



#Enabling Digital Malaysia

Integrated Annual Report 2019

Corporate Overview



Smart Safety & Security



Smart Safety Helmet



Smart Traffic Lights



Smart Parking



TM 5G



Smart Tourism



Smart Retail Analytics



Smart Agriculture



Geolocation People Safety



Zul Hisham
On the way to work

Geolocation

Smart Vehicle Management System

No of passengers: 35
Destination: SMK TM
Arrival Time: 15 minutes



RAYVAN

ABDUL

ANWAR BIN

T. 09540



Smart Vehicle Management System

Vehicle Safety & Tracking - Violation
Mon Dec 09 2019 15:07:55

Exceeding Speed Limit

Smart Water Management System





#EnablingDigitalMalaysia

TM has been at the forefront of every telecommunications technology evolution in Malaysia, leading in the convergence of connectivity and services; with a proud legacy in nation-building. Today, we are poised to propel Malaysia as a digital nation.

Our Digital Infrastructure and Digital Solutions will fast-forward Malaysia into the Industrial Revolution 4.0 (IR4.0) era and beyond and will elevate the quality of life for every Malaysian as the nation progresses to become a Digital Society, Digital Economy and Digital Government.

We help to capitalise on new business opportunities and deliver industry-leading operational efficiency. We know that our markets are transitioning but they are still based on the universal need to connect and communicate, a need which has never been more essential wherever you go, from rural to urban.

The emergence of 5G will drive more advanced applications through the utilisation of data analytics, Internet of Things (IoT) and Artificial Intelligence (AI), delivering smarter solutions for businesses, public service and households. Our 5G-enabled smart solutions use cases that are being showcased under the 5G Demonstration Project (5GDP) undertaken by Malaysian Communications and Multimedia Commission (MCMC) are focusing on making life easier, meeting the needs, and enriching the lives of the community. The showcase provides surrounding communities with an opportunity to witness and experience first-hand, the real benefits of 5G technology and how it will revolutionise and bring positive impact to their lives.

This theme and narrative is carried consistently from our report cover, separators and throughout the strategic narrative of this report.

We are here to enable a Digital Malaysia; to make life and business easier for a better Malaysia.



Scan QR code to watch the Digital Malaysia video



Integrated Reporting cross-referencing refer readers to information elsewhere in this report

The wellbeing of our shareholders is of paramount importance to us. In view of the ongoing unprecedented national crisis related to the COVID-19 coronavirus pandemic that the country is currently facing, TM will only be announcing the date of its 35th Annual General Meeting at a more appropriate time later. The notice of the AGM will be issued to all shareholders in due course.

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#DIGITALECONOMY

HELLO MAY, WELCOME BACK!

8 STORES AVAILABLE

 <p>RM2.68 Dole Banana packet RM2.68 / 300 g</p> <p>Add to cart</p>	 <p>RM3.00 First Pick Fresh Carrots 500 g RM0.60 / 100 g</p> <p>Add to cart</p>
 <p>RM2.90 Bird Eye Red Chilli 100 g RM2.90 / 100 g</p> <p>Add to cart</p>	 <p>RM3.75 Garden Tomato 400 g RM0.94 / 100 g</p> <p>Add to cart</p>
 <p>RM7.45 Garden Baby Spinach packet RM7.45 / each</p> <p>Add to cart</p>	 <p>RM5.18 Broccoli packet RM1.18 / 100 g</p> <p>Add to cart</p>

CHECK OUT CART





#Reinventing

Industries Through Digital Business – Towards a Prosperous Economy

We are ready to unlock the future of the Malaysian economy. As a digital and convergence enabler, we help transform industries through improved efficiencies, optimisation of value chains, and enhancement of business models. With digitalisation, we are accelerating Business Made Easier for shared prosperity and development.

Smart Retail Analytics



Smart Vehicle Management System




Smart Agriculture



REVIEW OF THE YEAR & KEY ACHIEVEMENTS

TM Group Digital Malaysia Enabler

Key Achievements



356K 555 comments 1888 shares

Like Comment Share

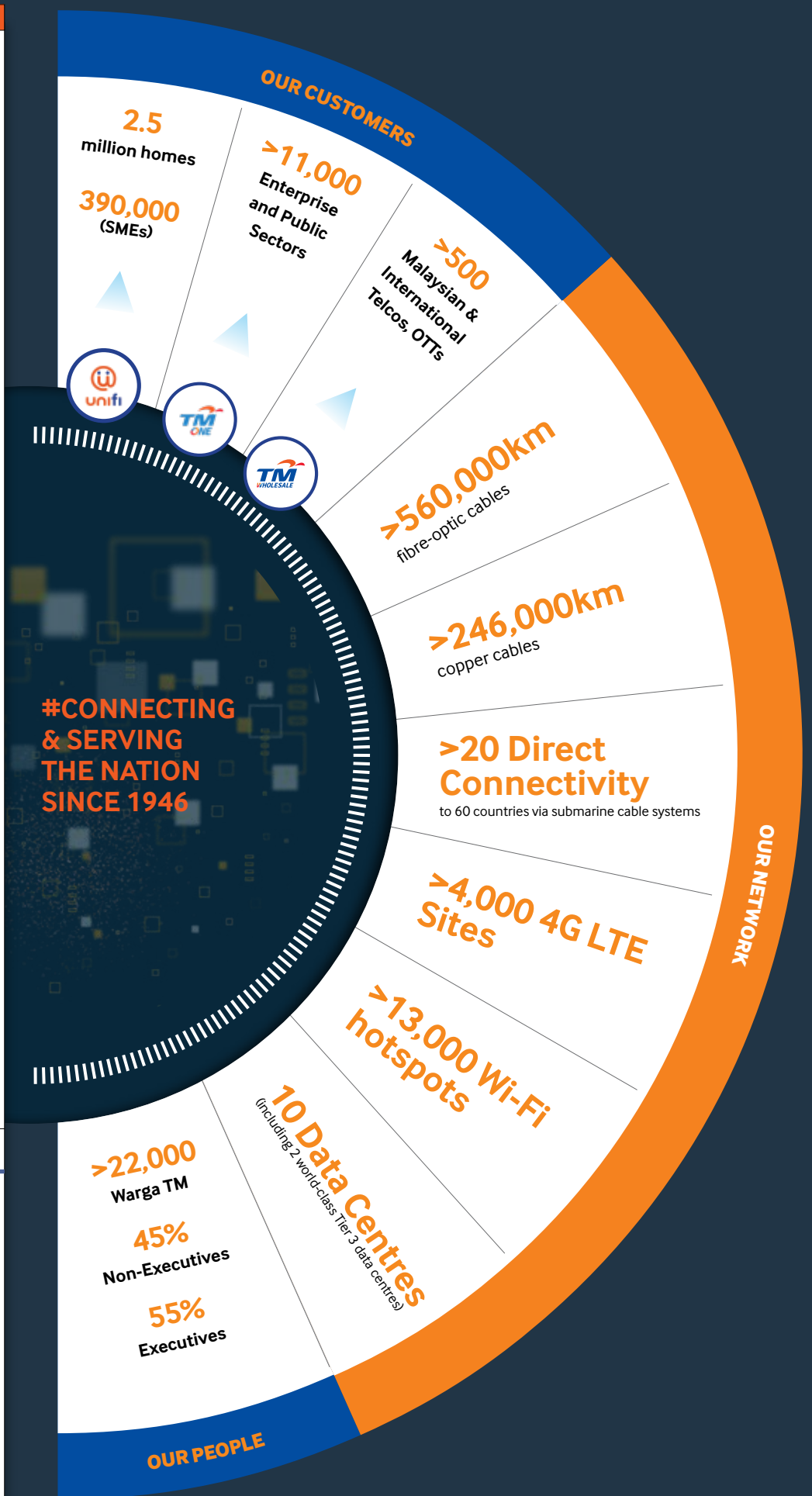
GROUP REVENUE

RM11.43 BILLION

FINAL INTERIM SINGLE-TIER CASH DIVIDEND TOTAL PAYOUT

RM376.6 MILLION

10.0 sen per share



ABOUT THIS REPORT

This is Telekom Malaysia Berhad's (TM) fourth year of integrated reporting. We strive to continuously improve our reporting practices, and our adherence to the integrated reporting principles is a testament to that promise. By publishing a coherent and credible report, our stakeholders gain better insight into our multi-faceted role in creating value for every Malaysian, as we lead the way towards a Digital Malaysia.

SCOPE & BOUNDARIES

The Integrated Annual Report for TM covers the period 1 January 2019 until 31 December 2019 for financial. For non-financial, the relevant information provided is until 19 March 2020. We also discuss the market challenges, key developments and initiatives, businesses review and solutions, achievements, progress and outlook. This report adheres to the International Integrated Reporting Council (IIRC) framework as well as other statutory reporting requirements, including the Malaysian Code on Corporate Governance (MCCG), Main Market Listing Requirements of Bursa Malaysia Securities Berhad (Bursa Securities), and the Malaysian Financial Reporting Standards (MFRS).

OUR INTEGRATED APPROACH

By adopting an integrated approach, this report is intended to address the information requirements of stakeholder value creation. We demonstrate our ability to tap into six (6) capital inputs to deliver value, as measured in our financial and non-financial performance of the year. This report also articulates our risks, opportunities, mitigation strategies, and long-term approach to driving a Digital Malaysia.



Scan QR code to download the PDF copy of this report.



Guided by the IIRC Framework, this report adheres to the following principles:



#Transparency is our openness in providing clear and truthful information in this report. This is important for not just good governance, but to adequately inform and educate our stakeholders, who in turn can accurately assess our strategies, outcomes and effectiveness.



#Materiality covers various economic, environmental and social (EES) aspects of our business, which are important to both the organisation and our stakeholders. Highlighting these matters or concerns reflect our commitment to devising long-term solutions as well as our responsiveness to various stakeholders.



#Balance in our reporting ensures that we transparently highlight both positive and negative aspects of our business. This enables our stakeholders to make a fair and rational evaluation of our overall performance.



#Comparability serves to set benchmarks for our performance against previous years. By presenting our yearly information consistently, we help our stakeholders measure changes in our performance over time.



#Potential is what we as a business and our people hold in charting out our current and future growth. Where necessary, we have indicated the 'potential' that we see in ideas, our products, strategies, human capital etc., which are all important for our stakeholders to better understand our reason behind every business decision.

MATERIALITY DETERMINATION

The content of this report focuses on the issues, opportunities and challenges that are material to both our stakeholders and our business, which consequently impacts our performance. By applying the principle of materiality into our reporting disclosures, we present key topics that influence the Group's strategy in creating long-term value to shareholders and other key stakeholders.

APPROVAL BY THE BOARD OF DIRECTORS

We have ensured that the information shared in the report is substantiated with accurate and transparent data. The Integrated Annual Report 2019 has been reviewed and approved by our Board, with the support from the Board Audit Committee (BAC). It is also in compliance with regulatory guidelines, and international benchmarks such as the Integrated Reporting Framework and Global Reporting Initiative (GRI).

Rosli Man
Chairman of the Board,
on behalf of the Board of Directors

REVIEW OF THE YEAR & KEY ACHIEVEMENTS

THE SIX (6) CAPITALS

>>

VALUE

We create value by leveraging on six (6) key capitals. This process is built on a strong foundation of corporate values, principles of good governance, robust business strategies and risk management framework. The effective interplay between the capitals allows the Group to achieve outcomes (value) that benefit all stakeholders and help catalyse Malaysia's digital revolution.

The icons that represent the six (6) capitals described here appear throughout this report where these capitals are employed and discussed.



1



HUMAN CAPITAL

2



INTELLECTUAL CAPITAL

3



NATURAL CAPITAL

4



SOCIAL & RELATIONSHIP CAPITAL

5



FINANCIAL CAPITAL

6



MANUFACTURED CAPITAL

ABOUT THIS REPORT

The skills and experience of our people allow us to deliver beneficial products and services, enabling us to achieve our goals and targets. We invest in our people and their development, which accelerates their performance as well as makes positive contributions to the business. We strive to build strong and diverse teams, with different perspectives that truly reflect Malaysia's cultural and ethnic diversity, which also helps us to understand our customers better. While we optimise the potential of our human capital, we also prepare them to adapt and manage future market, business, and technology challenges.

Our intellectual capital is our proud legacy and comprises our formidable network of business partners and people; our brand; our knowledge repository to include research and innovation; the technologies we have pioneered as well as the processes and operations responsible for the smooth functioning of our business. We continue to invest in our efforts to build our intellectual capital which is instrumental in strengthening our value proposition and gaining a competitive edge.

We rely heavily on radio spectrum, a key enabler of the telecommunications industry. We are also dependent on consistent access to energy, which is crucial for operating our network and premises. Our activities also leave an impact on the environment, which we continuously monitor and manage by minimising our energy consumption, waste production and carbon footprint across our operations. Over the years, we have developed a credible network of Non-Governmental Organisation (NGOs) which partner with us in our efforts to protect the environment.

This capital represents the basis for our successful functioning as the nation's Digital Enabler. Our rapport with relevant stakeholders – The Government, Regulatory bodies, Shareholders, Investors, Industry Partners, Employees, Suppliers, Customers, NGOs, Communities and Media are based on trust and understanding as well as a wide range of impact areas ranging from national development to the growth of local Small Medium Enterprises (SMEs). There are areas of great pride for TM.

We rely on income and earnings generated by our operations to uphold and responsibly grow the organisation. This allows us to balance stakeholder value with sustainable growth. While generating income to produce dividends for shareholders, salaries for employees as well as general investments in communities, we use the financial capital to innovate and develop new opportunities in digitalisation – Internet, Broadband, Mobile Network Data, Cloud, Wi-Fi services and Content Development.

The strength, reach and reliability of our physical assets set us apart from our competitors. TM's infrastructure such as our vast fibre and copper networks, submarine cables, new-generation all-IP networks, data centres, exchange buildings, and Long-Term Evolution (LTE) Base Stations are key assets that help us in the seamless delivery of our quality products. In addition, the Internet Protocol (IP) equipment, native sites, software, applications, office buildings and the retail network of TMpoint outlets continue to ensure that we deliver top-notch service and provide continuous access to users.

VALUE CREATION BUSINESS MODEL



VALUE CREATION BUSINESS MODEL

TO MAKE LIFE AND BUSINESS EASIER, FOR A BETTER MALAYSIA

FINANCIAL OUTCOMES

KEY OUTPUT

STAKEHOLDERS

REVENUE
RM11.43 billion

EBIT
RM1.57 billion

DIVIDEND
RM376.6 million
10.0 sen per share



HUMAN CAPITAL

- **2,320** employees trained with future-ready skills
- **22 hours** of relevant skills training received per employee
- **99.5%** retention rate

- **Employees**
- **Unions**



INTELLECTUAL CAPITAL

- **2 awards** from Malaysia Technology Excellence Awards
- **4 awards** from MSC Malaysia APICTA

- **Shareholders**
- **Communities**
- **Government & Regulator**



NATURAL CAPITAL

- **7.5%** drop in operational carbon footprint
- **7.4%** decrease in energy consumption through energy-efficiency initiatives

- **Shareholders**
- **Investors**
- **Communities**



SOCIAL & RELATIONSHIP CAPITAL

- **RM1.22 billion** contributed to local suppliers
- **RM938.0 million** worth of contracts awarded to Bumiputera vendors

- **Suppliers**
- **Communities**
- **Media**



FINANCIAL CAPITAL

- **RM11.43 billion** in Operating Revenue
- **RM376.6 million** in Final Interim Single-Tier Cash Dividend Payout

- **Shareholders & Investors**



MANUFACTURED CAPITAL

- **>77%** unifi Mobile population coverage
- **>90%** population of converged network coverage

- **Business Partners**
- **Customers**



Scan QR code for more information on
TM's product and services

ABOUT TM

TELEKOM MALAYSIA BERHAD

Telekom Malaysia Berhad (TM) was first formed as the Malayan Telecommunications Department in 1946.



MALAYAN TELECOMMUNICATIONS DEPARTMENT IN 1946

Since then, the Group has grown into a powerhouse that is on a continuous journey of enhancing and elevating the nation's telecommunication technology and services as it fulfils the role of connecting Malaysians.

As the enabler of Malaysia's Digital Nation aspirations and leading telecommunications provider, we offer a comprehensive suite of communication services and solutions towards establishing a truly connected nation. We are driven by stakeholder value creation to deliver an enhanced customer experience via quality and innovative improvements. Our motivation is to connect consumers and businesses nationwide to realise their digital opportunities. In other words, the purpose of our very existence is to improve lives and foster growth by providing converged communications services and solutions in fixed, mobility, content, Wi-Fi, ICT, Cloud and Smart Services.



Scan QR code for more information About TM



ABOUT TM

TM has been at the forefront of each telecommunication technology evolution of the nation with a proud history of 74 years in nation-building, and will continue to do so. It provides the communications backbone of Malaysia with the widest connectivity and convergence network. TM remains committed to continuing to expand its network into a comprehensive digital infrastructure as we move beyond connectivity services into new value-added digital services.

With our extensive global connectivity, network infrastructure and intellectual expertise, we are well-positioned to propel Malaysia towards a digital economy by increasing nationwide broadband outreach and narrowing the digital divide. Our unique role as a Government Linked Company (GLC) makes TM a strategic partner of the Government

to catalyse and implement nationally-relevant and high-priority development projects. In the process, we generate more business and income opportunities by creating jobs and ecosystems.

Via our innovative and comprehensive products and solutions, we will continue to lay the foundation for IR4.0 and rolling out 5G nationwide – serving a more digital society and lifestyle, digital businesses and industry verticals, as well as digital Government. TM, as a responsible nation-builder, will continue to serve as a strategic enabler of the National Fiberisation and Connectivity Plan (NFCP) outlined by the Government, backed by our solid infrastructure – towards empowering Digital Malaysia and making Life and Business Easier, for a Better Malaysia.

>> VISION, MISSION, PURPOSE AND VALUE

Our Vision



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

Our Mission



We deliver life made easier:

To customers,
through converged
lifestyle
communication
experiences

To business, by
collaborating with and
supporting them with
integrated solutions

To the nation, by
supporting socio-economic
development through
education, innovation &
social initiatives

Our Purpose



To keep people connected in more ways than one.

