Data Centres – in Johor and the Klang Valley. Both Data Centres are interconnected, forming Twin Core Data Centre facilities for high redundancy. A milestone was achieved in November 2017, when we completed and launched the carrier-neutral Tier III-certified Iskandar Puteri Core Data Centre (IPDC) in Johor. Since its launch, 17% of its space has been occupied with some high-profile banking and financial institution as well as public sector customers, with more space being reserved for potential customers. We foresee higher traction in our Data Centre business once our Klang Valley Core Data Centre (KVDC) is fully launched, later in 2018. Another milestone during the year was the launch of TM ONE's new Call Centre in Melaka, which currently houses more than 300 multi-lingual customer service officers fluent in English, Malay and Mandarin, among others.

Further discussion on TM ONE's plans and strategies can be found on pages 79 to 81.



**Data Centres:**  
9 in Malaysia,  
1 in Hong Kong




**Contact Centres:**  
9 in Malaysia,  
3 in Indonesia,  
with approximately 8,000 agents



## TM GLOBAL

TM GLOBAL continued its role of positioning Malaysia and TM as the ideal gateway for the world to the ASEAN region; and submarine cable expansion remains a key element in achieving this.

  
**Submarine Cables:**  
**20**  
submarine cables spanning over 190,000 km

  
**Points of Presence(PoPs)**  
**International:**  
**21** locations  
**Domestic:**  
**9** locations

  
**5**  
**Regional offices:**  
The United States of America, United Kingdom, Hong Kong, Australia, Singapore

In 2017, three new submarine cable networks, namely Malaysia-Cambodia-Thailand (MCT), Nusantara Gateway (NuGate) and Sistem Kabel Rakyat 1Malaysia (SKR1M) were completed. These add to a total of 20 submarine cables with fibre-routes in excess of 190,000 km. In addition, TM GLOBAL also set up a new international Point of Presence (PoP) in Marseilles, France, for service providers who need connectivity to Europe.

Domestically, TM GLOBAL continued to support LTE network deployment, and had continued to fiberise mobile backhaul sites for its customers.

To read more about TM GLOBAL's projects and future plans, please turn to pages 84 to 85.

## BUSINESS FUNCTIONS REVIEW

In TM, our business function divisions - IT & Network Technology (IT&NT) and Customer Experience (CX), previously known as Customer Experience Management and Transformation (CEMT) - support the service delivery and operations of our customer-facing business clusters. Group Digital Centre (GDC) became a new core central function since its establishment in 2017, in line with our Empower Digital strategic thrust.

### IT&NT – THE FACTORY OF OUR PRODUCTS & SERVICES

IT&NT is seen as 'the factory' of TM's products and services as the division is ultimately responsible for planning, building, delivering, operating and maintaining the Group's network infrastructure and IT systems, which all of our products and services depend on. Our team of experts work 24/7 to closely monitor our network and systems to deliver the best customer experience.

#### Key Highlights

##### Focus on

fiberising new high-rise buildings

Over 540,000 km fibre laid nationwide

Over 5TB of international internet capacity



During the year under review, IT&NT continued to expand our nationwide broadband and WiFi coverage. As at end 2017, over 5.3 million broadband ports were deployed nationwide, of which 2.6 million support speeds of 10 Mbps and above, while over 7,500 WiFi access points were rejuvenated with high-speed backhaul for enhanced customer experience. Through partnerships with developers, IT&NT also focused on fiberising new high-rise buildings, especially those within our HSBB coverage.

Initiatives were also introduced to sweat our existing assets. Networks are being simplified by adopting a leaner architecture whereby multiple functionalities are being merged onto a single system, enabling our network to support new business opportunities. In SUBB areas, selected copper loops are being replaced with fibre and shortened to optimise very-high-bitrate digital subscriber line (VDSL) technology capability. Sustainable Performance & Network Improvement (SPINE) was also introduced to reduce network breakdowns and trouble tickets, and improve cycle time thus resulting in reduced fault rate and improve customer experience. In addition, IT&NT also launched an internal mobile app called EYES that enables our

own employees to alert the team of any occurrences that may potentially result in service disruption, such as excavation works, collapsed poles or opened manholes.

In addition, IT&NT continued with several initiatives focusing on digitising processes to improve efficiencies and productivity. A new system called Inventory Digitalisation (CEREBRO) was implemented, addressing data integrity through the automation of network inventory updates. Another initiative - Digital Revolution – Agile on the Net (DRAGON), focuses on digitising end-to-end project management processes. Also, TM SWIFT+ (Workforce Management System), was introduced as a platform to digitise our assurance and fulfilment processes. Our IT system capability is accelerated by establishing a 'two-speed architecture' – customer-facing domains is addressed by System of Engagement whilst network-facing domains is addressed by System of Records.



### CX – BUILDING TRUST THROUGH CUSTOMER EXPERIENCE

In a competitive service-oriented industry, it is critical for us to ensure that the experiences of our customers when interacting with us are differentiated from others, thus attracting them to stay with us as their trusted provider. Within TM, our Customer Experience (CX) division supports this strong value proposition as we strive to ensure that our customers' every interaction with us is pleasant, easy and memorable.

#### Key Highlights

TRI\*M score

Exceeded global industry average for the seventh consecutive year

##### Launched

HERO app empowering employees as ambassadors for our products and services

##### Extended

TM Live Chat operating hours  
9am to Midnight





# Management Discussion & Analysis

We have been working towards this since 2015, when we developed a six-year Service Culture roadmap. The first phase of this roadmap (2015-2016) was about building a strong foundation for excellent service delivery. We are now in the second phase, which revolves around 'Igniting the Passion to Serve' whereby programmes are initiated to ensure employees truly internalise what it means to be a service-oriented organisation.

A key initiative as part of our Service Culture innovation is HERO, an internally developed mobile app that seeks to accelerate service culture internalisation of Warga Keluarga TM. It is designed to enable our employees to serve as ambassadors of our products and services. HERO empowers our employees to report any request or complaint received from customers directly to the appropriate support teams for immediate response.

Guided by our Empower Digital strategy and understanding current market demands for digital convenience, we are focused on designing the path towards enabling a digital customer experience. Customers' choice in reaching out to us will be further enriched with an omnichannel experience through digital channels such as TM Live Chat, social media, mobile applications and online self-help tools.

We are also improving our TM Live Chat, as one of the initiatives for faster resolution of issues for unifi customers. The number of our team members manning TM Live Chat has been expanded, whilst operational hours extended from 9am-midnight to 8am-midnight every day. It is anticipated that 80% of our service interactions with customers will be diverted onto digital channels not only to enhance the customer experience but also contribute to operational savings in the future.

## GROUP DIGITAL CENTRE – REALISING OUR EMPOWER DIGITAL ASPIRATIONS

GDC is a new central function established to realise our Empower Digital aspiration. Its key focus areas include 'digitising' existing processes and systems moving away from the traditional way of doing things. This will enable the Group to enhance its services and interactions with customers and employees. GDC is also pursuing 'digitalisation' initiatives to create new digital-driven business opportunities for TM. Though established only in early 2017, GDC has achieved numerous successes as it embarked on TM's 'digitisation' and 'digitalisation' journey, proving the dedication put in by the team to realise our Empower Digital strategy. Most prominently, in September 2017, GDC launched our unifi.com.my web portal, our single all-in-one self-care portal for interaction on unifi related services, enabling customers to request or upgrade their service, check their usage, pay bills, troubleshoot online as well as chat in real-time with our agents for assistance.

GDC, in collaboration with other divisions, also organised our inaugural TM Digital CX Summit 2017, held in August, to create awareness and excitement on digital empowerment among Warga Keluarga TM. The event showcased digital innovations



### Key Highlights



Launched **unifi.com.my self-care portal**

Launched **hub@tm, a one-stop hub for all TM related apps**

Launched more than **20 apps for our employees and customers**

from across the organisation as well as talks and dialogue sessions by leaders and industry experts. Several initiatives were introduced during the event, such as the launch of hub@TM, a one-stop centre for all apps developed for Warga Keluarga TM such as FLOW, GROW, HERO, Helo and TMmedic. During same event, a Memorandum of Understanding (MOU) was also signed with GRAB to collaborate on various business arrangements for the benefit of both parties. Lastly, the event highlighted TM's partnerships with start-ups such as Instaweb, Wariscan and Drawzania aimed at amplifying them to go digital. To date, GDC have launched more than 20 apps for our employees and customers.

Having the right digital talent is indeed critical to establish TM as a leader in digital innovation. Thus, GDC is working closely with Group Human Capital Management to develop a Digital Talent framework, placing emphasis on up-skilling current employees whilst hiring specialist skills, offering competitive compensation to attract and retain talent, developing specialised career paths for them and establishing TM as a strong recruitment brand for digital talent.



## TOWARDS A DIGITALLY EMPOWERED WORKFORCE

In TM, we acknowledge the importance of each individual employee in achieving our goals and objectives. While our leadership formulates our vision and strategies, it is the rest of Warga Keluarga TM who are responsible for translating them into everyday actions. As the employer of choice, we always believe in giving the best to our employees in addressing their motivation and well-being. Today, as we focus on becoming Malaysia's one and only trusted Convergence Champion, we will continue to ensure our employees are empowered to contribute in this digital journey and know that TM is a place where they can succeed.