Our Values



Total Commitment
to Customers

Uncompromising
Integrity

Respect &
Care

CORPORATE INFORMATION

BOARD OF DIRECTORS

Rosli Man

Chairman

Non-Independent Non-Executive Director

Dato' Noor Kamarul Anuar Nuruddin

Group Chief Executive Officer/Managing Director

Non-Independent Executive Director

Dato' Asri Hamidin @ Hamidon

Non-Independent Non-Executive Director

Dato' Mohamed Nasri Sallehuddin

Non-Independent Non-Executive Director

Dato' Mohd Naim Daruwish

Non-Independent Non-Executive Director

Datuk Zalekha Hassan

Senior Independent Non-Executive Director

Tunku Afwida Tunku Dato' A.Malek

Independent Non-Executive Director

Balasingham A. Namasiwayam

Independent Non-Executive Director

Hisham Zainal Mokhtar

Independent Non-Executive Director

Suhendran Sockanathan*

Independent Non-Executive Director

Dato' Ibrahim Marsidi

Independent Non-Executive Director

Iszad Jeffri Ismail

Alternate Director to Dato' Asri Hamidin @ Hamidon

Non-Independent Non-Executive Alternate Director

* referred as "Saheran Suhendran" throughout this IAR

SENIOR INDEPENDENT DIRECTOR

Datuk Zalekha Hassan

email: sid@tm.com.my

COMPANY SECRETARIES

Rizani Hassan

(LS0009520)

(Practicing Certificate 202008002215)

Mohammad Yazmi Mat Raschid

(MAICSA 7028878)

(Practicing Certificate 202008001905)

Zaiton Ahmad

(MAICSA 7011681)

(Practicing Certificate 201908004017)

REGISTERED OFFICE

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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 : Telecommunications & Media

CORPORATE INFORMATION

SHARE REGISTRAR

Boardroom Share Registrars Sdn Bhd
199601006647 (378993-D)

**11th Floor, Menara Symphony
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Fax : +603-7890 4670
Website : www.boardroomlimited.com
Email : bsr.helpdesk@boardroomlimited.com

AUDITOR

PricewaterhouseCoopers PLT
(LLP 0014401-LCA & AF 1146)

**Level 10, 1 Sentral, Jalan Rakyat
Kuala Lumpur Sentral
50706 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 enquiries on TM

- www.tm.com.my
- Email: help@tm.com.my
- Reach our general line at +603-2240 9494
- Follow TM on :



CHIEF LEGAL & SECRETARIAL OFFICER/ GROUP COMPANY SECRETARY



Rizani Hassan

Rizani is head of Group Legal & Secretarial Division and is responsible for legal and company secretarial matters of TM Group. His profile is disclosed on page 151 of the IAR 2019.

Tel : +603-2240 1971
Fax : +603-2283 2415
Email : rizani@tm.com.my

VICE PRESIDENT (VP) CORPORATE FINANCE & INVESTOR RELATIONS



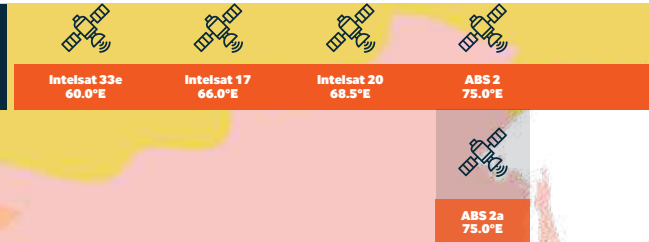
Delano Abdul Kadir

Delano is head of TM Corporate Finance and Investor Relations Unit and is responsible for corporate finance and investor relations matters.

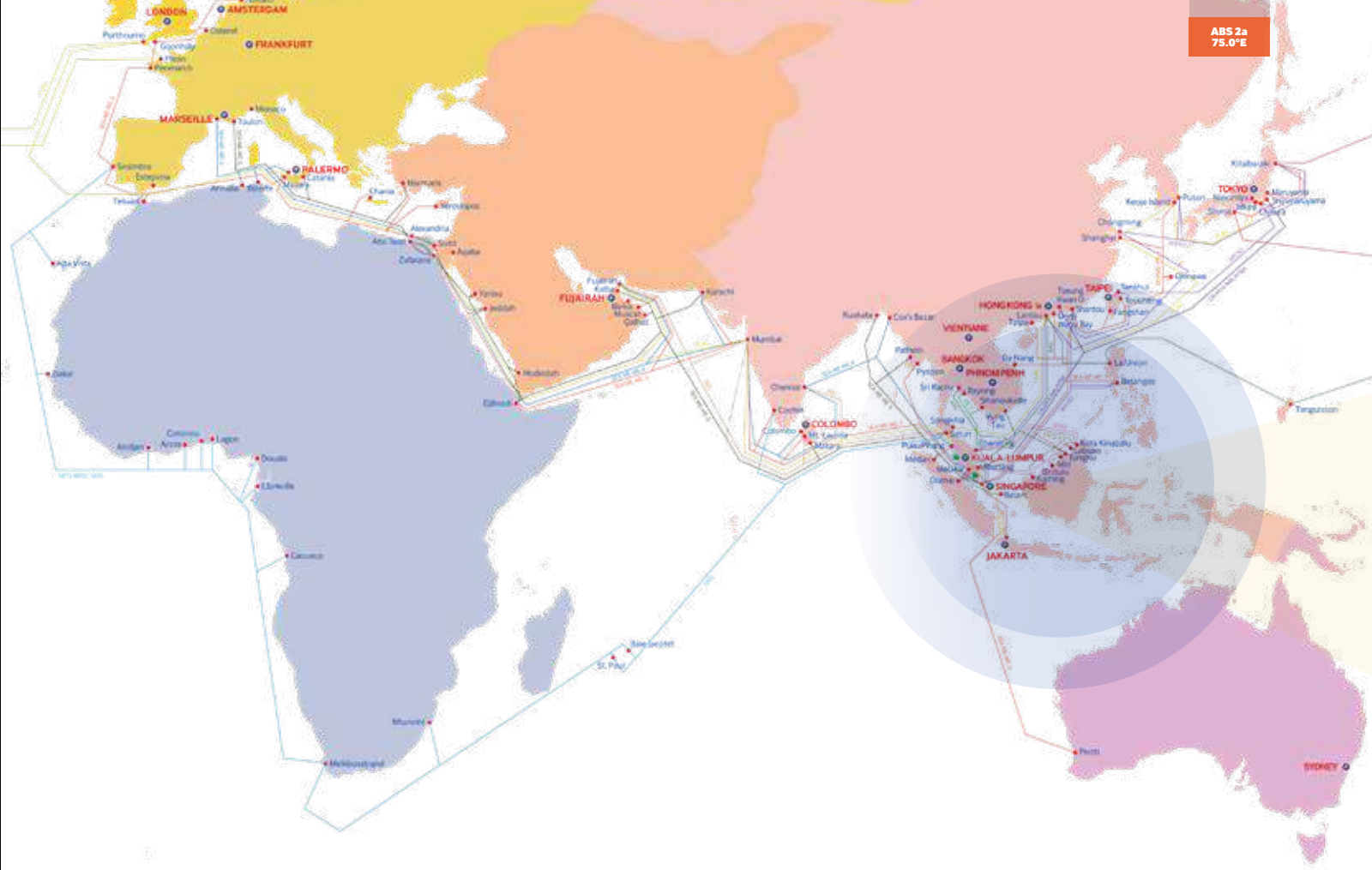
Tel : +603-2240 4848
Fax : +603-2283 2415
Email : investor@tm.com.my

WHERE WE OPERATE

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



TM Worldwide Coverage



6 Regional Offices (RO) globally
Australia, UAE, Hong Kong, Singapore, UK and USA

28 Point-of-Presence (PoPs) worldwide

More than **20** submarine cable systems spanning over 190,000km worldwide

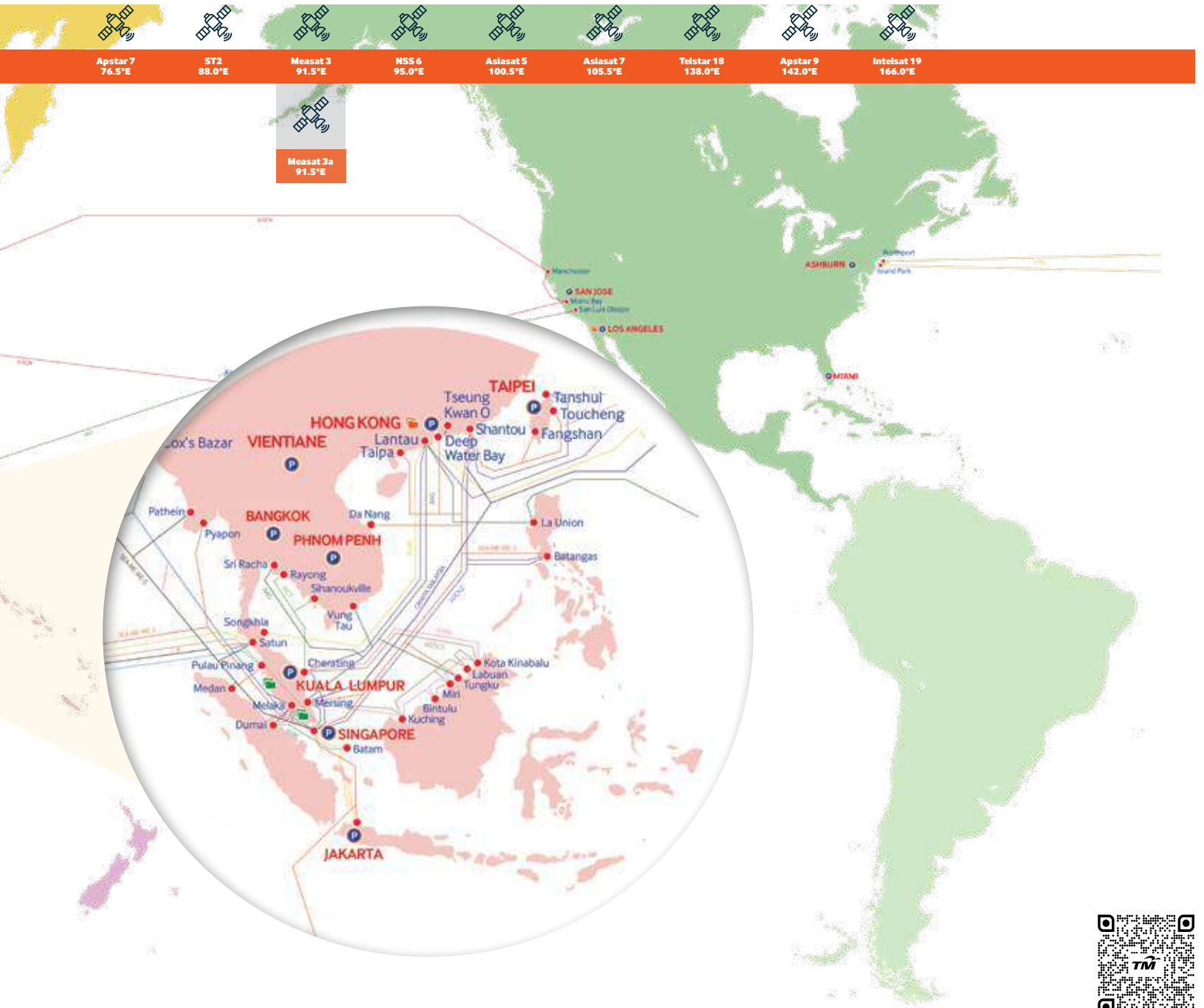
MAP ITEM

- Satellite
- Landing Point
- Twin Core DC
- TM PoPs
- Regional DC

REGION



WHERE WE OPERATE



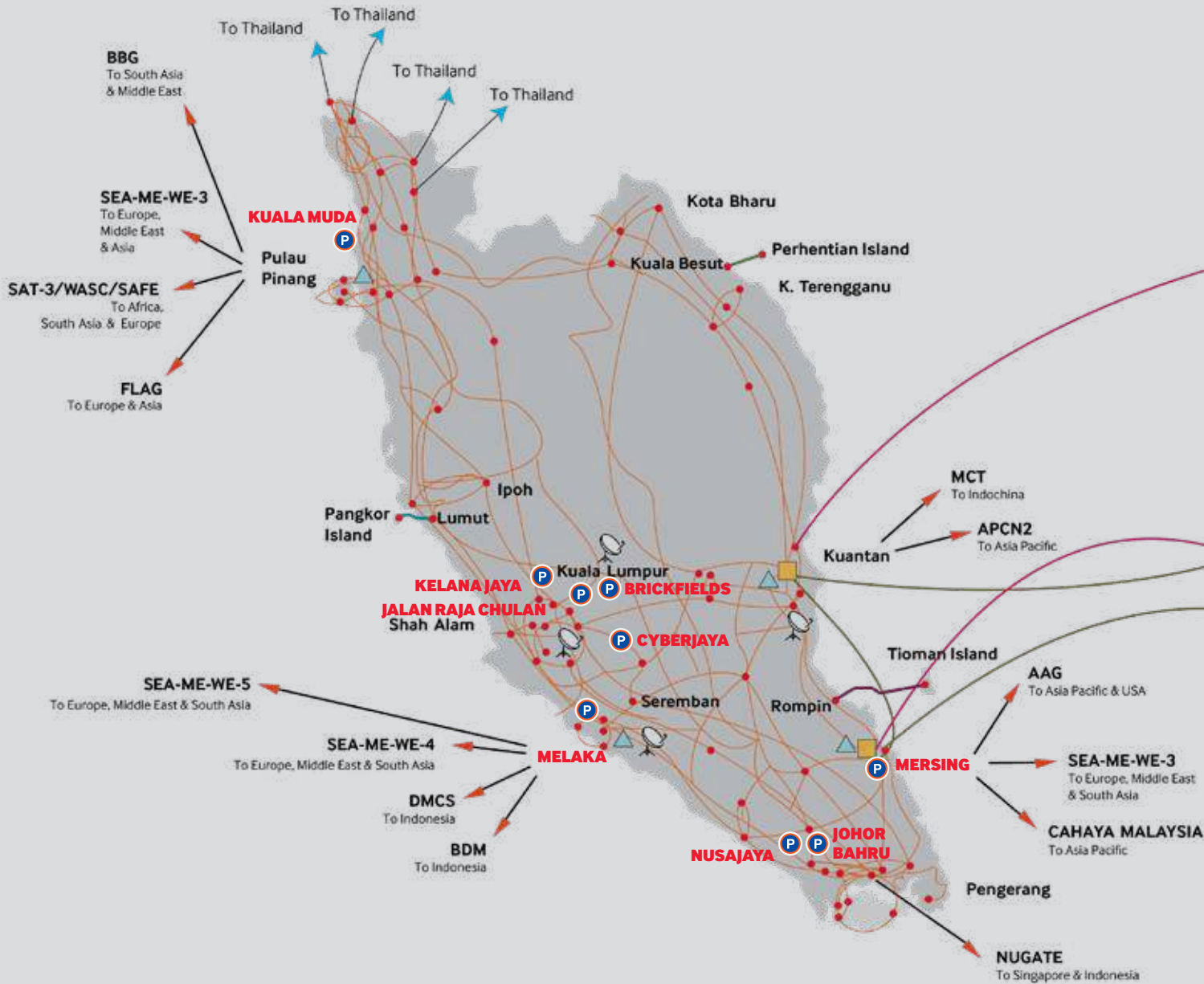
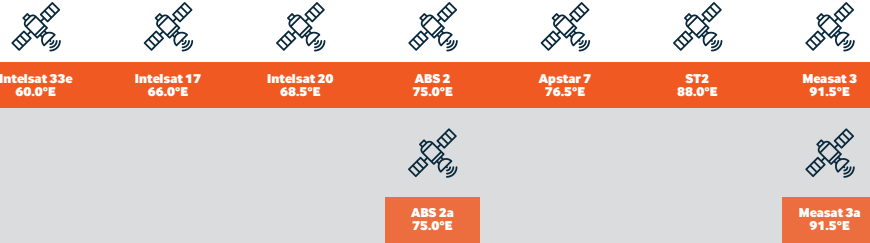
Scan QR code to view TM Interactive coverage map

SUBMARINE CABLE SYSTEM

<p>Southeast Asia</p> <ul style="list-style-type: none"> AAG SEA-ME-WE-3 	<p>Asia Pacific</p> <ul style="list-style-type: none"> AAG SEA-ME-WE-3 	<p>Europe</p> <ul style="list-style-type: none"> FLAG 	<p>North America</p> <ul style="list-style-type: none"> AAG FLAG 	<p>Indian Subcontinent</p> <ul style="list-style-type: none"> BBG FLAG 	<p>Middle East</p> <ul style="list-style-type: none"> BBG FLAG 	<p>Africa</p> <ul style="list-style-type: none"> FLAG 	<p>Oceania</p> <ul style="list-style-type: none"> SEA-ME-WE-3 	<ul style="list-style-type: none"> APCN2 SEA-ME-WE-4 SEA-ME-WE-5 SEA-ME-WE-3 SEA-ME-WE-4 SEA-ME-WE-5 SEA-ME-WE-3 SEA-ME-WE-4 SEA-ME-WE-5 SEA-ME-WE-3 SEA-ME-WE-4 SEA-ME-WE-5 	<ul style="list-style-type: none"> BBG SEA-ME-WE-5 SEA-ME-WE-3 SEA-ME-WE-4 SEA-ME-WE-5 SEA-ME-WE-3 SEA-ME-WE-4 SEA-ME-WE-5 SEA-ME-WE-3 SEA-ME-WE-4 SEA-ME-WE-5 	<ul style="list-style-type: none"> BDM BRIGHT CAHAYA MALAYSIA DMCS FLAG MCT MDSCS NUGATE SAT3-WASC-SAFE SKRM JUSCN SEA-ME-WE-3 SEA-ME-WE-4 SEA-ME-WE-5 SEA-ME-WE-3 SEA-ME-WE-4 SEA-ME-WE-5 SEA-ME-WE-3 SEA-ME-WE-4 SEA-ME-WE-5
--	--	--	--	--	--	--	--	--	---	--