As TM gears up to lead in the digital era, our people continuously adapt to the changes. This began with the establishment of the GDC, peopled by digital champions from across the Group, to spearhead our digital journey. Together with our digital champions, GHCM developed a framework to elevate our employee's digital competencies. A significant training budget was invested towards digital-related programmes, among which was partnering with Stanford D. School to train and certify 15 employees as our in-house Design Thinking experts. As part of inculcating an innovative culture, a massive design thinking workshop was held on 8 March 2017 at Persada Johor International Convention Centre, attracting 1,000 participants nationwide. In addition, we organised a series of hackathons to push the limits of creativity among our employees.

Our human resources processes and systems have also been digitally revolutionised. The previous performance management system for executives has been replaced with GROW, a cloud-based app that enables employees' to plan, manage and track their career development.

An integral part of inculcating a culture that allows flexible, results-oriented work arrangements include the use of analytics. Apart from adding value towards having a more dynamic and robust manpower management framework, the output of this initiative will be driven towards optimising TM's overall manpower utilisation. Although we are still at the preliminary stage, we believe introducing flexibility in our working culture, guided by strong analytics for robust decision-making will contribute to higher overall productivity and employee happiness.

## OUR CORPORATE RESPONSIBILITY AND SUSTAINABILITY

Our vision is to Make Life and Business Easier, for a Better Malaysia. Towards this end, we have continued to put the principles of corporate responsibility at the heart of our sustainability framework. We believe that this holds the key to building sustainable value for our shareholders. Our corporate responsibility strategy is an important part of realising our core sustainability objectives. As a Government-Linked Company (GLC) and a nation builder, we are an integral part of Malaysia's social fabric. We are proud of that and take our role very seriously.

Today, as we focus on becoming Malaysia's one and only trusted Convergence Champion, we will continue to ensure our employees are empowered to contribute in this digital journey and know that TM is a place where they can succeed.

As we embrace the arrival of Industry Revolution 4.0, the Malaysian workforce needs to attain the necessary skill-sets to keep abreast with this advancement. In addition to us ensuring that our people acquire the necessary knowledge and expertise, TM also plays an important role in providing educational opportunities for Malaysians, supporting our Government's vision of nurturing a high-income nation driven by a skilled workforce. Through our wholly-owned Multimedia University (MMU), we offer internationally recognised quality education to contribute in shaping future talents of the digital era, whilst through Yayasan TM (YTM) scholarships, we provide the opportunity for outstanding students to pursue tertiary education overseas and locally. Concurrently, we support the Government's education agenda by supporting rural schools under our TM Adopted School Programme. We also promote innovation in education via the TM 3Ducation and TM Robotics programmes. We promote educational excellence through sports with TM-CoachUnity through which we give the opportunity to rural schoolchildren to excel in both sports and academics.

Through various entrepreneurial projects in the Klang Valley and Kemaman, we share our business knowledge with Malaysian entrepreneurs. TM also leads the GLC Disaster Response Network (GDRN) and, together with other GLCs, works with the National Disaster Management Agency (NADMA) to provide relief during natural disasters in Malaysia.

We are also at the forefront of corporate efforts to preserve the environment where we operate. We continuously monitor our energy consumption, GHG emissions and carbon footprint at selected business premises. Learnings from our green initiatives are shared via environmental awareness programmes with schoolchildren and other interested parties.

We have detailed out our corporate social initiatives in our Sustainability Statement on pages 16 to 19 and also in our stand-alone Sustainability Report, themed Caring Moments.



# Management Discussion & Analysis

## MANAGING RISKS

As a Group, it is with great care that we continuously monitor the risks that affect us and put in place appropriate measures to manage or mitigate them. We have long established the Enterprise Risk Management (ERM) Governance and Framework to carry out these functions and appointed Chief Risk Coordinators at all major divisions of our Group to coordinate risk management activities and reinforce a risk-based management culture.

During the year under review, intense market competition saw service providers battle it out to offer the best value propositions to fulfil customers' increasing expectations and demands, especially the desire for a more meaningful digital lifestyle.

Apart from guiding our organisation to execute high-priority plans, PERFECE 10 is also designed to take into consideration the risks of competition and any potential revenue gaps arising from it. Through PERFECE 10, we are able to identify the risks of our business operations and ways to mitigate them beforehand, as we proceed to execute our plans.

Cybersecurity continues to be an important risk factor as we Empower Digital and move towards Internet of Things (IoT) and disruptive technologies such as Software Defined Network (SDN) and Network Function Virtualisation (NFV). During the year, we experienced several global cyber-attacks, including a 'ransomware' malware attack. To mitigate this potentially very damaging threat, we placed more focus on enhancing logical security controls and replaced existing firewalls with that of higher capacity. Continuous updates and awareness programmes were also held among Warga Keluarga TM to minimise cyber threats.

Whilst we emphasise the thrust of Empower Digital, any shortcomings in our own digital capabilities pose a risk as it may hinder the success of our digital transformation programmes. To ensure that this is mitigated, we set-up the GDC-governed Digital Council, led by our Chief Digital Officer to oversee the deliverables of our digital programmes.

## ACCELERATING FORWARD IN 2018

Despite the competition and uncertainties in the industry, we foresee the year 2018 to remain positive. According to the Malaysian Institute of Economic Research (MIER), the Malaysian economy grew 5.9% in 2017, driven by a resilient domestic demand and reinforced by sturdy global demand. Moving forward, the Malaysian economy is expected to grow at 5.4% in 2018, again driven by domestic demand.

In the years ahead, we will continue to expect the unexpected by keeping our game plan flexible to adapt to changes as they unfold, whilst remaining laser-focused on our end game of Accelerating Convergence and Empowering Digital.



For the unifi business cluster, we expect unifi to be a major contributor to the Group's performance, as we consistently witness growth in our customer base as well as an increasing trend of upgrades to speeds of more than 10 Mbps.

Furthermore, we are encouraged by the achievement of unifi Mobile penetration of 10% into TM Households to date, and are confident of the trend continuing with our new #BEBAS plan and other attractive propositions in the pipeline. Through unifi convergence offerings, we will empower a highly desired digital lifestyle to retain our existing customers as we work on attracting more to our fold, especially via our focus on high-rises and WiFi hotspots.

For TM ONE, we expect to continue to face some challenges as both our private and public sector customers remain cost-conscious while demanding the best possible solutions. TM ONE, and also TM GLOBAL, will manage these challenges by offering innovative cost-savvy solutions as we continue to explore new partnership opportunities. We foresee higher traction in our Data Centre business once our Klang Valley Core Data Centre (KVDC) is fully completed and connected to IPDC later in 2018.

The Group also foresees potential for new growth opportunities in TM GLOBAL. TM GLOBAL's focus moving forward is to continue accelerating its business growth by generating revenue from other than connectivity services. TM GLOBAL will continue to play a pivotal role in driving cost reductions Group-wide via reduced need for international bandwidth, expansion of international wifi roaming, enabling media delivery technology, and reducing the cost to serve LTE and other TM services. TM GLOBAL will also take the lead in strengthening our presence in the ASEAN region through strategic partnerships and collaborations. We are constantly in discussions with potential partners and hope to be able to announce new collaborations in the near future.



In the years ahead, we will continue to expect the unexpected by keeping our game plan flexible to adapt to changes as they unfold, whilst remaining laser-focused on our end game of Accelerating Convergence and Empowering Digital.

From the Business Functions perspective, IT&NT will focus on initiatives to further enhance our workforce management, improve our network and build the momentum of digitization, centered on realising seven top priorities, which include introducing and building SDN/NFV, delivering the infrastructure and support for our numerous PERFEXE 10 initiatives such as wifi and LTE network expansion as well as conquering the high-rises. These are on top of rejuvenating our copper to improve existing asset quality in delivering product offerings and providing data analytics and insights for better service.

We also intend to fully integrate our networks and IT for complete digital convergence, creating business opportunities while ensuring cost is managed efficiently as we work to enhance our service operations excellence for the benefit of both TM and our customers.

For CX, the focus is on providing a platform for a more holistic view of customer experience as the catalyst of improvement, from two lenses: digitally-enabled user experience, and elevating customer experience through human-centred design and behaviour innovation.

GDC will prioritise several main areas. Firstly, focus will be on enriching the customer experience via digital interaction as we move towards fully digital in the coming years. The unifi self-care portal will continue to be developed as the main touchpoint for our customers and will be upgraded to enable customers to support each other via crowdsourcing with an element of gamification. Leveraging on the learnings gained from unifi self-care portal, GDC will replicate a similar portal for enterprise customers in collaboration with TM ONE.

In conclusion, as we move forward in 2018, we will continue to be guided by our Accelerate Convergence and Empower Digital strategies in everything that we do. With PERFEXE 10, we are confident of a more focused and efficient execution and we invite all our shareholders and stakeholders to share our optimism of TM's future, reassured by our proven track record of delivering growth and returns. More than ever, we wish to reinforce our commitment and TM's position as the one and only national institution entrusted with the development and protection of a core element in Malaysia's digital future – telecommunications. This is without detracting from our unique role as a partner in nation building and, of course, Malaysia's Convergence Champion. Come, share all your special moments with us, let us help make your life and business easier, for a better Malaysia.

Dato' Sri Mohammed Shazalli Ramly  
**Managing Director/  
 Group Chief Executive Officer**

Datuk Bazlan Osman  
**Executive Director/  
 Deputy Group Chief Executive Officer**



**NOR FADHILAH MOHD ALI**  
Group Chief Financial Officer

# Group Chief Financial Officer's Review

## RESILIENCE WITH FINANCIAL DISCIPLINE

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2017 was a year where TM showed resilience amid a challenging environment. The landscape demanded from us an unwavering focus on financial discipline and efficiency to propel the organisation higher.

We delivered revenue stability in a sector showing deceleration by recording RM12.09 billion operating revenue, driven mainly by higher internet & multimedia. This was on the back of a higher unifi Mobile and home customer base. Softer investment in the private and public sector was a key contributor to data revenue degrowth in FY2017, whilst voice revenue still saw a downtrend due to lower cumulative customer numbers as well as utilisation, but was buffered by higher wholesale contribution at TM GLOBAL. Be that as it may, we were encouraged to see some recovery in TM ONE in the fourth quarter, which we are hopeful is a sign of improvement. This is something we will keep a close eye on.

In terms of cost, we saw higher operating cost mainly related to our expansion in mobility, as well as external factors such as foreign currency volatility. This resulted in our Group EBITDA for FY2017 being 5.6% lower than FY2016, at RM3.58 billion. Stripping out non-operational items such as foreign exchange loss on trade settlements and placements, our Normalised EBITDA was lower by 3.9%. Our Group EBIT for FY2017 was 5.3% lower at RM1.09 billion whilst our Group Normalised EBIT was 0.2% higher than FY2016, at RM1.19 billion.

We delivered revenue stability in a sector showing deceleration by recording RM12.09 billion operating revenue, driven mainly by higher internet & multimedia.





# Group Chief Financial Officer's Review

We delivered Group Reported PBT of RM1.05 billion, which was higher by 14.1% and a healthy growth of 19.8% in Group Reported PATAMI at RM929.7 million against RM776.0 million recorded in FY2016. This was primarily due to foreign exchange gain on the Group's borrowings in the last year. Excluding this, the Group's Normalised PATAMI was 1.8% higher at RM863.2 million.

As TM aggressively executes its plans to Accelerate Convergence and Empower Digitisation, a keener focus on our cashflow and operating ratios is required to ensure we are able to sustain our pace and create sustainable value to our stakeholders.

Our total capital expenditure (CAPEX) for FY2017 was RM2.76 billion, or 22.8% of revenue. The expenditure comprised 42% of total spending for access, followed by 34% spent on core network and the remaining 24% for support systems. CAPEX last year was markedly lower than earlier guided as well as against FY2016, mainly due to internal re-prioritisation of projects.

We closed the year with a healthy cash balance of RM1.72 billion, with key outflow in tandem with our phase of high investment and operational expansion. We pay close attention to collections and our Account Receivable (AR) days, particularly from the managed services customers, with appropriate credit and collection initiatives currently in place.

We also remain vigilant in keeping our strong financial indicators, and maintaining our debt ratios within the headroom guidance of 2.5x Gross Debt/EBITDA to preserve TM's investment-grade credit standing. In 2017, our Gross Debt/EBITDA ratio was 2.3x, thus we have the capacity to fund our expansion either through our existing programmes or with new debt.

## TM CREDIT RATING

RAM	AAA
Moody's	A3 (baseline credit a3)
S&P	A- (sacp a-)
Fitch	A-

## TM EXISTING DEBTS AS AT 31 DECEMBER 2017

### Local Currency Debt

	TMISIS B
Coupon	4.870%
Maturity Date	28 Dec 2018
Principal(RM)	925,000,000

Note: TMISIS is an abbreviation for TM Islamic Stapled Income Securities

	IMTN 001	IMTN 002	IMTN 003	IMTN 004	IMTN 005
Coupon	4.50%	4.20%	4.20%	4.00%	3.95%
Maturity Date	25 Jun 2021	13 Sep 2021	10 Dec 2021	13 May 2022	19 Dec 2022
Principal (RM)	300,000,000	300,000,000	200,000,000	250,000,000	300,000,000

Note:

- (i) ICP is an abbreviation for Islamic Commercial Paper and IMTN is an abbreviation for Islamic Medium Term Note
- (ii) IMTN 001 to IMTN 007 were issued under the ICP/IMTN programme of up to RM2.0 billion
- (iii) IMTN 008 to IMTN 015 were issued under ICP/IMTN programme of up to RM3.0 billion

### Foreign Currency Debt

	Yankee Bond
Coupon	7.875%
Maturity Date	1 Aug 2025
Principal(USD)	300,000,000

	Term Loan
Interest Rate	3mLibor + 0.91%
Maturity Date	30 Oct 2020
Principal(USD)	100,000,000

Note:

- (i) The USD term loan was swapped to RM exposure with an average interest rate of 4.01%

	EMTN 001	EMTN 002	EMTN 003
Currency	USD	USD	USD
Coupon	3.70%	1mLibor + 1.35%	3.422%
Maturity Date	25 Feb 2026	21 Aug 2023	15 Nov 2026
Principal	50,000,000	50,000,000	75,000,000

Note:

- (i) EMTN is an abbreviation for Euro Medium Term Note.
- (ii) EMTN 001 to EMTN 003 were issued under the multi currency EMTN programme of up to USD750.0 million, which is Islamic.

IMTN 006	IMTN 007	IMTN 008	IMTN 009	IMTN 010	IMTN 011	IMTN 012	IMTN 013	IMTN 014	IMTN 015
3.95%	3.93%	4.30%	4.82%	4.738%	4.55%	4.55%	4.23%	4.88%	4.58%
28 Apr 2023	23 Jun 2023	18 Dec 2020	21 Mar 2024	27 Jun 2024	7 Oct 2024	20 Dec 2024	10 Jun 2022	28 Nov 2025	3 Sep 2027
400,000,000	250,000,000	200,000,000	300,000,000	300,000,000	300,000,000	300,000,000	300,000,000	300,000,000	500,000,000



With sustainable returns to our investors as our overarching objective, we declared a second interim dividend of 12.1 sen per share, or RM454.7 million. Together with the first interim dividend of 9.4 sen per share paid in October 2017, this brings to a total dividend payout of 21.5 sen per share, or RM808.0 million for FY2017 – above our minimum dividend commitment of RM700 million - at 94% of our Normalised PATAMI.

Prior to demerger in April 2008, TM established its dividend commitment through a dividend policy statement as follows:-

*“In determining the dividend payout ratio in respect of any financial year after the Proposed Demerger, our Company intends to adopt a progressive dividend policy which enables us to provide stable and sustainable dividends to our shareholders while maintaining an efficient capital structure and ensuring sufficiency of funding for future growth.*

*Our Company intends to distribute yearly dividends of RM700 million or up to 90.0% of our normalised PATAMI, whichever is higher.*

*Dividends will be paid only if approved by our Board out of funds available for such distribution. The actual amount and timing of dividend payments will depend upon our level of cash and retained earnings, results of operations, business prospects, monetisation of non-core assets, projected levels of capital expenditure and other investment plans, current and expected obligations and such other matters as our Board may deem relevant.”*

(Bursa Malaysia Announcement Reference No TM-081113-37325)  
Date Announced:13/11/2008



# Group Chief Financial Officer's Review

## SHAREHOLDER BASE

**22,352\***  
Institutional/  
Retail  
Shareholders

\*as at 5 March 2018

## Substantial Shareholders

Khazanah Nasional Berhad  
Employees Provident Fund  
Amanahraya Trustees  
Berhad



**55.30%**

Foreign  
Shareholding  
**11.38%**

**393.3%**  
Total  
Shareholders'  
Return since  
demerger

Over FY2017, we continued to nurture our strong relationship with our stakeholders in a timely, proactive and transparent manner, to keep them abreast of our strategies, performance and key business activities. Ensuring compliance with best practices, all communication with the capital market participants is governed by our internal policies and guidelines and is in line with the numerous corporate governance and disclosure guidelines prescribed by the regulatory authorities, namely Bursa Malaysia and the Securities Commission.

Throughout the year, main topics on our institutional investors' radar were our Convergence strategy and unifi Mobile's performance, broadband pricing, as well as granularity and clarity on PERFEXE 10. We are heartened to note that our activities over 2017 were well received and our share price remained relatively stable.



## TOWARDS VALUE CREATION: FINANCE AND PERFEXE 10

Group Finance has been entrusted to champion the “Sweat the Assets” pillar of PERFEXE 10. This calls for closer scrutiny of the business cases associated with new investments, smart spending and management of our assets to ensure the highest returns and efficiencies are captured for every Ringgit spent.

Cashflow and balance sheet management has a higher prominence over this period and priority is given to ensuring we maintain our solid liquidity position. In order to fund our business plan (with a capex guidance of approximately mid to high 20’s % of revenue) and taking into account our debt repayment obligations of approximately RM925 million this year, we have established a new comprehensive capital plan which discusses and sets out recommendations relating to fund-raising, risk management as well as a robust treasury plan.