WHERE WE OPERATE

International & Domestic Infrastructure & Trunk Fibre Optic Network



MAP ITEM

- Trunk Cable
- Satellite
- International Cable Landing Station
- Malaysian Domestic Submarine Cable System (MDSCS)
- Lumut to Pangkor Island
- International Submarine Cable System
- Earth Station
- Domestic Cable Landing Station
- Sistem Kabel Rakyat Malaysia (SKRM)
- Rompin to Tioman Island
- Trunk Connectivity to International
- Trunk Node
- TM PoPs
- Kuala Besut to Perhentian Island

WHERE WE OPERATE



NSS 6
95.0°E



Asiasat 5
100.5°E



Asiasat 7
105.5°E



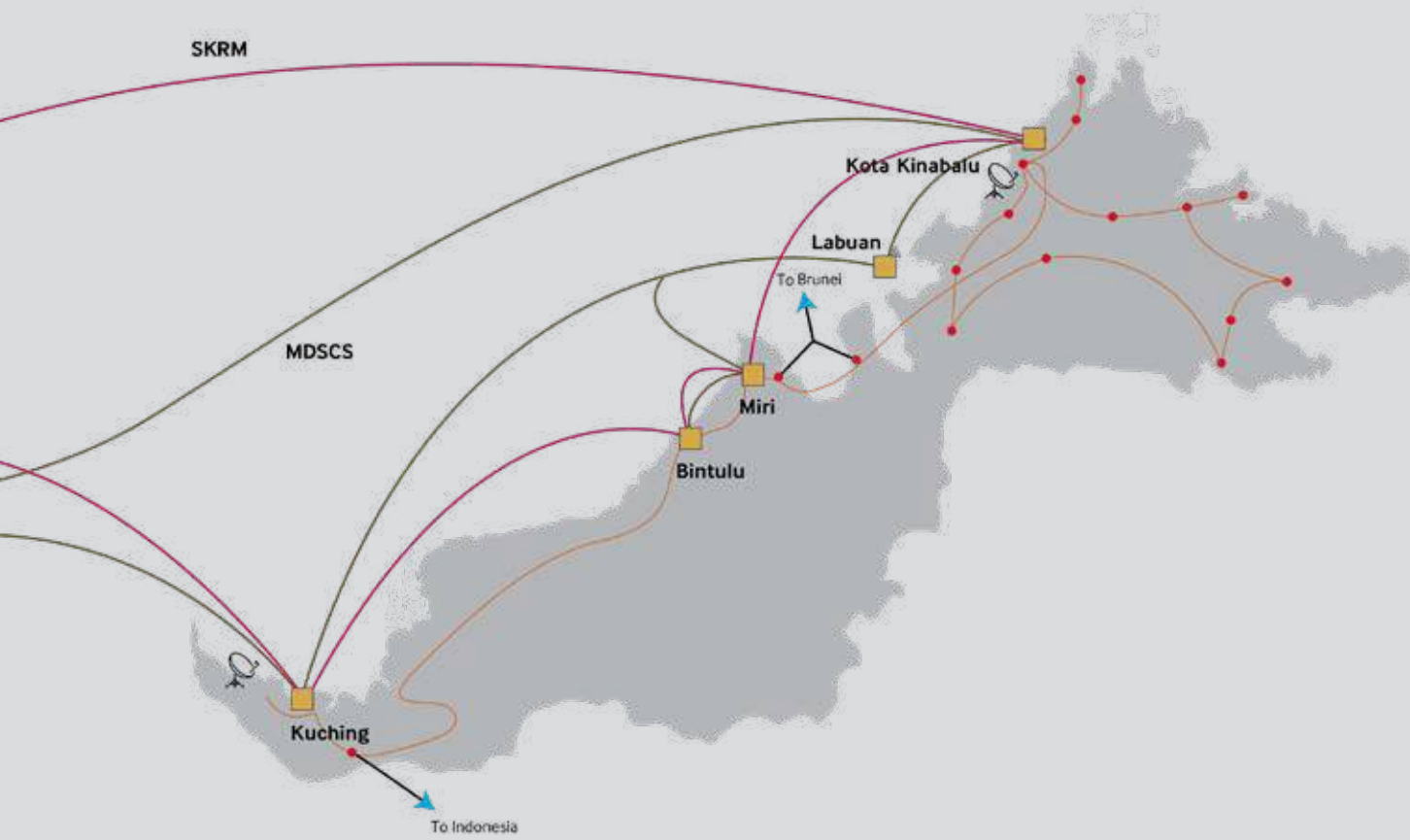
Telstar 18
138.0°E



Apstar 9
142.0°E



Intelsat 19
166.0°E

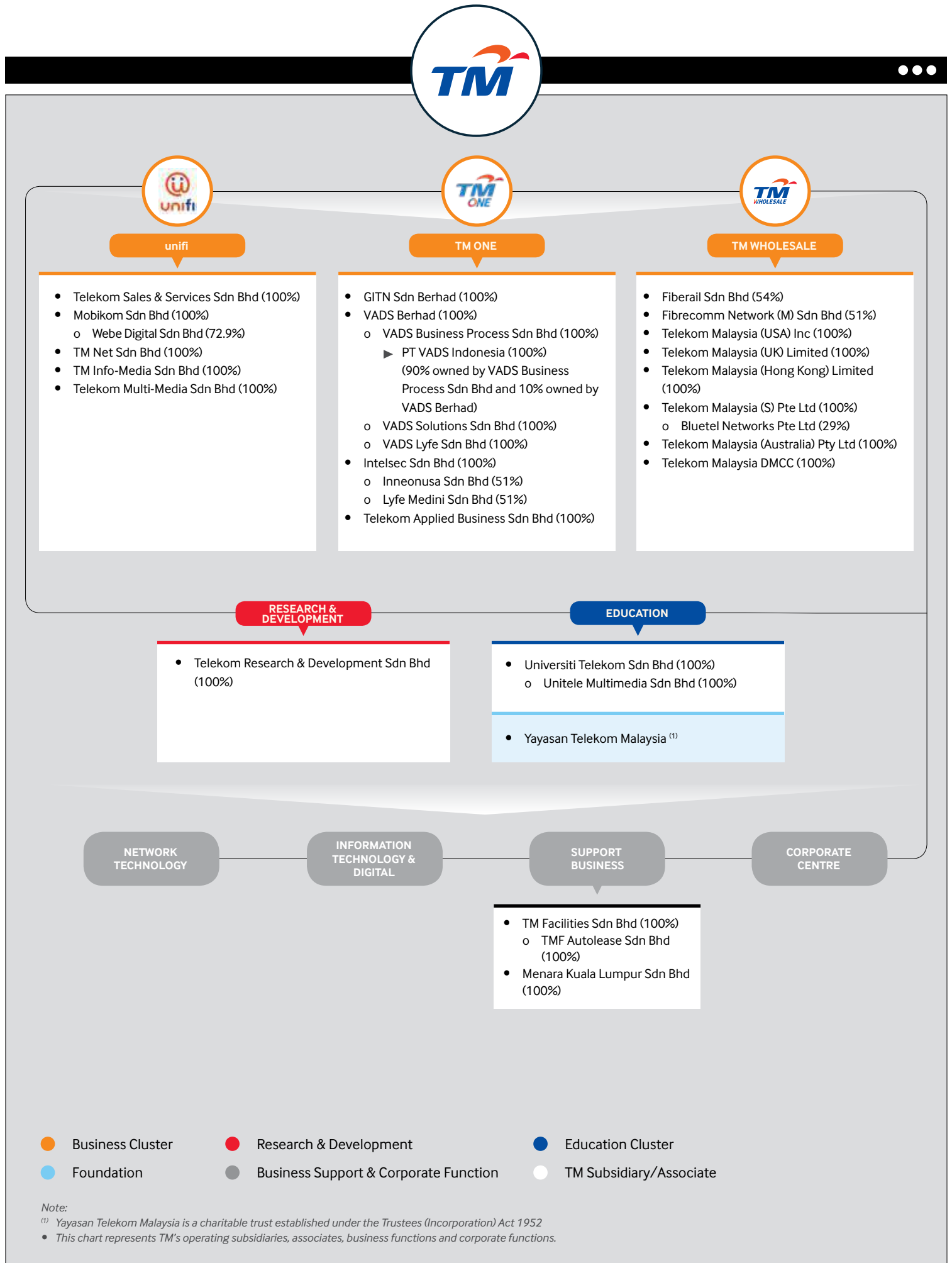


International
4
Cable Landing Stations

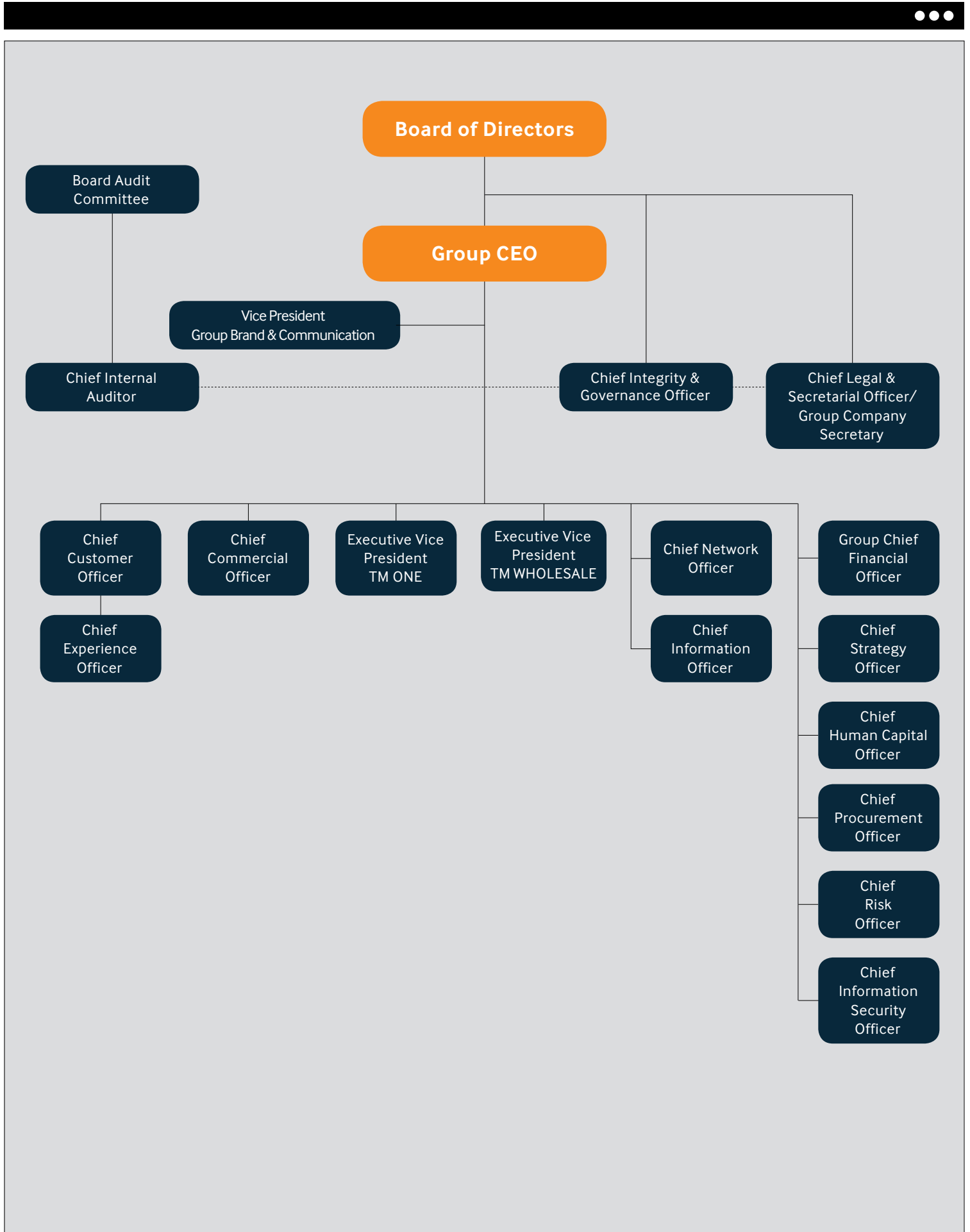
Domestic
7
Cable Landing Stations

Domestic
9
Point-of-Presence (PoPs)

GROUP CORPORATE STRUCTURE



GROUP ORGANISATION STRUCTURE



CORPORATE MILESTONES 2019

JANUARY



#TM REBUILDS AND EQUIPS ITS ADOPTED SCHOOL

TM donated RM13,000 to Sekolah Menengah Kebangsaan (SMK) Medamit, Limbang, Sarawak, one (1) of its adopted schools, after their administration building was destroyed in a fire. The contribution was made to help the school rebuild and recover from the damages, as well as purchase necessary equipment and supplies.



#MINISTER OF COMMUNICATIONS AND MULTIMEDIA PAYS A VISIT TO THE HEART OF THE NATION'S NETWORK OPERATIONS

TM received an official visit from YB Tuan Gobind Singh Deo, the Minister of Communications and Multimedia (KKMM) to its Network Operation Centre (NOC) in Cyberjaya. This was a meaningful moment as NOC is the heart of the nation's network operations, and it was a privilege to enlighten YB Tuan Gobind on TM's pivotal role in delivering seamless connectivity to all Malaysians. The minister also engaged with network team members, who form the backbone of TM's network operations.



#unifi SET TO BRING MORE #khabarbaik NEWS IN 2019

TM announced its 2019 plans through its #khabarbaik movement, which aims to deliver good news to Malaysians nationwide. Through the movement, TM continues to serve the nation with competitive product offerings and personalised customer experience.

FEBRUARY



#WARGA TM WELCOMES MINISTER OF COMMUNICATIONS AND MULTIMEDIA FOR INAUGURAL OFFICIAL VISIT TO TM HEADQUARTERS

YB Tuan Gobind Singh Deo, Minister of KKMM, made his first official visit to Menara TM. He shared his aspirations for the telecommunications industry, as well as the pivotal role TM can play in the development of Malaysia's digital economy. The hard work of Warga TM was also recognised, with the minister presenting HERO of the Year Awards for three (3) categories – Frontliners, Unsung Heroes and Special Awards. The award winners were selected based on their outstanding contributions in going the extra mile to serve and to make life easier for TM customers.



#TM RECORDED A GROUP REVENUE OF RM11.82 BILLION FOR FY2018

TM faced persistent headwinds in the operating landscape throughout 2018. The Group recorded a revenue of RM11.82 billion for FY2018.

MARCH



#TM BECOMES THE 1ST MALAYSIAN TELCO TO RECEIVE ISO 45001:2018 CERTIFICATION FOR ITS OSHE MANAGEMENT SYSTEM

TM received the ISO 45001:2018 certification, the world's first International Standard for Occupational Health and Safety Management System (OHSMS) from NIOSH Certification Sdn Bhd (NCSB). The Group is the first telecommunication company in Malaysia to be awarded this certification. The standard, which is globally recognised, demonstrates TM's robust occupational health and safety management system. The latest version of this standard is designed to further improve employee safety, reduce workplace risks and accommodate health and safety challenges related to increased global trade.



#unifi SHOWCASES MALAYSIA'S FIRST TDD PRE-5G WIRELESS TECHNOLOGY

unifi showcased the capability of Malaysia's first Time Division Duplex (TDD) pre-5G wireless technology at SetiaWalk in Puchong, Selangor. The technology is part of unifi's journey in powering a Digital Malaysia with 5G.



#TM ONE AND DIGITAL JOHOR EMPOWER JOHOR WITH JASS SMART APPLICATION

TM ONE collaborated with Digital Johor Sdn Bhd (Digital Johor), a subsidiary of Kumpulan Prasarana Rakyat Johor Sdn Bhd, to officially launch the 'Jendela Aplikasi Servis dan Solusi' (JASS) smart application. The app is designed to support the digital lifestyle of local communities as well as tourists, as part of the State Government's effort to digitalise Johor.

CORPORATE MILESTONES 2019

APRIL



#TM ONE UNVEILS ITS LATEST STATE-OF-THE-ART KLANG VALLEY CORE DATA CENTRE

TM ONE officially unveiled its latest data centre – Klang Valley Core Data Centre (KVDC) located at the global technology hub of Cyberjaya. The KVDC is a carrier-neutral and green data centre, which serves as a regional hub in providing high-value managed services. These include cloud computing, virtualisation, workspace and collaboration services. The new data-centre complies with various certifications and standards, including Tier III in design and constructed facility by Uptime Institute; Threat, Vulnerability and Risk Assessment (TVRA); ISO 27001; and Payment Card Industry – Data Security Standard (PCI-DSS).

MAY



#unifi TAPPING INTO YOUTH MINDS TO DELIVER MORE #khabarbaik

unifi organised its first-ever 'Hackathon', tapping into young talents to create innovative ideas in resolving pain points and enhancing customer experience. The 24-hour, non-stop challenge was held at Multimedia University (MMU), involving over 110 students from 13 universities nationwide. The participants had different backgrounds of expertise, with coders, hackers and designers competing to build innovative and practical digital solutions to be adopted and implemented by unifi.

MAY (CONTINUED)



#MINISTER OF COMMUNICATIONS AND MULTIMEDIA SHARES JOY OF RAMADAN WITH WARGA TM

YB Tuan Gobind, accompanied by TM senior management team distributed around 200 containers of sumptuous *bubur lambuk* to Warga TM. The minister also visited TM Customer Contact Centre to meet the Company's frontliners, including its digital customer service agents. They work on shifts and were pleasantly surprised to interact with the Minister and receive special *buka puasa* meals from him.



#TM AND PDRM ONCE AGAIN JOIN FORCES TO ENSURE A SAFE AND PLEASANT RAYA CELEBRATION FOR ALL

TM continued its collaboration with Polis DiRaja Malaysia (PDRM) for community safety and security. In conjunction with the upcoming Hari Raya Aidilfitri celebration, the team launched the annual safety campaign "Op Selamat 15/2019" with the theme "Rumah Selamat, Selamat Sampai ke Destinasi". The campaign aimed to remind the public of proper and courteous driving etiquette, as well as be alert of any break-in attempts in their neighbouring community.

MAY (CONTINUED)



#TM OBTAINS SHAREHOLDERS' APPROVAL TO RESOLUTIONS TABLED AT 34TH ANNUAL GENERAL MEETING

TM concluded its 34th Annual General Meeting (AGM) with 13 out of 14 resolutions duly approved by its shareholders. More than 4,300 shareholders attended the AGM, which was held at Menara TM. The Group will continue with the next phase of transformation, guided by TM's enhanced Performance Improvement Programme (PIP) 2019 to 2021. This involves simplifying the way of working and keeping up with fast changes to focus on three (3) key areas; customers, business and people.



#TM PIP2019-2021 ON TRACK

TM recorded a revenue of RM2.78 billion in the first quarter of 2019. Revenue challenges continued to persist into the first quarter of 2019, with intensifying competition and price erosion. However, the implementation of various initiatives under TM's PIP2019-2021 yielded positive results with improved operational efficiency and increased profitability recorded.

CORPORATE MILESTONES 2019

JUNE



#TM ANNOUNCES THE APPOINTMENT OF DATO' NOOR KAMARUL ANUAR NURUDDIN AS NEW MANAGING DIRECTOR (MD)/ GROUP CHIEF EXECUTIVE OFFICER (GCEO)/EXECUTIVE DIRECTOR (ED)

TM's new GCEO, Dato' Noor Kamarul, has over 34 years of experience in managing telecommunication networks and services in Malaysia and Indonesia, specialising on fixed network, mobile network and mobile broadband services. He has led the strategy, planning and implementation of a range of projects, including Greenfield network, 3G, 4G and the merger of cellular networks.



#TM COLLABORATES WITH HUAWEI TO ACCELERATE DIGITAL TRANSFORMATION OF ENTERPRISE AND PUBLIC SECTORS IN MALAYSIA

TM ONE signed a Memorandum of Collaboration (MoC) with Huawei, outlining the various initiatives between the two (2) parties to promote innovation, develop go-to-market strategies, enhance skills and capabilities, and improve each other's products and services. This collaboration was based on a long-term mutual trust between the both parties and more importantly, complement technology capabilities and strategy in the enterprise business market. Huawei will leverage its advanced technologies such as cloud computing, Big Data, IoT, and AI, to complement TM ONE's venture into the market.

JULY



#TM AND YAYASAN CORAL MALAYSIA IN 3RD CORALS MALAYSIA INCUBATOR PROGRAMME THAT AIMS TO PRESERVE MARINE ECOSYSTEM

In collaboration with Terengganu State Government, Department of Fisheries (DoF) and Yayasan Coral Malaysia (YCM), TM embarked on the Corals Malaysia Incubator 2019 programme for the third year running. The Group's Corporate Responsibility (CR) initiative aims to increase public awareness on environment preservation and marine ecosystem sustainability through coral propagation.



#unifi ENHANCES CUSTOMER EXPERIENCE WITH COUNTRY'S FIRST INTEGRATED, DIGITAL APP – myunifi FOR CONSUMER AND BUSINESS

unifi continued to accelerate digital innovation by delivering more #khabarbaik to its customers with the introduction of the country's first all-in-one new digital application: myunifi, for both consumer and business markets. myunifi aims to provide customers with a hassle-free experience and peace of mind in managing their unifi account. The app comes with features like 24-hour installation, 24-hour live chat support, zero no-show assurance and more convenient payment options.



#TM BRINGS DIGITAL LEARNING TO ITS ADOPTED SCHOOL IN MELAKA

With a mindful role in nation-building, TM added Sekolah Menengah Kebangsaan (SMK) Paya Rumput, Melaka to its list of adopted schools under the TM School Adoption programme. In collaboration with PINTAR Foundation, the programme continues to bring the latest in teaching and learning solutions via seamless broadband connectivity for the adopted schools. This programme will facilitate SMK Paya Rumput in achieving the Transformasi Sekolah Programme by 2025 (TS25), as aspired by the Minister of Education.

JULY (CONTINUED)



#BETTER INTERNET EXPERIENCE FOR STREAMYX AND unifi CUSTOMERS NATIONWIDE

With the successful speed upgrade of over 973,000 unifi customers, TM submitted a plan to KKMM and MCMC to address the remaining 934,000 Streamyx and unifi customers awaiting to increase overall coverage and internet quality. TM will be addressing the copper network challenges via various technologies, such as fibre and wireless in a network rollout involving phased customer migration. This will allow 70% of these customers to enjoy the unifi services by end of 2020.

AUGUST



#unifi1 BRINGS #khabarbaik WITH UNVEILING OF unifi AIR AND unifi LITE

unifi unveiled unifi Air – the latest in wireless high-speed broadband – as one of many solutions to elevate the internet experience of existing Streamyx customers residing in LTE coverage areas. Customers eagerly waiting for higher broadband speed were migrated to unifi Lite from September 2019 onwards. unifi Air is an upgrade to TM's existing services and is offered from as low as RM79/month, thus boosting Internet accessibility for Malaysians. The new service is powered by a quick and easy plug-and-play wireless modem that connects up to 64 devices with an average speed of 20Mbps. This will be made available to over 35,000 homes across 28 LTE areas nationwide.

CORPORATE MILESTONES 2019

AUGUST (CONTINUED)

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#TM ONE SHIFTS TO HIGHER GEAR WITH THE LAUNCH OF ITS 10 TRANSFORMATIVE SMART SOLUTIONS

TM ONE launched ten (10) transformative smart solutions (10T) at the Smart Industry Showcase, marking an exciting milestone in boosting Malaysia's Digital Nation status. By continuously developing and delivering digital solutions enabled by IoT, Big Data Analytics and AI, TM will fulfil the dynamic needs of various industries in today's hyper-connected ecosystem. Smart Industry Showcase is an avenue for TM to demonstrate its ability as an enabler of Digital Malaysia, towards a more Digital Society, Digital Business and Digital Government through digital solutions and connectivity services. 10T comprises of four (4) clusters – Connected City and Living Solutions, Connected Factory Solutions, Connected Utilities Solutions and Connected Agriculture Solutions

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#TM PERFORMANCE FOR 1H2019

TM earned a revenue of RM5.55 billion in 1H2019. The Group's cost optimisation efforts continued to show results and TM will keep the momentum on profitability going whilst navigating the challenges on revenue through stronger focus on customers.

SEPTEMBER

06



#TM IS A ROLE MODEL FOR GLCs TO ESTABLISH GROUP INTEGRITY AND GOVERNANCE

TM upholds its commitment to integrity as a GLC by establishing Group Integrity and Governance (GIG). This is in line with Malaysian Anti-Corruption Commission's (MACC's) Strategic Plan of Integrity and Governance Unit (IGU) 2019 – 2021. The GIG team was set up to instil a culture of Uncompromising Integrity within TM, which aligns with the National Anti-Corruption Plan to strengthen corporate governance and business ethics. GIG will focus on handling internal investigations comprehensively, managing complaints and information provided by whistle blowers thoroughly, as well as conducting programmes to increase awareness of ethics and integrity. The event also acted as a platform for the launching of the Strategic Plan of IGU 2019 – 2021 by MACC, which comprises of four (4) main components: Infrastructure, Transparency, Initiatives and Reporting.

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#FIBERAIL AND EDOTCO COLLABORATE FOR TELCO-NEUTRAL WIRELESS INFRASTRUCTURE ALONG RAILWAY CORRIDORS

Fiberail Sdn Bhd (Fiberail) and edotco Group Sdn Bhd (edotco) are collaborating to provide telco-neutral wireless infrastructure services in Malaysia towards improving coverage, thus enabling the IoT and other smart services solutions. Through this collaboration, both parties will work closely to explore opportunities towards deploying telco-neutral wireless infrastructure along Keretapi Tanah Melayu Berhad (KTMB)'s railway corridor, allowing Mobile Network Operations (MNOs) to expand coverage services to suburban areas. Fiberail will provide bandwidth connectivity and centralised cabin for the mobile operators' equipment, while edotco will erect and manage telecommunication smart towers and poles along the railway corridor.

SEPTEMBER (CONTINUED)

25



#TM HELPS SK BANGSAR STUDENTS FACE THE HAZE WITH N95 RESPIRATORY MASKS

As part of TM's responsibility towards surrounding communities, the Group distributed 1,000 pieces of N95 respiratory masks to students of Sekolah Kebangsaan (SK) Bangsar located nearby Menara TM. This small yet meaningful contribution highlights TM's concern on the well-being of surrounding stakeholders in which it serves.

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#SMK ARAU GRADUATES FROM TM ADOPTED SCHOOL PROGRAMME

TM held a closing ceremony to mark the end of the 3-year adoption period with SMK Arau. The Group adopted the school in August 2016, under the fifth phase of TM School Adoption Programme in collaboration with PINTAR Foundation. The programme aimed to improve the academic performances of its adopted schools, as well as establish a strong foundation for a digital workforce in meeting future challenges, which include IR4.0.

CORPORATE MILESTONES 2019

SEPTEMBER (CONTINUED)



#UniSZA EMBARKS ON A DIGITAL TRANSFORMATION JOURNEY WITH TM ONE DEDICATED PREMIUM NETWORK CONNECTIVITY

TM ONE will deliver dedicated and seamless connectivity to University Sultan Zainal Abidin's (UniSZA's) campuses in Gong Badak, Tembila Campus in Besut and its medical campus in Kuala Terengganu via its Internet Protocol Virtual Network (IPVPN) service. The enhanced connectivity will provide faster online access, hence enriching the Internet experience for the campus community of more than 13,000 students. This will allow campus administrators, academicians as well as students to connect with the other campuses faster and more efficiently.

OCTOBER



#Digi and TM GLOBAL collaborate to provide more connectivity options across Malaysia

Digi and TM GLOBAL formalised a collaboration to improve the internet reachability nationwide. Under this collaboration, both parties will leverage their core expertise and capabilities for the benefit of Malaysians through three (3) major business arrangements. Firstly, they will utilise Sistem Kabel Rakyat Malaysia (SKRM), an inter-region submarine cable system that was jointly developed under a Public-Private Partnership (PPP) collaboration between TM and MCMC. Digi will also optimise the use of more than 7,000 TM's hotspots nationwide providing Wi-Fi connectivity to the public, complementing users' needs for internet access on the move. Finally, TM GLOBAL and Digi will provide last-mile connectivity at Kampung Mat Daling, Pahang, another project under the Universal Service Provision (USP) initiative that involves network fiberisation by TM.

OCTOBER (CONTINUED)



#OUM AND TM ONE SIGN MEMORANDUM OF UNDERSTANDING TO ESTABLISH HYPERCONNECTED DIGITAL ECOSYSTEM

The MoU between Open University Malaysia (OUM) and TM aimed to deliver four (4) clusters of digital transformation encompassing mobile connectivity: unifi Mobile packages for students and administration staff; smart services solution through Smart Campus Management; scalable ICT solutions via TM cloud services; and TM ONE Collaboration tools for unified communication solutions. The services will enable OUM to optimise its operational costs and improve its energy efficiency. These smart solutions will also encourage more engagement and interactions between the OUM campus community, whilst providing enhanced students' and visitors' experience at OUM.



#TM ONE AND UMW SIGN MEMORANDUM OF INTENT TO EMBARK ON CO-DEVELOPMENT OF DIGITAL SOLUTIONS FOR INDUSTRIES IN MALAYSIA

TM ONE and UMW Corporation Sdn Bhd (UMW) are collaborating on joint research activities to enable the development of a home-grown Industrial IoT platform. This is done through the integration of UMW's IoT solution on industrial machines with TM ONE's IoT Software Platform. The two (2) parties will co-develop IoT-based digital solutions using respective expertise: UMW in mechanical machines, IoT sensors and control systems; and TM ONE with its IoT software and analytics.

OCTOBER (CONTINUED)



#TM AND HUAWEI COLLABORATE TO ACCELERATE 5G COMMERCIALISATION IN MALAYSIA

TM and Huawei are leveraging each other's core expertise to explore a working mechanism covering spectrum, business case, ecosystem and key technologies. This would include collaborating for a joint study on 5G spectrum and its evolution; joint development of new services concepts and business case of selected 5G use cases which include but not limited to Fixed Wireless Access (FWA), Smart Cities and Vehicle-to-Vehicle (V2X) or Vehicle-to-Infrastructure joint study in the areas of 5G Ecosystem Innovation; and explore future cooperation on full-fledged 5G end-to-end system. The working group will also be set up to identify areas of copper line services with the aim of improving customer experience through FWA technology and/or services.

NOVEMBER



#1,300 RUNNERS TAKE PART IN 1ST EVER YAYASAN TM (YTM) INTERNATIONAL TOWER RUN 2019

YTM organised the Yayasan TM International Tower Run 2019 at Menara TM, Kuala Lumpur to celebrate its 25th Anniversary. This inaugural event, co-organised together with JomRun Sdn Bhd was the first-ever Individual Flag Off Tower-Running Event in Malaysia. The event has made its mark with a total participation of over 1,300 runners from all around the world. As a charity-based event, Yayasan TM International Tower Run 2019 received tremendous support with more than RM140,000 raised from the participation fees, corporate sponsorship from generous sponsors, as well as individual contributions. The funds raised will be used to help less fortunate, deserving students to overcome their financial setbacks towards improving their academic performance.

CORPORATE MILESTONES 2019

NOVEMBER (CONTINUED)

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#TM COLLABORATES WITH BINTANG URUSJUTA FOR THE FIRST DIGITAL HOME IN MELAKA

In collaboration with Bintang Urusjuta, Taman Anjung Gapam Melaka has been recognised as the first housing project in Melaka to enjoy digital home smart solutions through high-speed broadband connectivity. These digital home solutions will allow surrounding homeowners to enjoy high-speed internet access, along with other digital services such as unifi TV, Digital Home Hub, Security Warning System, Smart Plug and Sensor Movement through its dedicated digital application. TM will also implement other digital solutions such as traffic management system, street light system, city-wide surveillance system and parking system.

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#TM EXHIBITS ITS CR INITIATIVES AT TM CORPORATE RESPONSIBILITY SHOWCASE 2019

TM organised its inaugural TM Corporate Responsibility Showcase 2019 to demonstrate how its CR initiatives can create opportunities towards establishing a Sustainable Digital Nation. At the event, TM promoted digital activation through myENSANI, a digital charity platform powered by the Group that allows users to participate in CR-related activities via fund raising contributions and coral adoption towards promoting a Digital Society and the Digital Economy. There were also interesting sharing sessions with experts in their respected fields, demo of Science, Technology, Engineering and Mathematics (STEM) application by school students, sales of traditional kampung food by entrepreneurs enrolled under TM's Program Usahawan Wanita 4.0 (PUW 4.0) and #cleanasyougo recycling activities.

NOVEMBER (CONTINUED)

26

#TM REPORTS OPERATIONAL IMPROVEMENT FOR 3Q 2019 AMIDST CHALLENGING ENVIRONMENT

TM recorded a revenue of RM8.40 billion in the third quarter of 2019. Overall, in 3Q 2019 the Group saw continued improvements in its fundamentals. The cost management initiatives under TM's PIP carried out since last year continued to yield results with profitability improvement. The Company has managed to keep a closer eye on its operational efficiencies to deliver sustained profitability with lower YTD OPEX/revenue.

DECEMBER

05



#TM AND OYO MALAYSIA COLLABORATE TO PROVIDE GUESTS WITH AN ENHANCED CONNECTED STAYING EXPERIENCE

OYO Malaysia and TM formalised a commercial and marketing arrangement, thus extending the companies' existing working relationship to benefit more local as well as foreign travellers. TM will provide a full suite of unifi services, including high-speed broadband access, unifi TV and unifi Mobile, enabling patrons of OYO to experience a seamless broadband and entertainment experience. The Group will also provide dedicated customer and technical teams for round-the-clock support at OYO'S locations to ensure business and service continuity. On the other hand, OYO Malaysia will offer special promos for TM customers staying at OYO establishments through TM Rewards.

DECEMBER (CONTINUED)

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#TM ONE AND MPSJ EMBARKS ON 5G DEMONSTRATION PROJECT IN SUBANG JAYA

TM ONE and Majlis Perbandaran Subang Jaya (MPSJ) signed an MoC for the deployment of three (3) 5G-enabled use cases: Smart Traffic Light, Smart Parking and Smart Safety & Security solutions. The use cases were deployed at SS15, Subang Jaya as part of the 5GDP undertaken by MCMC.

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#CHAIRMAN OF MALAYSIAN COMMUNICATIONS AND MULTIMEDIA COMMISSION PAYS A VISIT TO TM'S 5G USE CASES IN LANGKAWI

TM was honoured with an official working visit by Al-Ishsal Ishak, Chairman of MCMC to study TM's 5G use cases in Langkawi, Kedah. During the visit, Al-Ishsal and his delegates experienced TM's 5G use cases which include UNESCO 8K Virtual Reality (VR) at Langkawi International Airport (LIA) as well as observed TM's 5G network, smart and innovative solution operations centre at its Integrated Operations Command Centre (IOCC) or also known as TM 5G Command Centre (5GCC). The entourage was also briefed on TM's capabilities and readiness to deploy 5G network solutions as well as how the Group can power the Government's Digital Malaysia aspirations through its innovative products and solutions.

TM IN THE NEWS

<http://www.tm.com.my/TMinTheNews>

MMU produces ready workforce

A significant number of graduates from MMU are ready to enter the workforce, according to a survey conducted by the Ministry of Education (MOE). The survey, which was conducted in 2019, found that 85% of graduates from MMU are ready to enter the workforce, compared to 75% for other universities.

The survey also found that graduates from MMU are more likely to be employed in the private sector, compared to other universities. This is due to the fact that MMU has a strong focus on providing practical training to its students, which makes them more attractive to employers.

MMU's success in producing a ready workforce is attributed to its strong focus on providing practical training to its students. The university has a number of industry partnerships, which allows it to provide its students with real-world experience. This, in turn, makes its graduates more employable.

Program Usahawan Wanita TM bantu perluas perniagaan

TM bantu perluas perniagaan

Peserta diajar urus, reka bentuk data bisnes lebih sistematik

TM has launched a new program to help women entrepreneurs expand their businesses. The program, called the 'Program Usahawan Wanita', provides participants with training in business management and data analysis. The program is designed to help women entrepreneurs improve their business operations and make more informed decisions.