To realise TM’s Going Digital aspiration on the back of the Empower Digital thrust of PERFEXE 10, we are pleased to report that our ongoing high-impact projects such as TRACE, CONCISE and PLATINUM III are progressing well. We are also developing digital applications to make life easier for Warga Keluarga TM, such as WINGS, a mobile app developed for overseas travel requests. This innovative application enables effective interaction across the value chain and eliminates inefficient paper-based processes, amongst others. We also fully support and encourage the digital empowerment seen across the company. The adoption of a digital or non-traditional way of delivering our services and engaging with customers has quantifiable benefits, through cost reduction and/or avoidance, alongside higher operational efficiency.

At Group Finance, we are fully committed in supporting PERFEXE 10 in its entirety and our responsibility to ensure we carry out the financial strategies that will complement the business strategy. Reinforcing financial discipline across the Group is needed to ensure we can provide adequate capital for TM’s sustainable growth and requires coordinated efforts across all the functional departments within the Division. At its foundation, the most vital factor is strong engagement between the finance organisation and the business, including our subsidiaries. Coupled with Group Finance’s fundamental values of being a valued partner to the business, demonstrating high integrity, competency and diversity in skillsets, we are confident of our ability to deliver results and contribute towards creating value to TM Group.

The adoption of a digital or non-traditional way of delivering our services and engaging with customers has quantifiable benefits, through cost reduction and/or avoidance, alongside higher operational efficiency.

### TRACE

TM revenue assurance system which enables early detection and recovery of revenue leakage by focusing on core leakage control points and providing complete and comprehensive review of all areas in the revenue management chain

### CONCISE

Improved credit and collection management system aimed at strengthening credit risk management through combination of multiple collection strategies based on customer risk profile, predictive analytics and application of industry-standard technology

### PLATINUM III

New payment disbursement service for TM Group



# Big Moments



Big moments in our lives often become milestones that change the way we are or behave and help us grow. One of the biggest moments for TM in 2017 was the streamlining and delineation of our services into three core businesses. Enabling us to better focus on delivering our promise of making life easier for our customers, businesses and our nation.





**your  
perfect  
one**



**you.  
now one  
with unifi**

Every special moment is created when everything you hold dear comes together as one, just like you and unifi. By making home, mobile, TV and wifi one under unifi, we'll be with you anytime, anywhere, turning every moment into a perfect one.

Find your perfect one at [unifi.com.my](http://unifi.com.my)

# unifi

This article is a continuation from Management Discussion & Analysis on page 57

unifi is a lifestyle brand across our services, dedicated to serving Mass Market segment of individuals, homes and SME customers in Malaysia. Today, we are not just a high-speed broadband provider, but we are converging boundless connectivity with digital lifestyle and business experience while maximising our coverage across the nation both fixed and wirelessly, winning customers' share of moments.

## **IN REVIEW 2017**

### ACCELERATING CONVERGENCE WITH unifi

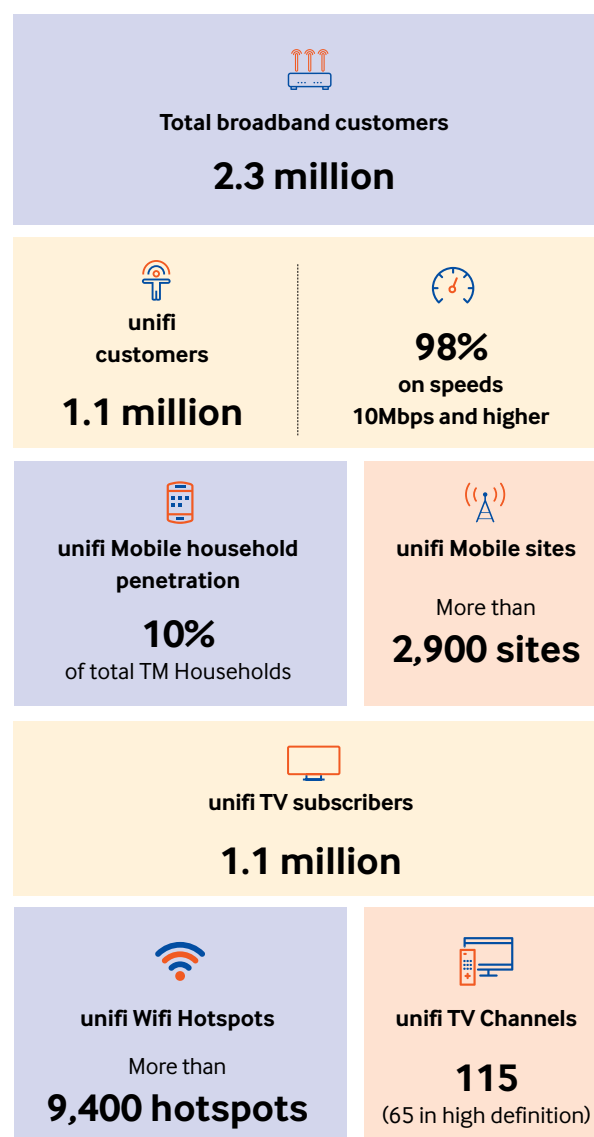
unifi is the one and only solution that provides superfast and seamless broadband connectivity via fixed, mobile and wifi, with voice as well as entertainment content. For SMEs, unifi is value added with ICT business solutions to help them grow their business and increase productivity. unifi customers enjoy a truly comprehensive suite of convergence experience that empowers them to connect anytime, anywhere on any device to fulfil their lifestyle and business needs. This is what Convergence means to us – to be more encompassing of customer's daily cycle of rest, work and play in fixed, mobile or nomadic state across multiple devices to deliver our promise of Life Made Easier.

unifi is the largest provider of voice and broadband services for homes and small offices in Malaysia. To date, our total broadband customers has reached 2.3 million with more than 330,000 SMEs nationwide. Through continued investment on the expansion of fibre network and acceleration of LTE sites extension and public WiFi hotspots, unifi coverage is wider both fixed and wirelessly. Our broadband has grown at a steady pace over the years and we have reached an incredible 1 million unifi Home customers during the holy month of Ramadan in June 2017. Our investment in LTE network covering 74% of the population has spurred the growth of

unifi Mobile subscribers from new and existing customer base. To date, 10% of TM Households also subscribed to unifi Mobile, a significant increase compared to previous year's 5.6%. Beyond home, customers can stay connected through Malaysia's widest WiFi network to access unlimited data at 9,400 hotspot locations through the i-foundit! app.

Our converged offerings include wide-ranging value added services that give most enjoyment and benefit to customers. We provide world-class entertainment content delivered to homes and on-the-go via unifi TV box and unifi PlayTV mobile app. Recently, we added 10 new FOX channels to our content library for families to enjoy wider selection of blockbuster movies, dramas, comedy series, cartoons, news and other variety programmes. For SMEs, our productivity and marketing tools such as Surepay payment solution and instaweb company website builder help businesses to boost sales and improve efficiency.

In years ahead, unifi continues to accelerate convergence by connecting our customers of individuals, homes and businesses seamlessly, regardless of underlying technologies and devices, ensuring that unifi is the perfect one to share their moments with.







# unifi

## unifi DIGITAL EMPOWERMENT

For unifi, Digital Empowerment begins with the transformation of customer interaction. We uplifted our self-care portal with more interactive access, enabling customers to make decisions regarding their service subscriptions, such as when to have their unifi services installed or upgraded, check their usage, pay bills and troubleshoot online. We are also enhancing our contact centre and support through establishments of wider digital channels such as social media, community forum, chatbots and live chat for faster response and easier interaction. Each month, about 20% of our customer interactions is via digital, providing faster delivery time and more frequent updates on the status of their order and billing. We expect higher interactions via digital, as more customers become aware of the convenience it affords compared to non-digital channels.

How we approach the market is also empowered by digital, as we are transitioning from conventional tactical sales into new digital platform via i-foundit!, mobile@unifi and playTV@unifi apps. We received an encouraging response from the market where we have already hit more than 1 million downloads, proving the trend of consumers shifting towards a more digital preference. A week after the launch of unifi Mobile #BEBAS in January 2018, our mobile@unifi became the top rank app in Malaysia on the Google Play Store and App Store. All these apps were developed with objectives to empower our customers to get connected effortlessly with seamless unifi experience.

Internally within the unifi business operations, we have implemented digital empowerment initiatives focusing on service and process optimisation to enhance end-to-end customer experience. These include continuous upgrades on online self-care and billing system to be more simplified, intuitive and user-friendly for customers to manage their accounts and services, as well as simplifying the unifi ordering and fulfilment processes.

### unifi Product Portfolio & Marketing Campaigns

Innovation continues to drive and strengthen our line-up of convergence products and services to maintain our competitive edge over other industry players in this challenging market. Our key marketing campaigns have been uniquely designed for targeted segments with innovative bundle solutions. Apart from our biggest 'Thank You Surprise Gift' campaign for existing unifi Home and Broadband (previously Streamyx) customers, we also launched unifi Home Lite plan for new customers as an entry broadband package at an affordable price. Also, introduction of unifi edu pack and unifi e-Biz pack at discounted prices for students at higher learning institution and e-entrepreneurs, are supporting Malaysia's aspiration in fostering Digital Economy by providing more affordable broadband to encourage higher adoption of digital lifestyle among Malaysians.