The program is a free initiative by TM, and it is open to all women entrepreneurs in Malaysia. Participants will receive training in various areas, including business planning, marketing, and data analysis. The program is expected to help women entrepreneurs grow their businesses and create more jobs.

STREAMYX RATES SLASHED

From September, existing customers pay only RM69 monthly for 8Mbps package

UPSTN has announced a significant reduction in Streamyx rates for its 8Mbps package. Starting from September, existing customers will only pay RM69 per month for the package, down from RM79. This move is part of UPSTN's commitment to providing affordable and reliable internet services to its customers.

The 8Mbps package is one of the most popular options among Streamyx customers, and the price reduction is expected to attract more users. UPSTN also offers other packages with varying speeds and prices, all designed to meet the needs of different customer segments.

Kalua dahulu segala data direkodkan dalam buku tetapi sekarang semuanya di hujung jari. Siapa sangka kedai sekecil ini mempunyai sistem rehad yang cukup dan melibatkan pengurusan perniagaan.

Perdagangan has introduced a new system for recording business data. The system, which is called 'Perdagangan', allows businesses to record all their transactions in a digital format. This makes it easier for businesses to manage their finances and track their performance.

The system is designed to be user-friendly and easy to use, even for small businesses. It provides a comprehensive overview of a business's financial data, including sales, expenses, and profits. This information can be used to make more informed decisions and improve business operations.

TM, Huawei jalin kerjasama 5G

Fokus rekaan infrastruktur dalam Program Ujian Kebolehoperasian di Langkawi, Kedah

TM yang mendapat sokongan pakar Huawei turut mempersiapkan jaringan 5G di Langkawi sebagai pusat inkubasi

TM and **Huawei** have announced a strategic partnership to develop and roll out 5G networks in Malaysia. The partnership focuses on infrastructure design and implementation, particularly in the areas of Langkawi and Kedah. This collaboration is part of TM's 5G rollout strategy and aims to accelerate the deployment of 5G services in the country.

The partnership will involve joint efforts in network planning, equipment procurement, and testing. TM will leverage Huawei's expertise in 5G technology and infrastructure to build a robust and scalable 5G network. This network will serve as a platform for various 5G applications and services, including enhanced mobile broadband, ultra-reliable low-latency communications, and massive machine-type communications.

TM, Digi collaborate in 5G rollout demo

PETALING JAYA: National telecommunications giant Telekom Malaysia Bhd (TM) and mobile service provider Digi.com Bhd will be collaborating to test out 5G network sharing for the 5G Demonstration Project (5GDP) rollout in Langkawi.

In a joint statement, both companies said the partnership, involving TM and Digi Telecommunications Sdn Bhd, would see them working together in testing the capabilities, possibilities and limitations of 5G network sharing between multiple network service operators during the 5GDP period.

Both parties were also exploring 5G Radio Access Network (RAN) sharing in Langkawi, delivery of 5G services nationwide.

"We aspire to not only enable the ecosystem but also plan to be a neutral partner for industry players and collaboration partner towards serving a more digital society and lifestyle, digital businesses and industry verticals, as well as digital government," he said.

Meanwhile, Digi CEO Albert Murty said the group's partnership with TM was in line with its commitment to build a robust 5G ecosystem with the industry.

"We have always viewed partnerships as a positive way to deliver efficient and wide spread access to Malaysians, and work is well under way with several of Digi's use case tri

TM IN THE NEWS

MMU, Kedutaan Amerika Syarikat jalin kerjasama

Kuala Lumpur: Bagi memberi peluang kepada mahasiswa menonjolkan dan mengembangkan bakat dalam industri perfileman, Universiti Multimedia (MMU) Cawangan Educity di Iskandar Puteri, Johor dan Kedutaan Amerika Syarikat menjalin kerjasama melalui Pameran Filem Amerika.

Perasmian pameran yang berlangsung sehari di Fakulti Seni Sinematik MMU itu, disempurnakan wakil Kedutaan Amerika Syarikat, Sarah Talalay.

Dekan Fakulti Seni Sinematik MMU Educity, Amir Shahlan Amiruddin, berkata pameran itu mempromosikan tujuh filem

pendek hasil karya mahasiswa tahun akhir fakulti terbabit dan lima filem pendek dari Amerika Syarikat.

"Pameran ini antara usaha MMU untuk menonjolkan bakat mahasiswa kami, terutama membabitkan bidang penerbitan dan perfileman sebagai persediaan kepada mereka menceburi kerjaya sebenar bidang berkenaan."

"MMU juga menjalinkan kerjasama ini bagi membantu mempromosikan hasil karya mahasiswa melangkaui negara, terutama ke rantau Asia yang menyaksikan perkembangan menggalakkan bidang penerbitan

dan perfileman," katanya di sini, baru-baru ini.

Pendedahan terbaik
Amir Shahlan berkata, kerjasama itu adalah permulaan perancangan disusun MMU dan Kedutaan Amerika Syarikat yang pada masa depan menyasarkan promosi ke beberapa negara, antaranya Singapura, Indonesia, Vietnam, Thailand dan Brunei.

Sementara itu, Sarah berkata, pameran itu memberi pendedahan terbaik kepada mahasiswa untuk mengetahui proses filem dan dokumentari menarik dihasilkan penerbit serta pengarah.



Pameran filem Amerika Syarikat antara usaha MMU

Katanya, mahasiswa dapat memperoleh ilmu dan kemahiran penting mengenai bidang diceburi, sekali gus menggalakkan

perkembangan industri berkaitan.

"Pada program ini, mahasiswa turut berpeluang mengikuti sesi soal jawab

yang diadakan melalui aplikasi media sosial bersama penerbit dan pengarah filem pendek dari Amerika Syarikat," katanya.

TRAFFIC LIGHT, PARKING AND SAFETY SOLUTIONS

5G INITIATIVE IN SUBANG JAYA

MPSJ collaborates with TM One to deploy 3 use cases in SS15 in push to become smart city by 2030

AZANIS SHAHILA AMAN
PETALING JAYA
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man Rosli Man yesterday.

MPSJ president Noraini Rosalan said the council planned to install more than 100 high-tech closed-circuit television (CCTV) cameras at the SS15 commercial area start-



Memorandum Kolaborasi Bagi Projek Demo 5G di SS15, Petaling Jaya

TM, U Mobile team up to test 5G network sharing

Under the partnership, both parties will be exploring several models

KUALA LUMPUR: Telekom Malaysia Bhd (TM) and U Mobile Sdn Bhd have teamed up to explore network-sharing opportunities using TM's 5G (fifth-generation) Demonstration Project (5GDP) Langkawi network as the platform.

Under the partnership, both parties will be exploring several network infrastructure-sharing models such as multi-operator core, node or multi-operator radio access network, the



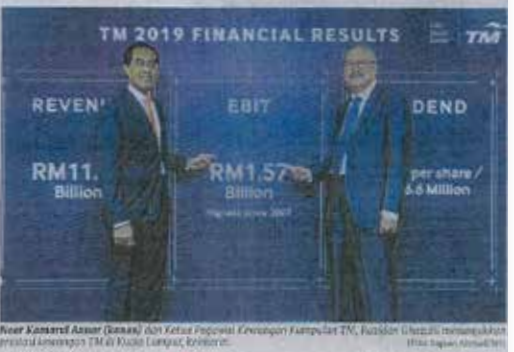
Before the spectrum is available later in the year, the two cos are now running 5G live trials while upgrading their core networks. TM has already signed up several use cases under the project undertaken by the Communications and Multimedia Commission in 2017.

Untung bersih TM melonjak 400 peratus

Telekom Malaysia Bhd (TM) melaporkan keuntungan bersih RM1.57 bilion bagi tahun kewangan berakhir 31 Disember 2019, meningkat lebih 400 peratus berbanding RM362.5 juta yang direkodkan tahun sebelumnya.

Pendapatan antara lain utamanya diimbangkan oleh perolehan pendapatan dari penjualan 10.9 peratus kepada RM11.6 bilion manakala perolehan operasi lain meningkat dari RM1.1 bilion kepada RM1.57 bilion.

Keuntungan bersih ini menunjukkan peningkatan yang signifikan berbanding dengan tahun sebelumnya. Peningkatan ini adalah hasil daripada peningkatan pendapatan operasi dan pengurangan beban operasi.



TM terima sijil pertama di dunia bagi OHSM

PENSIJILAN: Telekom Malaysia Bhd (TM) disempurnakan dengan pensijilan ISO 45001:2018, sijil pawaian antarabangsa pertama di dunia bagi Sistem Pengurusan Kesihatan dan Keselamatan Pekerjaan (OHSM) daripada NIOSH Certification Sdn Bhd (NCSB).

Pensijilan tersebut telah disampaikan pada majlis prapelanaran Persidangan dan Pameran bagi Keselamatan Pekerjaan dan Kesihatan (COSH) 2019 kali ke-22, anjuran NIOSH di Pusat Konvensyen Kuala Lumpur baru-baru ini.

Sijil piawaian itu diiktirafkan sebagai pengiktirafan global, membuktikan sesebuah syarikat telah



MOHD. FARID SHAH (empat dari kiri) menerima pensijilan daripada Pengerusi NIOSH, Tan Sri Lee Lam Thye (lima dari kiri).

TM One lancar penyelesaian 10T

TM One, syarikat perkhidmatan penyelesaian, telah melancarkan penyelesaian 10T, sebuah platform penyelesaian yang bertujuan untuk meningkatkan produktiviti dan mengurangkan risiko. Penyelesaian ini adalah hasil daripada kerjasama dengan beberapa syarikat teknologi terkemuka.

Penyelesaian 10T ini menawarkan pelbagai manfaat kepada pengguna, termasuk meningkatkan keselamatan data, mengurangkan masa pemuliharaan, dan meningkatkan kecekapan operasi. Platform ini juga menawarkan integrasi yang mudah dengan sistem sedia ada.



ENABLING & STRENGTHENING STAKEHOLDERS' RELATIONSHIPS

We conduct in-depth engagement sessions with key stakeholder groups to assess the stakeholders' climate of opinion as well as to map their expectations and concerns. Meanwhile, we also gather regular feedback from other engagement channels, which enables us to cross-check, monitor and measure our progress in meeting stakeholder expectations. The details of our stakeholder's engagement process are shown in the table below:

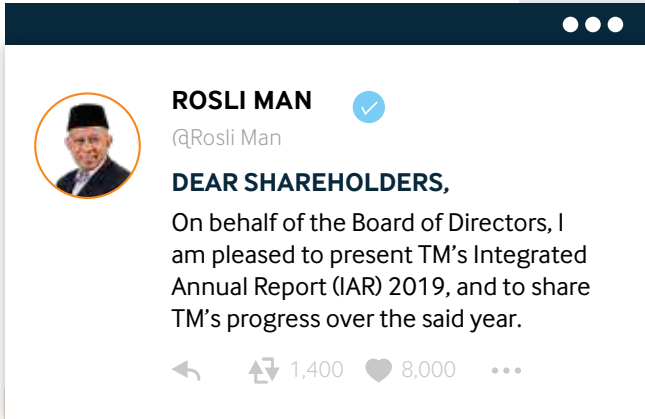
Stakeholders	Engagement Approach	Frequency	Concerns Raised	Our Approach
Employees	Stakeholder Engagement Focus Group (External)	Yearly	<ul style="list-style-type: none"> • Clear career opportunities and development • Balance between work and personal life • Safe and productive work environment 	<ul style="list-style-type: none"> • Establish a career succession plan for all employees • Provide flexible working hours • Strengthen governance on employee well-being
	Employee Satisfaction Survey	Yearly		
	Employee Engagement Programmes	Weekly		
	Townhall	Quarterly		
	Top Management Messages	Monthly		
	Departmental Meetings	Monthly		
Customers	Stakeholder Engagement Focus Group (External)	Yearly	<ul style="list-style-type: none"> • Fast and reliable connectivity • Seamless and efficient customer service • Affordable and interesting bundled packages 	<ul style="list-style-type: none"> • Expand ICT infrastructure network • Digitise and simplify customer touchpoints • Deliver innovative products and services at affordable prices
	Customer Feedback Management	Daily		
	Customer Support Centre	Daily		
	Social Media Tools	Daily		
	Market Research Loyalty Programmes	Monthly		
Shareholders & Investment Communities	Stakeholder Engagement Interview (External)	Yearly	<ul style="list-style-type: none"> • Transparent and comprehensive engagement sessions • Competitiveness in innovation and affordability • Integration of Return on Investment (ROIs) with the digital agenda 	<ul style="list-style-type: none"> • Conduct frequent engagement exercises with stakeholder • Deliver innovative products and services at affordable prices • Optimise cost savings through digitisation
	Annual General Meetings	Yearly		
	Annual and Sustainability Reports	Yearly		
	Extraordinary General Meetings	Ad-Hoc		
	Quarterly Reports	Quarterly		
Government & Regulators	Stakeholder Engagement Interview (External)	Yearly	<ul style="list-style-type: none"> • Transparent and comprehensive engagement sessions • Efficient and inclusive touchpoints • Robust governance structure 	<ul style="list-style-type: none"> • Conduct frequent engagement exercises with stakeholder • Digitise and simplify customer touchpoints • Strengthen policies, standards and frameworks
	Performance Reports	Regular		
	Formal Meetings	Regular		
	Discussion on Government Initiatives	Daily		

ENABLING & STRENGTHENING STAKEHOLDERS' RELATIONSHIPS

Stakeholders	Engagement Approach	Frequency	Concerns Raised	Our Approach
Suppliers	Stakeholder Engagement Focus Group (External)	Yearly	<ul style="list-style-type: none"> Efficient procurement processes Fair contracts and payments Effective grievance mechanisms 	<ul style="list-style-type: none"> Digitise and simplify procurement processes Establish policies that protect supplier rights Provide anonymous grievance channels
	Transparency Survey	Yearly		
	Supplier Training Programmes	Monthly		
	Supplier Relationship Management	Daily		
Business Partners	Progress Report	Monthly	<ul style="list-style-type: none"> Mutual understanding between the business partners Alignment of expectations and goals 	<ul style="list-style-type: none"> Set up a business partnership unit in each division to better understanding each Business' needs Build regular rapport and engagement with business partners
	Annual and Sustainability Report	Yearly		
	Corporate Presentations	Regular		
	Signing Ceremonies	Quarterly and Ad-Hoc		
Media	Press Releases	Daily	<ul style="list-style-type: none"> Positive portrayal and image of the Group Effective delivery of TM's key messages Cordial and respectful relationship with the media 	<ul style="list-style-type: none"> Organise Spokesperson Training Workshop sessions Provide Q&A as reference for spokespersons Organise rapport-building activities
	Press Conferences and Media Queries	Daily		
	Media Coverage	Daily		
	Media Luncheons	Quarterly		
Communities	Website and Service Catalogues	Daily	<ul style="list-style-type: none"> Relevant contents, products and services Alignment of goals and expectations among the group of community 	<ul style="list-style-type: none"> Dedicate an online team to update relevant information and service catalogues Conduct huddles to understand the different expectations among communities
	Annual and Sustainability Reports	Yearly		
	Visits, Seminars and Joint Activities	Regular		
	Community Engagement Activities	Quarterly and Ad-Hoc		
Unions	Dialogue and Engagement	Quarterly and Ad-Hoc	<ul style="list-style-type: none"> Meaningful benefits and welfare opportunities for staff Alignment of staff priorities with new management Proper implementation of HR policy 	<ul style="list-style-type: none"> Conduct engagement series such as dialog sessions, seminars and workshops Assess and review TM's compliance with labour laws and collective agreements
	Joint Activities	Monthly		
	Consultations	Ad-Hoc		
	Negotiation	Yearly		

COMMITTING TO EXCELLENCE: CHAIRMAN'S STATEMENT

ROSLI MAN Chairman

ROSLI MAN ✓
@Rosli Man

DEAR SHAREHOLDERS,
On behalf of the Board of Directors, I am pleased to present TM's Integrated Annual Report (IAR) 2019, and to share TM's progress over the said year.

1,400 8,000



However, most importantly before I proceed, I would like to first address the ongoing national crisis that the country is now facing that has delayed the date and proceedings of our planned Annual General Meeting (AGM). We will be notifying all our shareholders of any developments on the AGM in due course.

Malaysia, as indeed the world, is currently facing an unprecedented time in all of our lives with the Coronavirus Disease 2019 (COVID-19) global pandemic outbreak. As a responsible and caring corporate citizen, rest assured TM will do our best for the nation; to cushion the impact to the economy and to our customers, employees and to those in need, as well as to ensure our services continue without interruption.

The wellbeing of our employees and stakeholders is of paramount importance to us and we have implemented numerous stringent safety measures across our operations as part of our safety protocols to help contain the spread of the virus. At the same time, we fully understand that connectivity is critical during this difficult period. As a national provider of essential services, we will continue to adapt our daily operations to ensure service continuity and the safety of our employees and our customers. TM is always here; with our full suite of digital services and solutions, to help everyone stay home, stay connected, stay entertained, stay informed and stay served throughout the Movement Control Order (MCO), and beyond.

Our hearts go out to those who have already been impacted by COVID-19. TM is doing its part in extending relief aid in terms of medical

and non-medical supplies to those in need, especially the frontliners and communities throughout the country. We join the nation in paying tribute to the unsung heroes out there – our entire medical and essential services frontliners out there, including our 6,000 contact centre agents, technical teams and engineers,

and pray that all Malaysians stay safe, healthy, alert and strong while we weather through this testing time together.

Now let us move on to our report for the year under review.



Text Message



COMMITTING TO EXCELLENCE: CHAIRMAN'S STATEMENT

2019 in Review

2019 was a difficult and challenging year for us due to the dynamic landscape of the telecommunications industry. TM was also in the midst of stabilising its share price, market capital and regaining trust of investors due to regulatory impact from prior year. As a result, TM focused on implementing various initiatives in adjusting to new market dynamics, declining revenues from traditional segments while reducing cost with higher productivity and efficiency efforts.