In 2017, our growth in mobility subscriber base is spurred by the worry-free, market shaping mobile plan that featured never-ending data, calls and SMS, optionally bundled with attractive selections of market-leading smartphones. In January 2018, we introduced the new unifi Mobile #BEBAS plan which



provides flexibility for customers to choose their preferred plan according to their usage behaviour. As an introduction to the market, we allocated total of 1 million SIMs preloaded with complimentary 20GB of data, bundled calls and SMS for free giveaways. We were thrilled by the market response as we reached 1 million registrations only 2 weeks after the launch. Customers can now be #BEBAS with our liberating mobile plan which offers #muatturundapatsim where customers can just download mobile@unifi app to get free SIM(s), #pilihapasaja for getting the perfect plan relevant to their needs, #kredittakmati to say goodbye to expiry dates and data wastage, as well as #bayarbilabila to pay anytime from anywhere.

Providing better TV content and viewing experience are important to us for unifi TV plays a key role in differentiating our broadband bundles in the market. We know how much Malaysians love sports especially football, hence we are bringing the highly anticipated unifi Liga Super Malaysia and unifi Piala Malaysia in 2018 exclusively to our unifi TV subscribers at their homes or on-the-go via the playTV@unifi app. Apart from football, we also brought free viewing of the Kuala Lumpur 29<sup>th</sup> SEA Games 2017 throughout the event in August 2017. Other than sports, we launched Laku Mall, a new shopping channel allowing customers to shop at the comfort of their homes.

For a full list of unifi products and services, log on to [www.unifi.com.my](http://www.unifi.com.my)

**We also launched unifi Home Lite plan for new customers as an entry broadband package at an affordable price.**



## MOVING FORWARD 2018 WITH PERFEXE 10

In 2018, we will continue to work on accelerating convergence and empowering digital to our home and SME customers, anchored on the PERFEXE 10 execution model:

- Trust as Core Value:**  
 Customer experience will be improved by focusing on winning share of moments and earning customers' trust
- Unifying unifi:**  
 We continue to reinforce the unifi brand as a converged solution for all digital lifestyle services
- Transforming the unifi Business:**  
 Empowering digital approach for sales and go-to-market via digital channels
- Empowerment of Digital:**  
 We are 'cemeterising' old processes and embracing new digital ways of approaching the market for seamless customer experience
- Improving Employeee Happiness:**  
 Our unifi team has embarked on agile way of working, cultivating greater productivity
- Liberating WiFi:**  
 We will strengthen and reclaim our WiFi positioning and presence to give liberating experience for beyond home connectivity
- Expedite Network Rollout:**  
 Soon, unifi will be available at most high-rise buildings, enabled by new technologies in telecommunication
- Sweat the Assets:**  
 We will continue to utilise and monetise TM's existing assets including fixed, mobile and WiFi networks

### KEY MARKET RISKS & MITIGATION MEASURES

Market Risks	Mitigation Measures
<b>Soft spending sentiment:</b> Consumers are becoming more cautious about spending and SME confidence to spend fluctuates due to economic uncertainties	We focus more on service values and benefits, not just product features. Hence, we run campaigns to offer more value-for-money benefits to our customers. For example, our 'Thank You Surprise Gift' gives broadband speed upgrade at the same price and unifi Mobile #BEBAS plan offers flexibility for customer to choose more affordable plan according to their needs and spending.
<b>Increasing price pressure:</b> Higher price sensitivity of customers as more alternatives become available in the market	We deliver convergence with a complete suite of offerings to capture more customers' share of moments, increasing share of wallet. Exceptional customer service and support is our differentiator - empowered by digital, we make it easy for customers to interact with us, constantly monitored by Net Easy Score (NES).
<b>Disruptive industry and intensifying competition:</b> Technology and consumer behaviours are changing rapidly, driving a highly competitive broadband landscape for both fixed and mobile space, forcing service providers to continuously find new customers while retaining existing ones	We constantly monitor the emerging and disruptive technologies as well as consumer trends that will impact our business model and operations. We learned over the years that we have to be agile to be among the early adopters of new technologies. Being agile means we are fast in overcoming challenges and always flexible for change, while at the same time optimising our own resources.

**T.M**

VISION

To make life and business easier for better Malaysia

RE:RE:RE:



# Leading in a Digital World

As Malaysians embrace a digital culture, more and more transactions are happening online, affecting all businesses. There is a price to pay for not keeping up with the digital trend, as even 'mom and pop stores' are beginning to see. On-demand delivery services are fueling customers' expectation of convenience. In fact, the entire concept of convenience has changed. Convenience stores are no longer places people go to; but are outlets they expect to deliver to them, and quickly.

At TM itself, the year 2017 marked a turning point. This was when the Group's Centre of Excellence for mobility launched webe (now unifi Mobile) and made the entire webe experience – from subscribing to the service, to making payments and interacting with customer service officers – online. It was a litmus test on how the market would respond to a fully digital approach, and webe passed with flying colours. This confirmed for TM as a Group that the market was ready for completely digital service, and Group Digital Centre (GDC) was set up to design and deliver such solutions.

GDC's role is two-fold. We are digitising TM's own systems and processes, as well as products and services, while also designing digital products for external stakeholders (through what we call digitalisation processes).

One of the first among TM's services to go digital under GDC has been, interestingly, one of our most traditional – those trusty Yellow Pages. We are leveraging Yellow Pages as our strategic funnel for digital marketing. Using existing assets and data from the directory, we are enhancing Yellow Pages' value proposition to local businesses and customers to find, connect and make transactions through business listings, mapping, digital ads, content, online orders and e-commerce.

Subsequently, looking into the vast opportunity for digital payments as a result of increasing volume of online transactions, we are building a platform to support digital transactions and payments for our services as well as third-party services through another innovation, the Digital Wallet.

Currently under the design stage, TM's Digital Wallet supports Bank Negara's aspiration of a cashless nation while enabling a Digital Malaysia. Beyond digital payments, it will enable secure digital transactions for customer convenience, providing a seamless and unified buying experience for our customers. We are working with the respective stakeholders to build a comprehensive, robust and secure ecosystem for the Digital Wallet encompassing all the required tools to support its use in retail commerce, e-commerce and social commerce.

For the Digital Wallet and other digitalisation initiatives, we will leverage existing data on customers' online behaviour for insights on how people make decisions as this would enable us to design better products and solutions. We are strengthening our analytical capabilities to better understand our customers and provide value added services to them. This is how we will eventually increase our share of moments and inspire greater customer loyalty. Little things like this make a big differences to us as we can ultimately protect our revenue, which is our customers.

TM's digitalisation journey has only just begun. Follow us for more innovations that promise to make life easier, for you, for us... for everyone.





# TM ONE

## Enabling Complete Digital Solutions

TM ONE enables the successful digital transformation for all businesses and public agencies, taking them to new levels of growth and efficiency.





This article is a continuation from Management Discussion & Analysis on page 58

Our TM ONE business cluster serves enterprises in the private sector and agencies of the public sector. Powered by extensive and highly reliable telecommunication and ICT network infrastructure, TM ONE aims to unleash our business partners' digital potential to the fullest, supporting them in today's Industrial Revolution 4.0 (IR4.0).

TM ONE is set to be the only trusted partner and enabler for businesses in identifying and realising their digital opportunities. The rebranding and reorganisation of the previous business cluster Managed Accounts, and subsidiaries VADS, VADS Lyfe and GITN into TM ONE is a step to simplify our business-to-business arrangements. Our team of dedicated experts are now groomed into industry experts, delivering the right converged solution for any industry.

**TM ONE**  
IN REVIEW 2017



**Data Centres:**  
**9** in Malaysia,  
**1** in Hong Kong



**Contact Centres:**  
**9** in Malaysia,  
**3** in Indonesia,  
with approximately **8,000** agents

# TM ONE

## ACCELERATING CONVERGENCE FOR INDUSTRIAL REVOLUTION 4.0

Recently, we welcome the arrival of IR4.0, where trends of automation, data exchange, Internet of Things (IoT) and Cloud Computing are the new business as usual. In embracing this latest revolution, we believe accelerating convergence is the right call to support our customers to realise their full digital potential.

At the same time, we are preparing for anticipated high growth in demand for converged connectivity with Data Centre facilities. TM ONE is developing two interconnected state-of-the-art Data Centres – Iskandar Puteri Data Centre (IPDC) and Klang Valley Data Centre (KVDC). When launched, IPDC is the only commercial Data Centre in Malaysia to achieve the Uptime Institute Tier III certification, which makes us the only provider to offer a commercial Data Centre facility that complies to 99.98% availability. IPDC is now serving as a digital marketplace in Malaysia; and soon, the ASEAN region and the world. Meanwhile, the KVDC in Cyberjaya is targeted to complete in the third quarter of 2018. It will be connected with IPDC via secured fast fibre-optic cables; and together, they form our Twin Core Data Centre solutions, designed for higher fault tolerance and enhanced security. IPDC and KVDC will add to our Data Centres footprint in Malaysia and Hong Kong.

As part of our on-going initiatives for creating a converged ecosystem, TM ONE is working closely with unifi to liberate public WiFi (wifi@unifi) across the nation. We have identified approximately 4,000 potential locations for public WiFi in congregation areas and premises such as shopping malls, restaurants and transportation hubs. Currently, TM ONE is in collaboration with QSR Brands to provide public WiFi in Johor, by leveraging on our more than 750 existing WiFi Access Points. We will also provide converged solutions to more than 1,000 QSR restaurant outlets across Malaysia in the next five years.

Within TM ONE, we are optimising our daily operations and enhancing customer interactions through integration and 'digitisation'. We have integrated all previous customer touchpoints under Managed Accounts into a single TM ONE online portal. Our traditional BPO services is also transforming digitally via omni-channel capabilities, expanding beyond call centres. We have been looking at ways to improve the customer experience journey fit for the digital landscape by leveraging on our cloud marketplace platform. Now, 9 of our call centres are enabled to deliver digital customer experience for our services, extended to unifi and TM GLOBAL.

## EMPOWERING DIGITAL FOR A SMARTER NATION

We have a vision of elevating Malaysia towards a Smarter Nation, in which data flows seamlessly from everything that surrounds us and is integrated to help us make smarter decisions every time. We are building on this vision beginning from homes, with our current portfolio of Smart Services designed for digital township development and the real-estate industry. To name a few, we signed a smart partnership with Gamuda Land in November 2017 to provide network infrastructure coupled with digital services in Kundang Estates in Selangor for the next four years. For starters, homeowners in the neighbourhood will enjoy two-year complimentary high-speed broadband with speeds up to 30 Mbps immediately upon moving into their homes. This service will unlock other digital services to the entire township.

We have also recently formalised a Memorandum of Understanding (MoU) with Iskandar Regional Development Authority (IRDA) for Smart Services deployment and delivery in Iskandar Malaysia. The MoU marks a steadfast effort in strategic collaboration between TM and IRDA to ensure effective delivery of sustainable Smart City Services. The Iskandar Malaysia Smart City programme aims to accelerate growth through a sustainable economic and technological ecosystem towards smart, connected and inclusive communities. This will further enhance the citizen's quality of life, in line with the region's aspiration to become the preferred destination to invest, work, live and play.

Apart from the investment of fibre optic telecommunication infrastructure for the above areas, TM ONE is also implementing various Smart Services such as:-

### Smart Homes

We envision an integrated service platform for home safety and security, energy and indoor environment management, as well as home automation. Smarter Living begins from a smart home, which evolves to Smarter Communities and eventually to a Smarter Nation.

### Smart Street Lighting

Smart street lighting helps to reduce electricity costs by optimising energy consumption. We are working closely with city councils to switch to more efficient street lighting solution, thus managing urbanisation challenges such as maintenance costs amid growing populations.

### Smart City and IOC

The core of our Smart City solution is our Integrated Operations Centre (IOC), which operates as a centralised command centre for Internet of Things (IoT) operations. TM ONE's IOC, located in IPDC is the first in Malaysia to provide a monitoring dashboard to coordinate data received from physical devices and sensors in all smart cities nationwide. The monitoring dashboard provides more efficient traffic management, indoor environment as well as incidents related to safety and security.

The efficiency of IOC relies on the communication of quality and timely data. It provides 24/7 support throughout the year via Artificial Intelligence (AI)-based monitoring with services such as situational awareness, analytics, emergency response as well as alarm management.

## TM ONE VERTICAL SOLUTIONS

We aspire to become the nation’s one and only digital enabler for businesses across industries or verticals. TM ONE offers end-to-end converged business solutions comprising connectivity, Data Centre and cloud, ICT and BPO services, Smart Services as well as digital enterprise apps tailored for any vertical industry. Through consultative selling, we first understand their industry and propose the best possible solution. In 2017, we have started to emphasise on what we call ‘verticalisation’, which means converging solutions designed specifically for industry verticals.

We made the first step in ‘verticalisation’ approach with the readiness of our Experience Centre at Menara TM ONE. The highly anticipated Experience Centre is designed with state-of-the-art technologies to showcase various vertical solutions for our customers. At 20,000 square feet, the Experience Centre aims to help customers envision the future of their digital business transformation through inspirational, visionary and co-creational experiences.

For a full list of TM ONE products and services, log on to [www.tm.com.my/TMONE](http://www.tm.com.my/TMONE).

The KVDC in Cyberjaya is targeted to complete in the third quarter of 2018. It will be connected with IPDC via secured fast fibre-optic cables; and together, they form our Twin Core Data Centre solutions.

## KEY MARKET RISKS & MITIGATION MEASURES

Market Risk	Mitigating Measure
<b>Price erosion and competition</b>	We strengthen our competitive edge by offering converged solutions, backed by our extensive network and vast experience. We managed competitions through strategic partnerships to broaden our opportunities in these challenging times.
<b>Cost conscious in spending</b>	Our ‘verticalisation’ approach enables our customers to focus on value over cost. It will also employ innovative and flexible business models with customers, differentiating us from other telcos and system integrators.
<b>Disruptive technologies and trends are changing the market and customer focus</b>	We continue to collaborate with world-renowned technology principals, delivery partners and emerging IT companies. This enables us to provide innovative offerings from multiple resources in shortest time possible to meet customers’ immediate requirement.



## MOVING FORWARD 2018 WITH PERFEFE 10

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Verticalisation will continue to be our focus in 2018, with all of our immediate prioritised initiatives guided by PERFEFE 10:

- Trust as Core Value:**  
 TM ONE brand essence ‘YAKIN’ or Trust, is a key perception we want to establish across businesses. We will also be relentless in pursuing excellent customer experience. Our Customer Satisfaction Index (TRI\*M score) has always been at the Top 10% of global service providers for B2B, and we will continue to maintain our position as a trusted partner for our customers.
- TM ONE as the Verticals Digital Enabler:**  
 We aspire to be the nation’s digital enabler to unleash the full digital potential across industries and verticals. Digital solutions will be designed according to verticals to ensure maximum benefit for our customers by uplifting their business operations and productivity. Through ‘verticalisation’, we have identified top priority verticals for immediate revenue generation.
- Empowerment of Digital:**  
 Apart from ‘digitising’ our internal processes for improved productivity and cost efficiency, we are also monetising our internally developed enterprise apps such as FLOW (communication & collaboration app) and TM Box (enterprise cloud storage) to our customers.
- Improving Employee Happiness:**  
 We have streamlined our workforce so that each vertical is managed by a dedicated team of mixed expertise and functions to deliver comprehensive solution for dedicated verticals.
- Liberating WiFi:**  
 TM ONE will support public WiFi (wifi@unifi) expansions across high density congregation areas where our customers can stay connected when they are on the move.
- Sweat the Assets:**  
 We are accelerating our efforts to achieve faster returns on our investments such as Data Centre facilities and connectivity ports.





# Realising Your Digital Opportunities

In the past, being the trusted telecommunications provider for enterprises and government agencies meant offering connectivity services in the form of data, Internet and voice. Today, in line with TM's two-pronged strategy to Accelerate Convergence and Empower Digital, these core services are being integrated with ICT, Smart Services, business process outsourcing (BPO) products as well as mobility towards achieving customers' requirements and goals.

Ultimately, our aim is to enable both private and public sector organisations to realise their digital opportunities. With 'Consider IT Done' as our mantra, we are poised to offer the best converged solutions and services – as well as 'Moments' – to our customers and their customers. Towards this end, we are developing various innovative products and solutions on top of our core infrastructure as a means to Accelerate Convergence. The products and services that make up our converged solutions are:

- Connectivity services
- ICT
- Data Centre and Cloud
- Business Process Outsourcing
- Smart Services

The demand for such solutions is already there. A number of more tech-savvy businesses are exploring new technologies and expanding their infrastructure beyond traditional connectivity to using Cloud and digital platforms. We at TM ONE are partnering them in their exciting digital journey with an array of converged ICT managed services and solutions that open up the possibility of digitising processes to help reduce costs and improve turnaround times. Among our unique service propositions is being able to offer the highest reliability and most advanced security and connectivity specifications at the newly established Iskandar Puteri Data Centre (IPDC) and the soon-to-be-completed Klang Valley Data Centre (KVDC), which are capable of satisfying the most stringent requirements of enterprises and government agencies.

In terms of BPO, we are elevating the customer experience to the next level via omni-channel services leveraging converged Connectivity and ICT with Data Centre and Cloud services. In transforming our BPO service, we have been looking at ways to improve the customer journey fit for the digital landscape. Leveraging on our cloud marketplace, all nine BPO centres have been digitally-enabled to deliver a digital customer experience for TM services.



Through TM ONE Smart Services, we have designed smart solutions that leverage on our Connectivity and ICT with Data Centre and Cloud capabilities. Smart Services enable new digital opportunities through smart-ready infrastructure such as Smart Building Services, Smart City Wide Services and Smart Citizen Services which comprise ICT solutions, Smart Mobility, Safety & Security, Energy & Facility Management, Digital Signage and Citizen Portal. This provides end-to-end building blocks for customers' digital business transformation. TM ONE's Integrated Operations Centre (IOC), the first to be located in Iskandar Puteri, serves as a centralised command centre for Internet of Things (IoT) smart service operations. The IOC provides 24/7 support throughout the year via proactive Artificial Intelligence (AI)-based monitoring with services such as situational awareness, analytics, emergency response as well as alarm management.

In realising TM ONE's aspiration to become our customers' number one 'digital enabler', Verticalisation will be the key business lever throughout 2018-2020. The provision of digital solutions tailored for specific industries to maximise customer benefits, coupled with our consultative selling capability, will ensure business growth. Via verticalisation, we will empower our customers, and their customers, to capture more Share of Moments - anytime, anywhere, on any device in their daily lives, truly upholding our value proposition of being the one and only trusted partner for both enterprises and public agencies in Malaysia.

# TM GLOBAL

This article is a continuation from Management Discussion & Analysis on page 58

**TM GLOBAL is the global and wholesale arm of TM, focused on offering a comprehensive suite of cutting-edge communication services and solutions in connectivity and beyond.**

Domestically, we provide network solutions to licensed operators enabling accelerated network expansion and enhanced digital experience for their fixed and wireless end users. Internationally, with our extensive global connectivity, network infrastructure and collective expertise, TM GLOBAL bridges Malaysia to the world.






## CONVERGING ASEAN & THE WORLD THROUGH CONNECTIVITY

Over the years, TM GLOBAL has been investing in various submarine cable networks with the objective of linking Malaysia to the world. We have been developing a comprehensive Hub Ecosystem solution to position Malaysia as the ideal gateway for the world to connect to the ASEAN region. Various projects are ongoing to further enhance our global and regional connectivity, some of which were completed in 2017. Key among these were the deployment of three new ASEAN submarine networks: Malaysia-Cambodia-Thailand (MCT), Nusantara Gateway (NuGate) and Sistem Kabel Rakyat 1Malaysia (SKR1M). In addition, we had also established a new Point of Presence (PoP) in Marseilles, France for connectivity to Europe.

In March 2017, the MCT submarine cable was added to our Hub Ecosystem, spanning over 1,300 km from the respective cable landing stations in Cherating, Malaysia, Sihannoukville in Cambodia and Rayong in Thailand. MCT utilises the latest dense wavelength division multiplexing (DWDM) 100Gbps technology with an initial capacity of 1.5 Terabit per second (Tbps) that can be upgraded up to 30Tbps. The establishment of this new submarine cable system represents another major step towards enhancing the ASEAN connectivity with the lowest round-trip delay and total diversity access with end-to-end cost and price control.

In the same month, NuGate was completed, developed together with our partner in Indonesia, PT GLOBAL INTI CORPORATION (PT GIC) by leveraging the existing Batam-Bangka-Jakarta-Singapore (B2JS) submarine cable system. The 1,080 km cable system, with Equinix (Singapore) and Cyber Building (Jakarta) serving as meeting points at both ends, has been designed using the latest 100Gbps technology. Its initial capacity of 200Gbps can be upgraded to support up to 6.4Tbps to meet future requirements. Similar to MCT, NuGate also strengthens our presence in the ASEAN region.

Fulfilling our role as the country's key enabler for national communications infrastructure, we established SKR1M, following a Public-Private Partnership (PPP) with the Government through Malaysia Communication and Multimedia Commission (MCMC). We are proud to achieve its completion and readiness in June 2017, as scheduled. The cable system, which has

 More than <b>20</b> <b>submarine cables</b> spanning over 190,000 km	 <b>21</b> international points-of-presence (PoPs) & <b>9</b> domestic PoPs
 <b>5</b> <b>regional offices</b> in the USA, UK, Hong Kong, Australia and Singapore; Dubai office target to complete & operate in 2018	

three landing points in Sarawak (Kuching, Bintulu and Miri), one in Kota Kinabalu, Sabah and two in Peninsular Malaysia (Mersing and Cherating) will vastly benefit the rakyat, through socio-economic development. The 3,800 km system, boasting state-of-the-art 100Gbps technology, has an initial capacity of 4Tbps which can be increased to 12.8Tbps. SKR1M has now started carrying commercial traffic connecting Peninsular Malaysia with Sabah and Sarawak.

Other than submarine cable expansion, the completion of IPDC marks a major milestone for TM, and the country, as it is set to catalyse the regional hub initiative. IPDC hosts both local and international content providers and enterprises that connects local internet service providers (ISPs) and content providers to international internet traffic. Malaysia Internet Exchange (MyIX) is one of our key tenants that has co-located their servers in IPDC. We have already brought in a number of international household names into Malaysia, where some of the players hosted their content at IPDC and at other TM Data Centres, as part of our content localisation initiative. This localisation also helps drive costs down for TM as we effectively reduce international traffic dependency.

## SUPPORTING DIGITALISATION OF MALAYSIA

TM GLOBAL is promoting Malaysia's transition into a digital economy by enabling network expansion of local service providers through our domestic connectivity services, including Next Generation Backhaul (NGBH™) and Wholesale Ethernet solutions. To enrich our NGBH™ service portfolio, we introduced front-haul solutions such as Smart C-RAN and In Building Coverage (IBC). Smart C-RAN is a new cellular network architecture that supports future mobile network infrastructure, particularly on centralised Radio Access Network (RAN). IBC complements Smart CRAN in strengthening indoors cellular signal.

In April 2017, we signed a collaborative agreement with Perbadanan Putrajaya for the Smart Putrajaya project, towards achieving the vision of a Green, Smart and Connected Putrajaya. This will also enhance the digital coverage in Putrajaya while preserving the aesthetic value of the area. To execute this project, we signed an agreement with Touch Mindscape for

the provision of the Smart C-RAN services in Putrajaya. Accordingly, unifi Mobile has become the first mobile service provider to utilise the Smart C-RAN service, paving the way for the adoption of smart city solutions in the future.

Further enhancing our NGBH™ services, in October 2017, we signed a deal with telecoms tower company, edotco Malaysia Sdn Bhd for Smart C-RAN and fiberisation project to enable connectivity between mobile operators’ cell sites and their core networks at edotco’s ground-based tower sites in selected areas. This will help to expedite the expansion of LTE services for mobile operators.

In terms of supporting Malaysia’s Digital Economy aspiration, we continue to focus on our submarine cable expansion and HSBB Access solutions for service operators. For example, the newly completed SKR1M is aimed to boost the digital economy especially in Sabah and Sarawak. In addition, we are further expanding the consumer broadband market via HSBB Access solutions. To date, four local operators have signed for HSBB Access and their number of subscribers has grown by 13.5% from 2016.

## INNOVATIVE PRODUCTS & SERVICES

While building infrastructure, TM GLOBAL has also developed various innovative products and solutions that help customers accelerate their growth. These include:

- **Smart Centralised Radio Access Network (Smart C-RAN)** - An initiative to propel Malaysian telecommunication space to new heights in which TM provides end-to-end solution for mobile network operators to deploy their mobile coverage especially at high density and blindspot areas.
- **In Building Coverage (IBC)** – This service is based on distributed antenna system (DAS) deployed in selected facilities enabling mobile network operators to extend and distribute their cellular signal.
- **IPX** – An initiative for TM to deliver higher quality international voice service by deploying IPX-Voice infrastructure in Hong Kong, Singapore, the United States and United Kingdom.
- **Media Delivery Solutions Vertical (MDSV)** – This converged entertainment and infotainment solution for telcos, hotels and hospitals employs a cloud-based single management platform to deliver a digital experience to end users in multiple establishments. It also brings world-class entertainment and integrated smart living for on-demand centralised services right to customers’ fingertips.

## KEY MARKET RISKS AND MITIGATION MEASURES

MARKET RISK	MITIGATION MEASURES
<b>Price erosion and cost overruns due to competition &amp; dynamic changes in customer requirements</b>	We strengthen our competitive edge by becoming a total end-to-end solutions provider through collaborations with other established global players. We also leverage on affiliate companies to capture regional opportunities with minimal investment.
<b>Changes in other countries’ political, legal and regulatory guidelines</b>	We keep abreast of the latest geopolitical changes in countries where we have invested by establishing effective crisis management and resilience planning. These enabled us to protect our investments and improve business continuity planning.
<b>Changes in local pricing regulation</b>	We maximise internal capabilities by leveraging on TM Group and subsidiaries’ resources. To remain competitive despite pricing regulations.
<b>Increasing pressure for innovative and disruptive solutions globally as operators and other service providers seek to strengthen their digital market position</b>	We stay up to date with the latest technologies by establishing effective partnerships with value-add and technology partners for knowledge transfers. Together, we introduced new Beyond Connectivity Solution according to current digital landscape.



## MOVING FORWARD 2018 WITH PERFEXE 10

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Driving cost reduction for the group, coupled with both domestic and ASEAN initiatives are TM GLOBAL’s key role in support of PERFEXE 10.

- **Trust as Key Defining Value**  
As part of TM Group, we are positioning ourselves as the trusted accelerator of business growth, connecting carriers and service providers across regions and into the digital world.
- **Accelerating Growth with TM GLOBAL:**  
The domestic wholesale market continues to provide significant opportunities for TM GLOBAL, mainly from increasing demands for backhaul and front-haul solutions. The Mobile Backhaul Enrichment forms the basis for us to capture more market share within this segment. It will be supported by upselling, asset monetisation, mobile front-haul product development (Smart C-RAN & IBC) as well as collaborations with site and facilities providers over the next three years.

Also, the ASEAN region remains lucrative as demands for connectivity and internet content is expected to grow over the next seven years, mainly in Indochina and Indonesia. We intend to capitalise on this via our Hub Ecosystem. Concerted efforts will also be made to bring in international content, reduce the cost of connectivity into these regions, effectively making Malaysia a regional hub.

- **Empowering Digital**  
We continue to innovate and empower digital beyond connectivity through enrichment of our domestic solutions and regional hub initiatives.
- **Sweat the Assets**  
We already embarked on prioritising to monetise our existing assets, including international submarine cable capacity and domestic access fibre. Other initiatives include capacity swapping business arrangements, product bundlings and value added services to existing infrastructure, with objective to optimise costs for TM Group.

# TM Team Malaysia

TM Team Malaysia is the “Official Supporter of the National Athletes”, a moniker given to the movement we established in April 2011 by Minister of Youth & Sports, YB Brig Gen Khairy Jamaluddin, because of the way in which it has effectively brought Malaysians from all walks of life together to support our national athletes at various games.

Set up in partnership with the National Sports Council of Malaysia (NSC) and Olympic Council of Malaysia (OCM), TM Team Malaysia fans, sporting our distinctive jersey, have been seen cheering on our national athletes at the Olympic, SEA Games and other international as well as regional competing events involving Malaysian athletes. It unleashes the passion of Malaysians for our sporting heroes, hence the tagline “Uniting Our Passion”.

Aside from activities on-ground, TM Team Malaysia engages with fans digitally through its website and social media. As of December 2017, it had a total of 1.4 million followers on Facebook, Twitter and Instagram, as well as 44,000 official registered members.

## SPURRING OUR ATHLETES TO SPECTACULAR SUCCESS AT KL2017

Having seen TM Team Malaysia in action at the Rio Olympics, our Minister of Youth & Sports appointed the movement as the official platform to bring Malaysian supporters together for the biggest sporting event in ASEAN in 2017 – the 29<sup>th</sup> Southeast Asia (SEA) Games, also known as KL2017, its official brand name. Living up to its title, TM Team Malaysia truly roused Malaysians’ passion before and during the month-long event, its members definitely playing a big role in our athletes’ spectacular performance.

- a) **TM Team Malaysia Jersey & Merchandise**  
TM entered into partnerships with Petronas Dagangan Berhad (PDB) and online merchants to make the TM Team Malaysia jersey and other merchandise more accessible to Malaysian sporting fans. From a few months before KL2017, the items were available at over 300 Kedai Mesra outlets as well as online via [www.shoppu.com.my](http://www.shoppu.com.my) and [www.fmstore.com.my](http://www.fmstore.com.my) in addition to 105 TMpoint outlets. For our own employees, we set up a vending machine in Menara TM for the jersey and merchandise, a move that was much appreciated by staff, customers and even our tenants.
- b) **TM Team Malaysia Chanters for KL2017**  
We whipped up more fervor for KL2017 through the TM Team Malaysia Campus Tour which reached out to 36 universities and colleges over a period of six months before the Games. During the tour, TM Team Malaysia engaged about 108,000 students in various activities. Among these, the “Azizul Challenge Contest” which challenged participants to beat our Olympic Bronze medallist Azizul Hasni’s personal best, proved so popular it went viral.



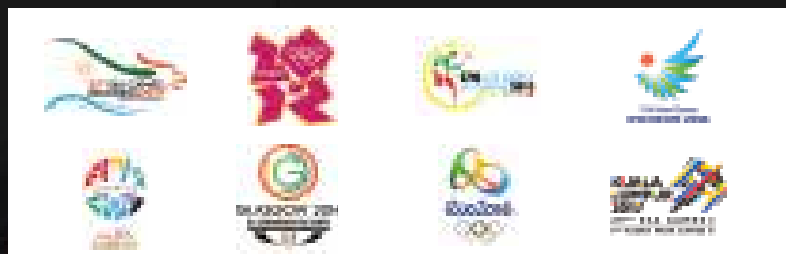
At the Games itself, about 1,000 exuberant supporters who had been trained to cheerlead could be seen and heard at the events, chanting and cajoling our athletes into their best performances.

Moving forward, TM Team Malaysia will continue to evolve and expand. In 2018, it is set to grow beyond the realm of sports, to support socially responsible initiatives more generally and to promote healthier lifestyles. Its ultimate aim is to unite Malaysians in working towards becoming a great nation, one we can all be proud of.

## Journey Of TM Team Malaysia

### TM Team Malaysia Chanters

TM Team Malaysia has been present at all major sporting events involving our national athletes since 2011:



### TM Team Malaysia Fan Run

The TM Team Malaysia Fan Run is organised yearly to gather Malaysians to show their support for national athletes competing at particular major games. Each run has brought together more than 10,000 fans nationwide.

### Anugerah Sukan Negara (ASN)

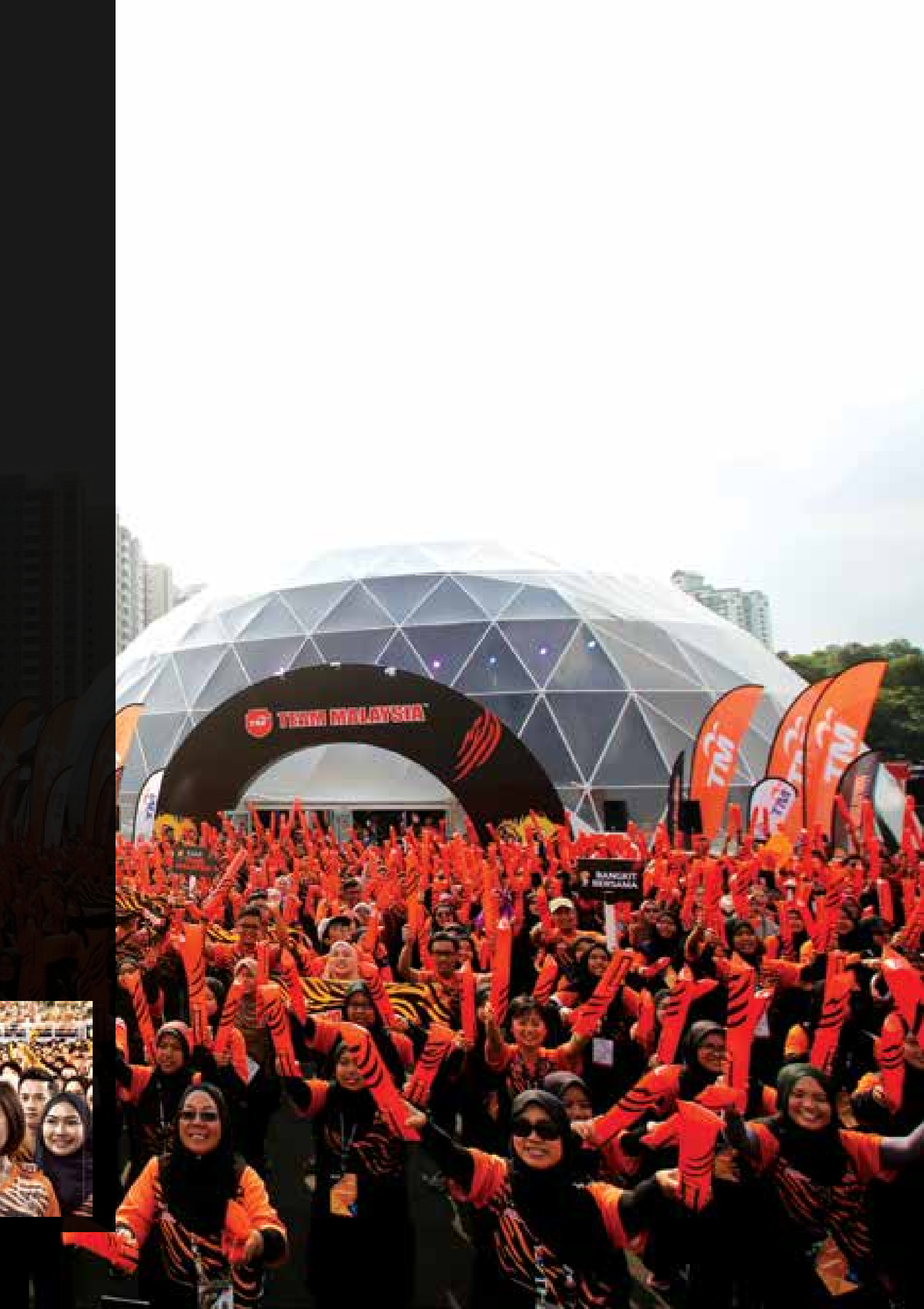
TM has been the presenting sponsor of ASN – the highest platform to recognise our athletes – since 2012. In 2013, we introduced the TM Team Malaysia Award (known as the “People’s Choice Award”) to allow Malaysians to choose their favourite athlete, based on a voting poll on the TM Team Malaysia website. Winners over the years have been:

- 2013 Sazali Samad, Weightlifting
- 2014 Syakilla Salni, Karate
- 2015 Goh Jin Wei, Badminton
- 2016 Azizul Hasni, Track Cycling



**KEBANGGAAN KAMI SELAMANYA**





TERRA MALAYSIA

BANGKIT  
BERSAMA