In spite of the challenges, we are glad to inform the shareholders that we were able to achieve a commendable 2019 performance:

GROUP REVENUE:

RM11.43 billion, 3.3% lower against FY18 – in line with guidance

GROUP REPORTED EARNINGS BEFORE INTEREST AND TAX (EBIT):

Grew over 2,000.0% to RM1.57 billion in 2019, from RM64.6 million in 2018

GROUP REPORTED PROFIT AFTER TAX AND NON-CONTROLLING INTERESTS (PATAMI):

Grew over 300.0% to RM632.7 million in 2019, from RM153.2 million in 2018. Normalised PATAMI was RM1.00 billion

CASH AND CASH EQUIVALENT:

Grew 73.6% to RM4.79 billion in 2019 from RM2.76 billion in 2018

FREE CASH FLOW:

Grew 100.0% to RM2.66 billion in 2019 from RM1.33 billion in 2018

unifi CUSTOMER BASE:

Increased 11.2% to 1.44 million in 2019, as compared to 1.29 million in 2018; with the total broadband customer base at 2.18 million

CONVERGENCE PENETRATION (NUMBER OF HOUSEHOLDS WITH MORE THAN 3 unifi PRODUCTS – BROADBAND, MOBILE, TV, PHONE OR WI-FI):

Increased to 54% of TM Household base in 2019 compared to 53% in 2018

DIVIDEN - DECLARES THE MAXIMUM DIVIDEND PAYOUT THAT THE COMPANY POLICY ALLOWS:

60.0% of its PATAMI translating to a final interim single-tier cash dividend of 10.0 sen per share or RM376.6 million for FY2019; with expected pay out date on 3 April 2020

All this positive traction was done with a new management team in place and without the need of any retrenchment of staff, closing of operating units or sale of non-core assets.

New Business Strategies towards Digital Malaysia

TM is positioning itself to be the National Telecommunication Infrastructure Provider or InfraCo. We are focusing on our core competencies by building a high quality state of art wireless and fixed telecommunication network to fulfill current and future needs of customers. With a great network, we also aim to deliver world class customer experience.

TM today is committed to the nation's 5G infrastructure roll-out and believes 5G will revolutionise the nation's economy towards a Digital Malaysia. We intend to aggressively pursue into the mobile space to be at the forefront of rolling out 5G infrastructure. We foresee that 5G mobile will be the next revenue growth area for TM, helping to reduce the cost of deployment and expediting the rollout broadband services especially in rural areas.

This is in line with Government's NFCP initiative to ensure 95% of the population will enjoy the benefit of high-speed broadband within 2 years, in which TM intends to use 5G to complement other various broadband technologies such as fibre optic, wireless, satellite as well as enhanced copper. This will transform and accelerate the digitalisation of multiple economic sectors and the development of the IR4.0.

In order to carry out the various initiatives and transformation of the company to be more agile, highly focused on customer and productivity; TM's leadership team was reinforced in 2019 with the appointment of Dato' Noor Kamarul Anuar Nuruddin as the new Group Chief Executive Officer (GCEO). There were also other key positions filled by a new team of experts, to name a few including Razidan Ghazalli as Group Chief Financial Officer (GCFO) and Tengku Muneer Tengku Muzani as Chief Strategy Officer (CSO). Please refer to the organisation structure on page 17 and profiles on pages 135 to 155.

As we move into our next phase of transformation, I would also like to acknowledge the valuable contributions of previous leaders and Board Members. I am also pleased to welcome our new Board members, Dato' Ibrahim Marsidi, Dato' Mohamed Nasri Sallehuddin who is representing Khazanah Nasional Berhad (Khazanah) and Iszad Jeffri Ismail who is representing the Ministry of Finance (MOF).



COMMITTING TO EXCELLENCE: CHAIRMAN'S STATEMENT

Strengthening Corporate Governance and Progressing with Sustainability

As an organisation with national interests, it is critical to operate with integrity, transparency, accountability and responsibility, thus delivering results that instil confidence and trust in our stakeholders. The Board's commitment to upholding the highest standard of leadership and integrity is reflected in TM's corporate governance model.

Our governance model is based on various local and international standards that ensure efficient decision-making and accountability. Details on TM's governance model are elaborated on page 112.

Sustainability has emerged as a recurring theme from our discussions with many stakeholders. The market is increasingly driven by sustainability, which influences innovation capability, regulatory decisions, institutional investing, monitoring of long term risks, customer loyalty and corporate branding. As such, TM is now extending our perspective on sustainability for both social obligation and corporate culture; integrating sustainability principles and practices into our core operations, to optimise stakeholder value creation while protecting our long-term growth.

IN 2019, WE INCORPORATED SUSTAINABILITY RISKS INTO TM'S ERM FRAMEWORK. THIS PROVIDES US WITH A MORE HOLISTIC VIEW OF THE INTERRELATIONSHIPS BETWEEN BUSINESS AND STAKEHOLDERS' INTERESTS.

As a result, we designed appropriate mitigation strategies to improve our EES performance and sustain profitable growth. Additionally, we have also institutionalised the sustainability function, with a new governance structure. This new structure is spearheaded by the GCEO at the strategy-level and championed by the CRO at the operational-level. This improved governance structure creates a more efficient decision-making process for sustainability-related matters.

We have also strengthened TM's Sustainability Framework by defining our contributions to the Sustainable Development Goals (SDGs). These were then placed alongside the UN SDG sub-indicators, as well as national priorities outlined in the Eleventh Malaysia Plan. We have also identified achievable impact indicators to measure and track our SDG performance, as shown on page 71.

AWARDS

As we work towards shaping the Malaysian workforce to power a Digital Malaysia, we were recognised as

one of the "BEST COMPANIES TO WORK FOR IN ASIA"
by HR Asia

Our commitment to transparency and responsible reporting was also recognised at the 2019 NACRA awards, winning in four (4) major categories, including the Overall Excellence Award for

Most Outstanding Annual Report of the Year
SILVER



COMMITTING TO EXCELLENCE: CHAIRMAN'S STATEMENT

Moving Forward

Moving forward, we believe by continuously listening to customers, we are able to respond and fulfill the needs of the customers. Our biggest challenge is to align our people towards customer centricity, simplifying processes and embracing new technologies to create value and deliver solutions that keep pace with our customers' ever-demanding needs in a cost effective manner.

We believe in building a long-term relationship with our customers by embracing total customer-driven philosophy and single-minded focus on service in every relevant area of our operations since business is about relationship and trust.

We will consistently deliver superior customer experience in every single transaction with customers through personalised and customers-servicing aspiration. Our goal is to be recognised by our customers as a customer-friendly company that is willing to go that extra mile in term of looking after our customers.

We are committed to realise the customer-driven philosophy that is driven from the top, built from the bottom and promulgated throughout the length and breadth of the organisation.

For our employees, we will continuously create an agile environment for them to be more productive, more innovative, more creative and feel more in charge of their lives than they ever dreamt before.

For our shareholders and public at large, we will strive to deliver profitability without forgoing our social responsibility as a good corporate citizen.

2020 will be a more demanding year for all of us as we are facing a global COVID-19 pandemic leading to a global economic slowdown. Determination and perseverance to overcome this crisis is critical for the nation and TM to bounce back quickly. As the nation's telecommunication infrastructure provider, TM is ready alongside the Government to support the country's telecommunication needs ensuring seamless high speed and uninterrupted connectivity solutions for the nation.

On behalf of the Board of Directors, I take this opportunity to thank all the stakeholders, including our shareholders and investors, employees, partners and media, who have continuously believed in us, and supported our business. My sincere thanks also to the Government and our regulator, who we see as our partners in building a Digital Malaysia. And finally, many thanks to our faithful and unwavering customers, who remain loyal through thick and thin. We have strived relentlessly for you, Making Life and Business Easier for a Better Malaysia.



Rosli Man

CATALYSING GROWTH: GCEO'S STATEMENT

DATO' NOOR KAMARUL ANUAR NURUDDIN GCEO



DATO' NOOR KAMARUL ANUAR NURUDDIN

@Dato' Noor Kamarul Anuar Nuruddin

DEAR SHAREHOLDERS,

I am honoured to take on the leadership of TM and would like to thank the Board of Directors for giving me the trust and opportunity to lead this great national institution. I am ready to take on this responsibility to bring the business forward; to thrive in this challenging environment.

2,200 8,900

Group Revenue

RM11.43

billion

Record-Breaking EBIT

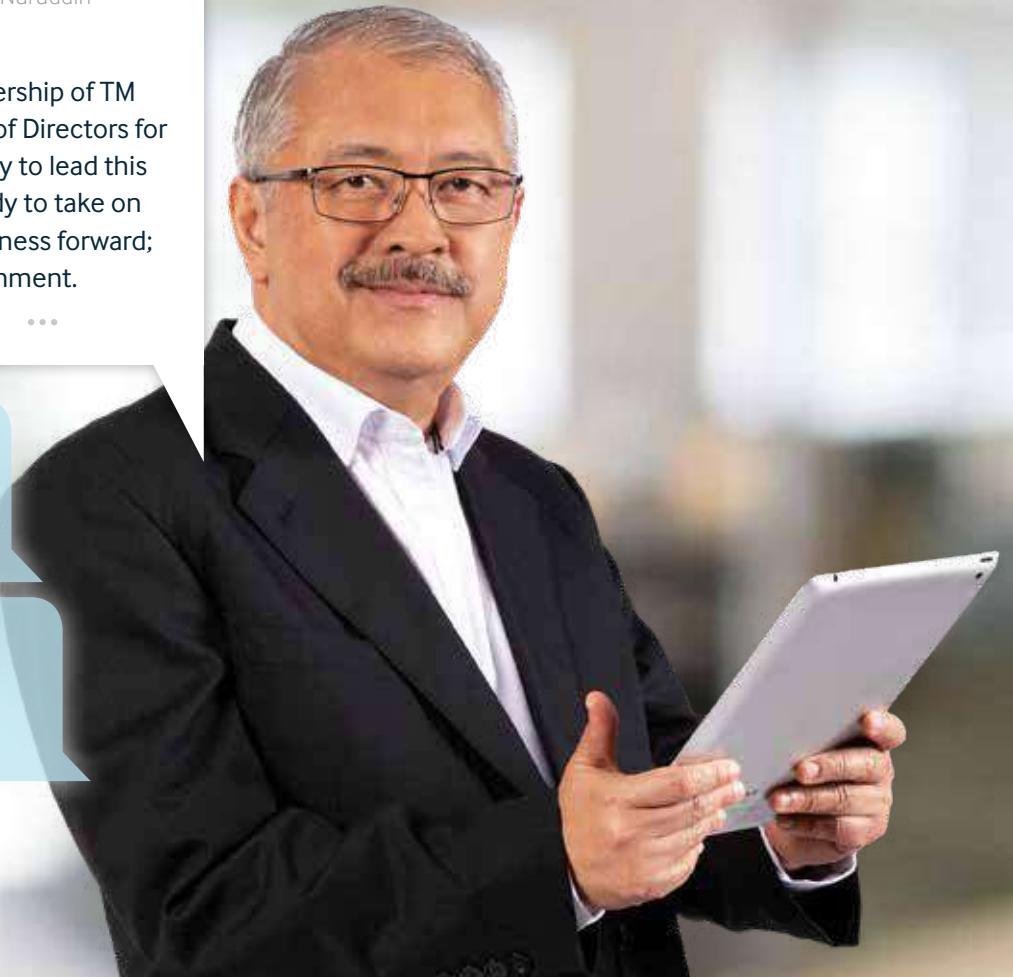
RM1.57

billion

Final Interim Single-Tier Cash Dividend of 10.0 sen per share

RM376.6

million



Text Message



The country is currently facing a difficult time with the ongoing COVID-19 outbreak that is affecting everyone globally – members of the public, business, corporates; and TM is also not spared.

Before I proceed with the strategy and sustainability, business and operations review, I wanted to provide an update on how TM is responding to this unprecedented crisis. I cannot stress enough that managing this is a top priority for all of us at TM.

Amidst this crisis that we are facing together as a nation, we have set up a TM COVID-19 Crisis Response Team and activated our Crisis Communications Management Team to actively monitor and support TM's operations on a daily basis to help ensure business continuity

CATALYSING GROWTH: GCEO'S STATEMENT

and timely support to meet customers' need, whilst ensuring that it is within the guidelines of the National Security Council (NSC), Ministry of Health (MOH) and the MCO.

With organisations encouraging employees to work remotely and understanding that Malaysians are spending more time at home, we remain committed to make our network always-on and available to the customers to ensure that Malaysians can stay connected with their family, friends, colleagues and business partners wherever they are via TM's services; as well as stay entertained, productive, informed and continue to be served during the MCO.

As the nation's telecommunications and digital infrastructure provider, TM has fully supported and will continue to support the telecommunications industry and the nation's requirements to ensure seamless and uninterrupted connectivity for Malaysia overall. We have ample backhaul capacity that can be upgraded to cater for any sudden spikes in data usage and bandwidth requirements, and we have committed the necessary network investment to support this. We are also collaborating with other industry players, especially the mobile players to ensure the availability of uninterrupted connectivity and adequate bandwidth capacity for all to enable customers staying at home, stay connected and supported. TM's vast and diverse network connectivity worldwide is sufficient to continuously support the demand of internet bandwidth requirement during the MCO period. Our strong relationships with international telco partners for upgradable international interconnection via submarine cable systems network worldwide and co-location as well as peering with the world's technology giants and social networks enable end-users to access and enjoy seamless live video streaming, gaming and other applications provided by multiple content players during their stay at home.

In the meantime, we have mobilised our nationwide resources to fulfil our responsibility to the nation: continuing to meet the telecommunication needs of our customers, especially the public sector and those enterprises involved in providing critical and essential services; ensuring the health and safety of our employees and ensuring business continuity.

There is no mistaking the challenge of this moment. The entire TM Group family is indebted to the heroic frontliners - first responders, doctors, nurses, researchers, public health experts and public servants nationwide who have given every ounce of their spirit to help the country face this unprecedented health crisis. I would also like to sincerely thank our employees for staying focused and for their continued dedication - working tirelessly around the clock in multiple shifts, to manage customers' evolving requirements; as well as our customers and partners for their continued support and collaboration during these trial times. We pray that all Malaysians stay safe, healthy, alert and strong.

I would now proceed with the year 2019 in review – where we are, some key operational highlights, our business updates and 2020 focus moving forward.

TM has a long-standing history in contributing to the nation's progress and throughout the years, has built a leading position in the telecommunications industry. TM is continuously focused on delivering values to its customers, shareholders and the Malaysian

Economy. We are proud that in 2019, despite challenging industry dynamics, we have made great strides in our digital transformation journey.

Our commendable performance is driven by an innovative and dedicated workforce, a strategic leadership team, and an unparalleled ICT infrastructure network. TM is well-positioned as the National Telecommunications Infrastructure Provider (InfraCo) for 5G to increase the coverage and reach of the much needed connectivity to all Malaysians and accelerating IR4.0.

In the main Management Discussion and Analysis section, we will cover in more detail our strategy moving forward, the market outlook and analysis of the telecommunications business environment as well as the material matters, risks and mitigation measures that have been undertaken to ensure our continued sustainability into the future. We will also be reviewing the activities of our key business clusters – unifi, TM ONE and TM WHOLESALE (formerly known as TM GLOBAL); our people, our network as well as initiatives undertaken to bring about digital empowerment and innovation throughout the Group.

Here, I would like to highlight five (5) key areas; namely value creation, technology, people, sustainability and our focus moving forward.

The Operating Landscape

In 2019, TM continues its operational strategy in adjusting to new market dynamics and declining revenues from traditional segments. Nevertheless, we are pleased to achieve continued improvements in our fundamentals through performance improvement initiatives which resulted in significant cost improvements, despite revenue challenges on the retail front.

We are operating in a rapidly evolving environment, where traditional connectivity services continue to experience margin squeeze and stagnant growth due to a saturated and highly competitive market. Commoditisation of internet service coupled with the evolution of technologies has enabled consumers to gain constant online access across multiple devices. As a result, consumers today generally have no preference on how the internet is delivered to them as long as the service is easily accessible, fast, reliable and affordable. This trend is causing fixed players to lose footing, as mobile players are increasingly encroached into the market space. Consumers are also gradually becoming more disconnected from telcos as loyalty shifts towards OTT providers.

The heightened regulatory expectations had also posed pricing pressures that resulted in lower margins and greater competition. Following the Government's call for more affordable broadband services at higher speed, we embarked on an internet upgrade programme for existing unifi and Streamyx customers. We completed the upgrading exercise in April 2019 with over 970,000 unifi customers upgraded to ten (10) times the existing speed; 266,000 Streamyx customers in unifi coverage areas upgraded to unifi, and 226,000 Streamyx customers in non-unifi coverage areas upgraded to two (2) times the existing speed where technology permits. We continue to engage closely with the Government, KKMM and MCMC to address not only the limitations of the copper broadband network, but also to lay the foundation for a better internet experience for all existing and future customers nationwide, as we work towards realising Malaysia's Digital Nation aspirations.

CATALYSING GROWTH: GCEO'S STATEMENT

Throughout the year, guided by the strategies we had put in place, we remained competitive with the introduction of numerous attractive offerings and promotions. For example, the launching of the unifi Pay Nothing campaign at year-end, which provided new and existing customers with three (3) months of free unifi, was successful in improving churn by 50%. Similarly, the launch of myunifi app, the nation's first convergence telco mobile app, resulted in a 400% improvement in delivery time. TM ONE also provided several industry-based solutions for businesses through IoT, smart services and data analytics. This resulted in positive customer reactions, with 30% higher sales funnel and 20% more deals closed. Meanwhile, TM WHOLESALE formalised and strengthened partnerships with industry leaders to leverage each other's core expertise and capabilities, such as collaborating with an MNO to improve internet reachability nationwide.

Value-Creating Performance

Overall, 2019 was an encouraging year for the Group in terms of performance and profitability. Our strategy last year was to improve shareholder and stakeholder value by focusing on becoming a customer-centric organisation and maintaining customer service excellence as our top priority in business operations.

We achieved this by focusing on our three (3) strategic pillars, namely:

<p>1</p> <p>Converged Services</p> <p>to maintain existing revenue streams and uplift revenue over time by delivering new services in convergence and digital solutions</p>	<p>2</p> <p>Simple & Digital</p> <p>to digitise customer experience whilst simplifying products, processes, network and IT operations</p>	<p>3</p> <p>Lean & Lower Cost</p> <p>to optimise costs from significant operational efficiencies, increase in productivity and change to leaner operating models</p>
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These achievements were realised with the support of the relentless efforts of Warga TM, as well as our integrated network infrastructure and digital platforms. A more detailed breakdown of the Group's strategy in creating value via the six (6) capitals employed – human, intellectual, natural, social and relationship, financial and manufactured - is shown on page 5.

Our efforts in optimising costs and capitalising on opportunities were translated into strong operational improvements. Despite the challenging market, we were successful in retaining our profitable position throughout the year. The Group recorded a revenue of RM11.43 billion, which is 3.3% lower than last year – in line with guidance – mainly due to lower contribution from all lines of products except data and non-telecommunication related services. However, the Group reported an increase of Earnings Before Interest and Tax (EBIT) to RM1.57 billion, a record-breaking EBIT - due to lower operating costs

from TM's successful cost-optimisation initiatives. We ended the year with a final interim single-tier cash dividend of 10.0 sen per share with a total payout amounting RM376.6 million, constantly fulfilling our dividend responsibility towards our shareholders year on year.

Our broadband customer base stood at 2.18 million and our convergence penetration has increased to 54% of TM Households (i.e. the percentage of customers subscribing to three (3) or more of our product suite of broadband, mobile, TV and voice, aligning to our customers' ever-changing lifestyle). Meanwhile, TM ONE continued to focus on industry verticalisation which enable a more dedicated and intense digital transformation for enterprises and the public sector. This strategy has helped us to better understand customer needs based on their existing business environment to help maximise their potential. We have also expanded our Smart Services portfolio resulting in an increase in Smart Services Revenue by almost twofold. On the wholesale front, TM WHOLESALE delivered sustainable growth in both domestic and global markets on the back of more efficient network infrastructure solutions, enhanced backhaul offerings and enhanced customer experience. TM WHOLESALE is working towards becoming a regional digital hub in line with its aspiration to be the 'Accelerator of Business Growth'.

Technology and 5G

To elevate Malaysia's digital economy, drastic improvements on wireless connectivity to bridge the digital divide are required. Individual mobile roll-out and multiple overlapping networks are no longer feasible as this leads to increased costs to customers and delays in 5G adoption. Higher broadband speeds and wider coverage via 5G will drive more advanced applications through the utilisation of data analytics, IoT and AI, delivering smarter solutions for businesses, public service and households. Hence, it is essential that we act fast in identifying and harnessing emerging innovations ahead of competitors.

As a leading connectivity provider with strong nation-building aspirations, we believe TM has the capacity and power to fully unlock the potential of these emerging technologies. In 2019, the Group had invested RM59.8 million in research on smart solutions and IR4.0 through TM R&D. In anticipation of the 5G spectrum award, we are also preparing ourselves through full-fledged 5G live trials while continuously working towards upgrading our core network. In April 2019, we demonstrated our 5G-enabled smart solutions at MCMC's 5G Showcase event in Putrajaya. Subsequently, in October 2019 we also participated in MCMC's 5GDP to facilitate, build and develop 5G use cases in a live yet controlled environment, with the broader objective of growing the 5G ecosystem in Malaysia. During the trial period, participating telecommunications companies are actively testing new 5G features, exploring 5G technology, and assessing the most feasible way to deploy 5G infrastructure nationwide.

We joined forces with MPSJ to address local community top concerns on parking, congestion and safety issues by deploying Smart Traffic Light, Smart Parking and Smart Safety & Security 5G smart solutions in SS15, Subang Jaya. Following that, led by TM ONE and TM R&D, we then collaborated with Langkawi Municipal Council (Majlis Perbandaran Langkawi Bandaraya Pelancongan (MPLBP)), Langkawi Development Authority (LADA) and Langkawi Tourist Information Centres to implement 11 use cases in Cenang and Kuah, Langkawi focusing on three (3) clusters - Smart City, Smart Tourism and Smart Agriculture to provide the surrounding communities and businesses with the opportunity to witness and experience first-hand,

CATALYSING GROWTH: GCEO'S STATEMENT



the real benefits of 5G technology and how it will revolutionise and bring positive impact in their lives. With all these use cases in place and most of it already up and running, we have deployed the highest number of 5G use cases among the telcos participating in the 5GDP.

In addition to the number of recorded firsts in how we deployed the 5G network in Langkawi for 5GDP; our next step was towards establishing an ecosystem for a SA-dedicated 5G network, where we also signed an MoC with Huawei Technologies (M) Sdn Bhd (Huawei) on an Interoperability Test programme focusing on SA-dedicated core infrastructure architecture. This collaboration will help accelerate the future of 5G, with end-to-end solutions from the network, to the cloud, to the client. Langkawi will become an incubation centre for other telco players, businesses as well as local enterprises alike to utilise and develop a multitude of new innovative 5G use cases whilst testing and building an integrated 5G ecosystem.

On top of that, in support of the Government's call for greater industry-level collaboration, we also collaborated with two (2) telco players to explore network sharing opportunities using TM's 5GDP Langkawi network as the platform. We have always been a strong advocate of infrastructure sharing and these collaborations reiterate our commitment towards accelerating and enabling an efficient and cost-effective implementation for immersive, wide area 5G coverage ahead of the full-scale 5G infrastructure deployment in the country.

TM is forging ahead in positioning itself as the National Telecommunications Infrastructure Provider (InfraCo) for 5G and as the primary enabler to the NFCP. This is where, in our opinion, co-building and co-sharing infrastructure with other telco players, as well as collaborating with emerging industry players for digital solutions is the best way to move forward. Strong partnerships will enable significant

capital and operating expenditure savings, extend coverage at lower costs, achieve faster 5G rollout, and optimise resource utilisation. TM had already shared its proposal with the Government to become the National Telecommunications Infrastructure Provider (InfraCo) for 5G as this will allow us to contribute in delivering competitive, high-quality and affordable products and services to all Malaysians. Ultimately, this will lead to further socioeconomic development, as more citizens will gain access to better coverage, lower subscription costs and a variety of service offerings.

People as Our Backbone

While we create returns for our shareholders, we do not compromise the interests of our wider community of stakeholders. As an organisation that provides services, people are at the forefront of everything we do – our customers, our suppliers, and our employees drive the Group's vision. TM's strategy for 2020 focuses on Fixing the Basics and Embracing Customer Experience. We aim to create value for our stakeholders through our strategic pillars. A more detailed view of the Group's strategy is shown on page 43.

TM's ability to deliver on its national aspirations relies on the commitment and competence of our people, who are paramount to the growth of the organisation. By investing in our talent, we empower them to innovate and deliver revolutionary products and services. Our strategy to foster a high-performance work culture is based on three (3) key aspects: Workforce Agility; Rethink Our People Investment; and Reengaging Organisational Values. We ensure that TM has the right talent at the right place and adequate time to deliver our business goals. This means futureproofing our people with new skills, knowledge and agility to match the rapidly changing market.

CATALYSING GROWTH: GCEO'S STATEMENT

Our strategy to foster a high-performance work culture is based on three (3) key aspects:



**Workforce
Agility**



**Rethink
Our People
Investment**



**Reengaging
Organisational
Values**

We are remobilising our workforce to equip our people with critical skills and higher focus on customer sales and service experience. We also promoted a sales and service culture through the Now Everyone Can Sell (NECS) training programme. We are also strengthening our organisational values to encourage healthy interactions between employees and promote a thriving work environment.

Social and Environmental Sustainability

Our long-term growth takes into consideration social and environmental risks. We need to maintain stakeholders' trust, ensure business continuity and scale our success whilst balancing moral obligations. Corporate responsibility is also essential in talent acquisition and retention. 73% of millennials who currently make up over 37% of TM's workforce said that they prefer to work with socially and environmentally responsible companies¹.

We are committed to empowering communities and future innovative leaders by providing resources, services and solutions necessary to build a knowledge-based workforce for the country. Since 1994, our charitable trust, YTM has invested RM549.5 million into more than 15,000 students and future leaders, thus alleviating the nation's educational landscape.

Additionally, the social impact extends to our extensive ecosystem of more than 6,900 suppliers that comply with TM's mandatory sustainability principles and standards, which enforces a specific KPI in vendor contracts to monitor the welfare protection of workers in terms of salary, wage, EPF, SOCSO and income increment, with non-compliances resulting in poor supplier performance or payment deductions as penalty.

While we actively monitor their social and environmental activities, we also focused on creating value for suppliers. We prioritise local vendors, including supporting Bumiputera businesses. We see the supply chain growth and welfare as an area that can contribute to national socio-economic development, as well as an opportunity to develop the sustainability practices of other businesses. In 2019, we awarded RM1.95 billion to suppliers, with RM1.22 billion (62.56%) distributed to local suppliers for procuring equipment, material and services.

Mindful that the environment is pivotal to the well-being of communities, economies and businesses, TM is focused on minimising our impact by properly assessing environmental risks. This includes taking care of the air, water and land surrounding our work. While our activities continue to adhere to local regulations, we also implement strategies to further minimise our global environmental impact. We monitor and track carbon-emitting activities, such as energy consumption and waste production. This year, our Energy Efficiency Optimisation (EEO) initiatives helped reduce energy consumption at TM buildings by 37 million kWh. In fact, we have implemented various solutions that lower energy consumption and waste production across operations, resulting in a 7.5% drop in overall carbon footprint for 2019.

Looking Ahead

Moving forward, we will continue to address operational challenges whilst maximising on opportunities that come our way. We will be going back to basics and focus on four (4) strategic pillars – Customer Excellence, Revenue Generation, Manpower Optimisation and Superior Network, heading towards sustainable growth.

We will reinforce customer-centricity and focus on the upskilling of TM frontliners, simplification of customer processes and seamless interaction over digital touchpoints. We are also improving our customer experience by minimising network outage, reorganising resources for timely installation and restoration whilst we concurrently modernise the network for improved agility and 5G ready. We will increase value proposition by introducing innovative products and promotions throughout the year for both retail and business customers.

With these priorities, we remain committed to delivering the best of our solutions to serve a more digital lifestyle and society, digital businesses and digital Government - towards making "Life and Business Easier for a Better Malaysia".

As we progress into 2020, I would like to acknowledge the contributions of those responsible for our performance this past year. First and foremost, to my predecessor, Imri Mokhtar, thank you for your valuable contributions and tireless efforts in taking up the daunting role of acting GCEO during such a critical time. Also, thank you to our Board of Directors for their leadership and commitment. I look forward to our years of working together. Finally, thank you to all stakeholders – our customers, employees, shareholders and investors, suppliers, and supportive Government and regulators. Everything we do is to create value for all of you and I hope to continue this journey together with you into the future, towards a Digital Malaysia powered by TM.



Dato' Noor Kamarul Anuar Nuruddin

Source:
¹ Nielsen Survey, 2018

MARKET ANALYSIS & OUTLOOK

BUSINESS ENVIRONMENT

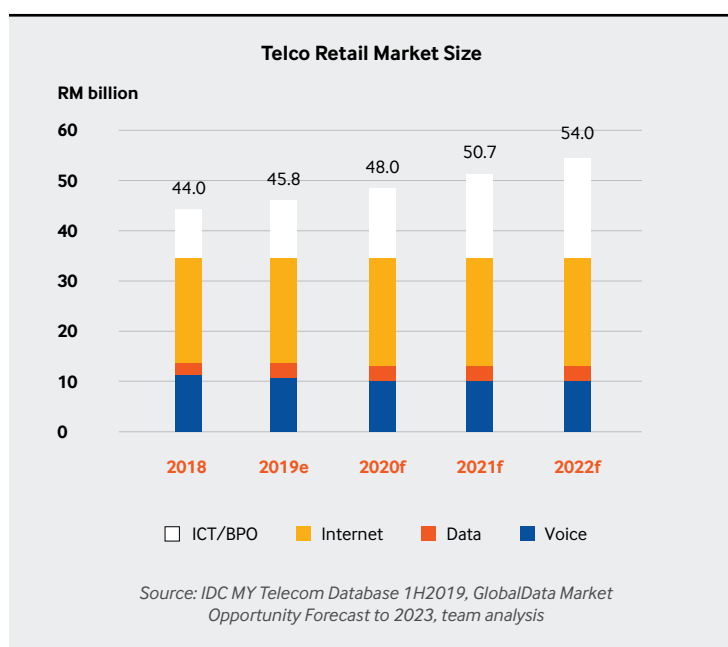
Economic Outlook

The global economy experienced a 2.9% growth in 2019, and is expected to improve to 3.3% for the upcoming year¹. This economic growth is primarily due to the steady rise in emerging and developing economies, which is projected to increase to 4.4% in 2020¹. Meanwhile, advanced economies are expected to grow at a slower rate, from 1.7% in 2019 to 1.6% in 2020¹. On the other hand, the Malaysian gross domestic product (GDP) registered at 4.3% in 2019². The domestic economic growth is primarily due to the 6.1% increase in the services sector, which makes up 58.6% of the market share².

Retail Telecom Market Size

The telecommunications sector remains challenging despite the exponential growth of data demand. This is mainly due to the strong decline of legacy services, price erosion, and increase in competition including from non-traditional players. The revenue from connectivity services – voice, data and internet was stable in 2019 as the growth of data and the internet were offset by the decline in voice services and is expected to remain flat in the next three (3) years with a CAGR of 0.4%³.

Taking a view of the global market, telecom providers are moving towards fixed-mobile convergence (FMC) and this shift is well-established in Europe and certain Asia-Pacific markets such as South Korea, and is quickly growing in North America with other regions following suit. The consolidation of fixed-mobile assets is critical to increasing scale and efficiency, whilst bundling increases the average revenue per user (ARPU) and reduces churn. International markets are also tapping into the growth potential of IoT, for both consumer IoT and Industrial Internet. Major carriers worldwide are seen investing in IoT partner programmes, new technologies, and innovation exploration pilots in efforts to better understand the most profitable use cases that can be brought to market.



Aside to VDI, beyond connectivity services such as ICT and BPO show promising growth with 2019-2022 CAGR of 21.0% and 6.5% respectively⁴. This is driven by the increase of ICT adoption in the country as well as other megatrends such as IR4.0 and 5G.

Voice, Data & Internet

The competitive landscape in the fixed broadband market is changing as mobile players enter the market to offer integrated services (e.g. multi-play). Competition in the fixed broadband market is expected to remain intense in 2020 as mobile players are driving multi-service subscriptions and mobile churn reduction.

In the mobile segment, competition in the overcrowded market continues to challenge data monetisation. Coupled with the decline in legacy service, there is weak revenue growth prospect for the segment.

Consumer broadband will remain a fundamental driving force in the fixed services bundle, acting as both the anchor product and the pipe that supports an increasing number of other digital services⁵.

Fixed broadband speed will rise dramatically, with growth in the higher tiers (100Mbps and above) gathering momentum and accelerating every year predominantly from high definition streaming services. Gigabit services will account for 10% of all broadband subscriptions globally by 2023⁵.

This is also in line with the Government's plan to provide Malaysians with better connectivity through the NFCP which will boost the take-up rate of high-speed broadband across the country.

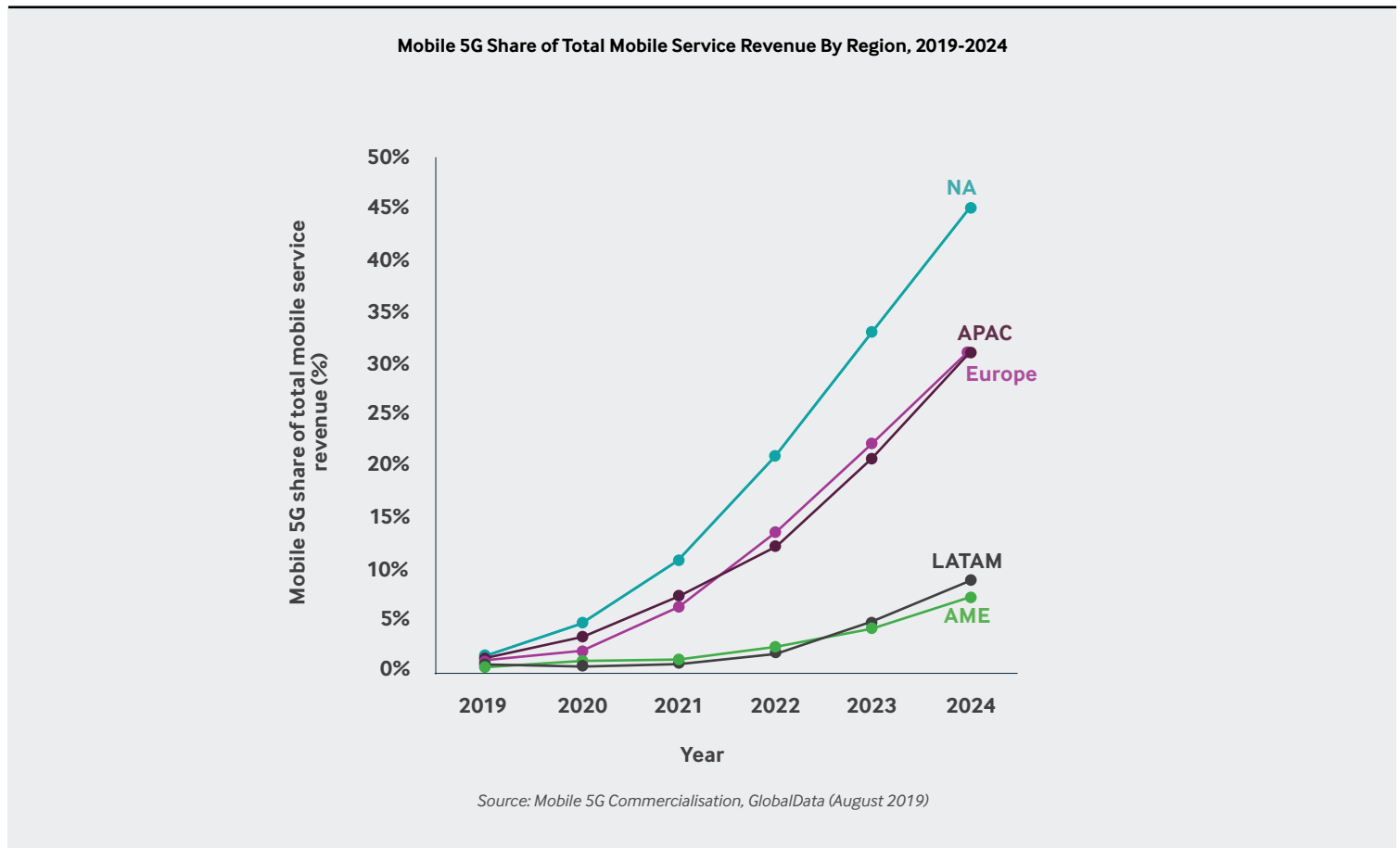
5G

Meanwhile, the most anticipated development of the year is 5G, which is the Fifth Generation of Wireless Technology. The new technology will provide greater broadband speed with lower latency, thus improving consumer applications such as enhanced mobile broadband (eMBB), FWA and immersive content. It will also contribute to industry-specific applications, including automation and machinery communications. The new technology will help achieve NFCP targets, with 5G complementing fibre network to provide connectivity to all schools, hospitals, libraries, police stations and post offices by 2022⁶.

MCMC plays a key role in driving Malaysia's 5G adoption, implementing initiatives such as workgroups, live trials and solution co-creation. To increase efficiency and industry collaboration, MCMC is considering to allocate 5G bands to a single consortium formed by multiple licensees instead of individual licensees⁷. This approach is expected to decrease capital expenditures by minimising costs and infrastructure duplication.

GlobalData estimates that mobile 5G services will generate US\$300.80 billion globally in 2024. This will be equivalent to 30.1% of total mobile service revenue worldwide. By year-end 2024, GlobalData projects the number of mobile 5G subscriptions globally will reach 1.50 billion, equivalent to 15.2% of total mobile subscriptions worldwide⁸.

MARKET ANALYSIS & OUTLOOK



Internet of Things (IoT)

The rise of connectivity has resulted in the rise of IoT connections, which creates a productive ecosystem for the intelligent exchange of data. Globally, IoT is revolutionising the way businesses operate. In 2019, there were over ten (10) billion IoT connections, in which 40% were from industrial connections. With the development of 5G, the number of IoT connections is expected to triple by 2025, with an annual 23% increase in revenue contribution reaching USD\$1.1 trillion⁹.

While IoT adoption is low in Malaysia, there are large opportunities for providers. The IoT deployment trend is moving towards end-to-end services, with businesses aiming to minimise integration and interworking challenges. New features in 5G, such as massive machine-type communications (mMTC) will accelerate IoT adoption by addressing large-scale cases (i.e. smart grid). The ultra-reliable low latency communications (URLLC) will also enable mission-critical IoT applications, such as Vehicle-to-everything (V2X).

Data Analytics & Artificial Intelligence (AI)

Advanced analytics and AI will play a key role in shaping future businesses. While data analytics is still offered as a standalone solution, it is becoming a standard feature across ICT products. The technological trend will transform every aspect of life and business – from automated data processing, intelligent efficiency improvement solutions, hybrid computing and connectivity to personalised customer experience and differentiated product solutions. The next opportunity will be data orchestration and automation across applications, as well as the application programming interfaces (APIs).

The telco industry is also turning its focus on AI to accelerate digital transformation. Although AI is relatively new within the Malaysian market, it is gaining traction. Similar to data analytics, AI features will be embedded across ICT products to become a standard market offering. Service providers are able to better serve customers and increase revenue streams through AI-based applications, including chatbots, digital assistant, customer care, advertising and network planning.

Sources:

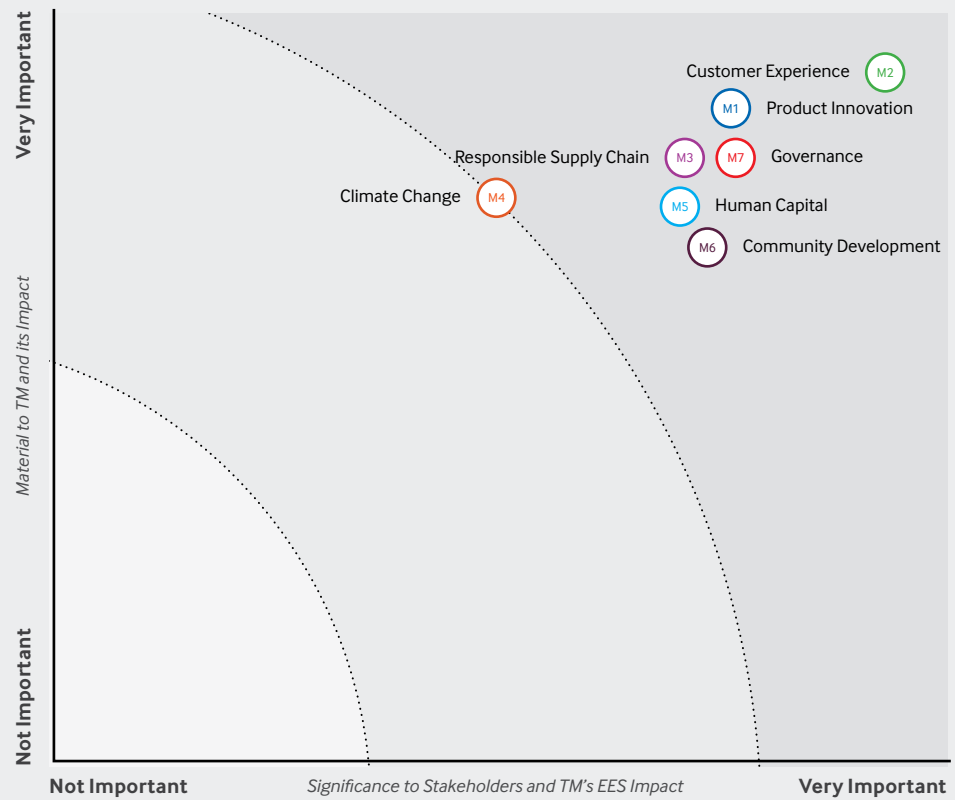
¹ World Economic Outlook, IMF (Jan 2020)
² GDP Q419 Publication, DOSM (Feb 2020)
³ IDC Malaysia Telecom Database 1H2019
⁴ GlobalData Market Opportunity Forecast to 2023
⁵ Consumer Broadband Subscriptions Forecast Report: 2018–23, Ovum (Apr 2019)
⁶ NFCP Targets, nfcpc.my
⁷ Allocation of spectrum bands for mobile broadband service in Malaysia, MCMC (Dec 2019)
⁸ Mobile 5G Commercialisation, GlobalData (August 2019)
⁹ The Mobile Economy 2019, GSMA

OUR MATERIAL MATTERS, RISKS AND MITIGATION APPROACHES

Our operating models are protected by a robust ERM Framework that helps futureproof TM against uncertainties and challenges. These risks align with the Group’s material topics, which are matters that influence stakeholder decisions as well as impact the business. We need to systematically manage our risks and material issues in order to thrive in the long-term. This is why it is critical to identify and understand the impact of these risks on stakeholders and TM’s future growth.

Materiality Process

This year, we refined our materiality determination process according to last year’s results. In 2018, we conducted an in-depth engagement exercise with key stakeholder groups, in which we identified 22 topics that are material to both our stakeholders and to the business. Then, in 2019, we analysed quantitative data collected from other stakeholder engagement channels (i.e. surveys, complaints), which was then juxtaposed with last year’s findings as well as to TM’s management framework. This allowed us to revise and consolidate the material matters into seven (7) key topics, as shown in the materiality matrix below.



MATERIAL TOPICS

ECONOMIC

- M1 Product Innovation
- M2 Customer Experience
- M3 Responsible Supply Chain

ENVIRONMENT

- M4 Climate Change

SOCIAL

- M5 Human Capital
- M6 Community Development

GOVERNANCE

- M7 Governance

OUR MATERIAL MATTERS, RISKS AND MITIGATION APPROACHES

MANAGEMENT APPROACH TO MATERIAL MATTERS

Each material topic has the ability to impede or support our long-term growth. It is important to clearly understand the associated risks and opportunities, to be able to deploy robust strategies and address the matters material to our business and stakeholders alike.

Material Topic	Business Context	Risks	Opportunities	Our Approach
M1 Product Innovation	The rapidly evolving market requires innovative and faster connectivity that meet consumer demands. We need to tap into emerging technologies to create competitive, broader solutions that address business and individual needs.	<ul style="list-style-type: none"> Lack of research and development into emerging segments/technologies limits competitiveness and reduces our market share. Products that fail to meet customer expectations decrease reputation and brand value. 	<ul style="list-style-type: none"> Frequent and effective engagement with different customer groups helps capture the changing market needs. Adoption of emerging and disruptive technologies increases competitive edge. 	Create a culture of innovation amid a diverse workforce that focuses on creating innovative product solutions. Also, establish comprehensive frameworks that help capture evolving customer expectations.
M2 Customer Experience	A rising number of service providers create a challenge for customer acquisition and retention. It is critical to deliver a seamless customer experience at each stage of interaction to maintain their loyalty.	<ul style="list-style-type: none"> Slow resolution of complaints and problems may lead to loss of customer base. Cybersecurity breaches and poor data protection decreases customer trust. 	<ul style="list-style-type: none"> Satisfied customers increase brand value and customer loyalty. Stable, uninterrupted connection enhances customer experience and competitiveness. 	Expand TM touchpoints to swiftly capture and resolve network coverage issues. Additionally, strengthen our cybersecurity infrastructure against potential threats.
M3 Responsible Supply Chain	Suppliers play a key role in the continuation and growth of our business. We need to ensure that our business is linked to responsible and ethical practices throughout the supply chain.	<ul style="list-style-type: none"> Unethical practice within the supply chain leads to regulatory violations and monetary fines. Irresponsible practices by vendors damage the Group's public reputation. 	<ul style="list-style-type: none"> Welfare protection of suppliers increases their productivity and performance. Well established policies and systems safeguard vendors from corruption and malpractice. 	Establish a transparent and fair procurement management system that protects the rights of our vendors. Also, ensure that the social and environmental practices of suppliers are in line with our policies.
M4 Climate Change	Extreme weather events due to climate change expose our assets and operations to costly damages. It is important to manage our carbon emissions to mitigate the global issue.	<ul style="list-style-type: none"> Poor environmental practices may lead to regulatory non-compliances and stop work-orders. Lack of awareness among employees leads to the misuse of natural capital. 	<ul style="list-style-type: none"> Digitisation of operations reduces consumption and lowers operating costs. Environmental strategies/initiatives increase our visibility as an industry sustainability leader. 	Invest in energy and material optimisation technology that reduces consumption and waste, while achieving new efficiencies and cost savings. Furthermore, plan and implement environmental awareness programmes to educate employees and communities on the impact of their actions.
M5 Human Capital	The competence and skills of our people is the primary driver of our performance. Our talent pool must be nurtured and upskilled to keep up with the evolving industry.	<ul style="list-style-type: none"> Demotivated employees result in loss of potential talent to competitors. Poor health and safety procedures lead to accidents and potential violations. 	<ul style="list-style-type: none"> Effective training and upskilling programmes create a high-performing and productive workforce. Robust employee welfare systems increase talent retention and acquisition. 	Provide regular training and development programmes that equip employees with relevant industry skills. Also, introduce policies and initiatives that safeguard employee well-being and safety.
M6 Community Development	Our operations extend to all corners of the country. As a nation-building organisation, we need to engage and contribute to the development of local communities.	<ul style="list-style-type: none"> Lack of community programmes and initiatives impacts our reputation as a corporate citizen. The absence of volunteering opportunities reduces employee morale. 	<ul style="list-style-type: none"> Education initiatives create a knowledge-based economy and society. Working with communities strengthens our relationships, our credibility and presence. 	Award scholarships to high-potential students and nurture them into future leaders. Additionally, conduct regular volunteer programmes, where employees are encouraged to participate in and support grassroots causes and communities.
M7 Governance	A robust governance system is vital for the implementation of strategies. We need to establish frameworks and corporate culture to meet our digital aspirations.	<ul style="list-style-type: none"> Corruption and malpractices may lead to fines and discontinuation of operations. Poor leadership from management may cause employees to leave the company. 	<ul style="list-style-type: none"> A healthy and motivating corporate culture optimises the potential and creativity of employees. Fair policies that balance the interests of stakeholders creates trust and loyalty. 	Conduct frequent monitoring and review of all regulatory standards to ensure constant compliance. Also establish multiple platforms and channels for stakeholders to safely report any malpractices.











OUR MATERIAL MATTERS, RISKS AND MITIGATION APPROACHES

KEY RISKS AND MITIGATION:

The telco industry is at a key juncture characterised by shifting external environments, industry challenges, and market priorities. The complex, fast-changing market conditions pose various risks to the Group. As a key player in driving a digital society, it is essential to stay ahead of uncertainties and deploy appropriate mitigation strategies. Our risk team is guided by TM's ERM Framework, which allows the Group to identify, analyse and address emerging risks.

 For more details on the ERM Framework, please see page 157.

In 2019, our existing ERM Framework was strengthened to include EES risks, thus institutionalising sustainability within the Group. The enhanced framework delivers a more comprehensive and holistic view on the alignment of business and stakeholder interests. This supports TM's sustainability risk management as it allows us to design and implement appropriate mitigation strategies to continuously improve our EES performance.

Key Risks	Impact on Value	Stakeholders Affected	Strategies Deployed	How We Measure Value?
<p>Market</p> <p>Capitals:</p>  <p>Material Topics:</p> 	<ul style="list-style-type: none"> Lower customer loyalty due to changing consumer demands/behaviour Loss of market share to innovative and disruptive competitors Constraint debt capacity from market uncertainties 	<ul style="list-style-type: none"> Customers Shareholders Investors Employees 	<ul style="list-style-type: none"> Launch new products aimed at growth areas Train and develop employees with market-relevant skills Establish a robust risk framework to actively monitor/manage market risks Collaborate with key industry players 	<ul style="list-style-type: none"> New products released to market Customer satisfaction Customer service recognition Collaborations and partnerships Market share
<p>Operational</p> <p>Capitals:</p>  <p>Material Topics:</p> 	<ul style="list-style-type: none"> Fines, penalties and other costs associated with operational non-compliances Revenue leakage from poor operational/billing management Connectivity downtime due to breakdown/damages to network equipment 	<ul style="list-style-type: none"> Customers Shareholders Investors Suppliers 	<ul style="list-style-type: none"> Strengthen operational governance through robust policies and frameworks Invest in digital and efficient management systems Reinforce control measures and security of network assets 	<ul style="list-style-type: none"> Operational compliance rate Digitisation cost savings Rate of uptime
<p>Technology</p> <p>Capitals:</p>  <p>Material Topics:</p> 	<ul style="list-style-type: none"> Loss of revenue channels/competitive edge due to slow progress on new technologies High costs and reputational damage from cybersecurity breaches/data loss Poor scaling of digital initiatives from a lack of relevant skills within the workforce 	<ul style="list-style-type: none"> Customers Shareholders Investors Employees 	<ul style="list-style-type: none"> Actively monitor and develop emerging technologies Strengthen cybersecurity controls and features Invest in the digital and technology skilling of the talent pool 	<ul style="list-style-type: none"> New technology developed Intellectual properties Cybersecurity cases Digitisation of processes
<p>Sustainability</p> <p>Capitals:</p>  <p>Material Topics:</p> 	<ul style="list-style-type: none"> Penalties and other costs associated with unethical labour practices Increased costs and carbon emissions from energy-inefficient operations Poor performance due to unproductive/toxic work culture 	<ul style="list-style-type: none"> Employees Customers Suppliers Regulators Communities 	<ul style="list-style-type: none"> Strengthen sustainability governance and management systems Invest in energy-efficient technology Establish talent management frameworks that enhance employee well-being 	<ul style="list-style-type: none"> EES compliances Energy & associated cost savings Employee satisfaction survey Talent attraction & retention
<p>Regulatory</p> <p>Capitals:</p>  <p>Material Topics:</p> 	<ul style="list-style-type: none"> Revenue and profitability shortfall from broadband pricing pressures Fines and penalties from regulatory non-compliances Blindsided by new laws and requirements due to poor regulatory engagement 	<ul style="list-style-type: none"> Regulators Investors Shareholders 	<ul style="list-style-type: none"> Introduce affordable upgrades/broadband packages Strengthen regulatory governance frameworks Engage and collaborate with regulatory bodies 	<ul style="list-style-type: none"> Regulatory compliances Collaborations with authorities/regulators

STRATEGISING FOR GROWTH: OUR MID-TERM STRATEGY (2019-2021)

Our strategy focuses on sustainable value creation. For the year under review, we executed TM's PIP 2019-2021 for improved performance. In preparation for 2020, we have revised our strategic priorities to strengthen TM's position as a strategic partner and key enabler to a digital economy.

>> 2019 STRATEGIES

PIP2019-2021 enabled us to achieve the priorities set for 2019. It focuses on three (3) strategic pillars of growth: Converged Services; Simple and Digital; and Lean and Lower Cost. These are enabled by TM's integrated network infrastructure and digital platforms as well as our dedicated Warga TM.

In 2019, cost optimisation initiatives under the PIP resulted in sequential profitability improvements. We optimised costs from significant operational efficiencies, increase in productivity, eliminate redundancies and change to leaner operating models. We also thoroughly assessed and identified three (3) key areas that required quick fixes, as detailed below:



STRATEGISING FOR GROWTH: OUR MID-TERM STRATEGY (2019-2021)

>> 2020 PRIORITIES

In 2020, we will focus on delivering world-class customer experience and becoming Malaysia's service provider of choice. To achieve this, we are establishing ourselves as the National Telecommunications Infrastructure Provider (InfraCo) for 5G. As part of our commitment to power a Digital Malaysia, we aim to deliver fair and inclusive service to all network users, while remaining neutral for other service providers.

We are well-equipped to accelerate the transition to a Digital Nation. We have a strong communication backbone, reliable connectivity network, state-of-the-art technology and infrastructure, expert knowledge and experience, and a dedicated leadership team. Moving towards digital will require going back to these basics and fixing core issues. We will work on strengthening our foundation, which includes improving network and IT; enhancing processes and market distribution; and expanding sales generation.

Therefore, our strategy for 2020 is anchored on "Fixing the Basics and Embracing Customer Experience". This is built on four (4) strategic pillars and driven by two (2) key enablers, as shown below:

