



# EMPOWERING THE FUTURE



Integrated Annual  
Report 2024  
Financial Statements



**PIONEERING**



**WINNING**



**REVITALISING**

# **SUMMARY**

TM is entering the next phase of transformation, driven by its aspiration to become a Digital Powerhouse by 2030, while positioning Malaysia as the digital hub for ASEAN. This journey is guided by our PWR 2030 strategy — Pioneer, Win and Revitalise — reflecting our commitment to Empowering the Future.



# P

## **Pioneering Industry Growth through Digitalisation and Sustainability**

As the leading converged digital provider with the largest network and digital infrastructure in Malaysia, we enable seamless, secure connectivity for communities, businesses and the Government while driving industry growth through digitalisation and sustainability. Our superior 5G backhaul and services as well as advanced data centres empower us to pioneer the next generation of digital solutions—such as cloud, smart services and GPU-as-a-Service powered by AI—positioning us as a key catalyst in connecting Malaysia to the world and the world to Malaysia.



# W

## **Winning Infrastructure Leadership Position in High-Impact Areas (Communities, Businesses, Government)**

We lead the market as the Convergence Champion offering the only quad-play services in Malaysia and the preferred Digital Partner for Micro, Small and Medium Enterprises (MSMEs) through our comprehensive solutions portfolio. We also drive digital transformation for large enterprises and the Government across key verticals, including automotive, oil and gas, education and healthcare through cutting-edge offerings such as smart services, cloud and cyber security. Meanwhile, our extensive nationwide fibre network and international submarine cables are enabling seamless border-to-border connectivity. All these underscore TM's pivotal role as the growth accelerator of Malaysia's digital economy.



# R

## **Revitalising Talent and Innovation Ecosystem for Malaysia and the Region**

We are committed to revitalising our existing talents to create a tech-savvy workforce and deliver exceptional value to our stakeholders. Through Multimedia University (MMU), we are producing top-tier digital talents that contribute to the national digital agenda. We also collaborate on emerging technologies with industry and technology partners to revitalise the innovation ecosystem of Malaysia and the region.

Driven by PWR 2030 goals, sustainability remains core to our operations which is anchored by our Sustainability Framework.

With these efforts, we are committed to empowering a brighter, more connected future, ensuring that Malaysia and the region thrive in the digital age.

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## COMMITMENT TO SUSTAINABILITY

In upholding our responsibility to the environment, we are committed to reducing our carbon footprint in the production of our printed Integrated Annual Report. We strongly advocate all shareholders to access our downloadable reports at [tm.com.my/iar2024](https://tm.com.my/iar2024)

# FINANCIAL CALENDAR

## 2024

**23**

**FEBRUARY**

Announcement of the unaudited consolidated results for the 4<sup>th</sup> quarter ended 31 December 2023 and declaration of second interim single-tier dividend of 10.5 sen per share and final single-tier dividend of 5.0 sen per share for the financial year ended (FYE) 31 December 2023.

**13**

**MARCH**

Date of entitlement of the second interim single-tier dividend of 10.5 sen per share for the FYE 31 December 2023.

**29**

**MARCH**

Date of payment of the second interim single-tier dividend of 10.5 sen per share for the FYE 31 December 2023.

**2**

**APRIL**

Date of entitlement of the final single-tier dividend of 5.0 sen per share for the FYE 31 December 2023.

**19**

**APRIL**

Date of payment of the final single-tier dividend of 5.0 sen per share for the FYE 31 December 2023.

**30**

**APRIL**

Issuance of the 39<sup>th</sup> AGM Notice, Integrated Annual Report (IAR) 2023 and Circular to Shareholders.

**30**

**MAY**

- 39<sup>th</sup> AGM of the Company: Outcome of Meeting.
- Announcement of the unaudited consolidated results for the 1<sup>st</sup> quarter ended 31 March 2024.

**26**

**AUGUST**

Announcement of the unaudited consolidated results for the 2<sup>nd</sup> quarter ended 30 June 2024 and declaration of an interim single-tier dividend of 12.5 sen per share for the FYE 31 December 2024.

**11**

**SEPTEMBER**

Date of entitlement of the interim single-tier dividend of 12.5 sen per share for the FYE 31 December 2024.

**30**

**SEPTEMBER**

Date of payment of the interim single-tier dividend of 12.5 sen per share for the FYE 31 December 2024.

**26**

**NOVEMBER**

Announcement of the unaudited consolidated results for the 3<sup>rd</sup> quarter ended 30 September 2024.

## 2025

**25**

**FEBRUARY**

Announcement of the unaudited consolidated results for the 4<sup>th</sup> quarter ended 31 December 2024 and declaration of second interim single-tier dividend of 12.5 sen per share and special single-tier dividend of 6.0 sen per share for the FYE 31 December 2024.

**14**

**MARCH**

Date of entitlement of the second interim single-tier dividend and special single-tier dividend of 12.5 sen per share and 6.0 sen per share respectively, for the FYE 31 December 2024.

**28**

**MARCH**

Date of payment of the second interim single-tier dividend and special single-tier dividend of 12.5 sen per share and 6.0 sen per share respectively, for the FYE 31 December 2024.

**25**

**APRIL**

Issuance of the 40<sup>th</sup> AGM Notice, IAR 2024 and Circular to Shareholders.

**27**

**MAY**

40<sup>th</sup> AGM of the Company.

# SHARE PERFORMANCE

## TM SHARE PRICE & VOLUME TRADED

Shareholders Composition*		Total Shareholders**		Top 3 Shareholders*	
Malaysian	84.67%	2022	39,538	Khazanah Nasional Berhad	20.10%
Foreign	15.33%	2023	38,112	Employees Provident Fund Board	16.09%
		<b>2024</b>	<b>33,312</b>	Kumpulan Wang Persaraan (Diperbadankan)	8.23%

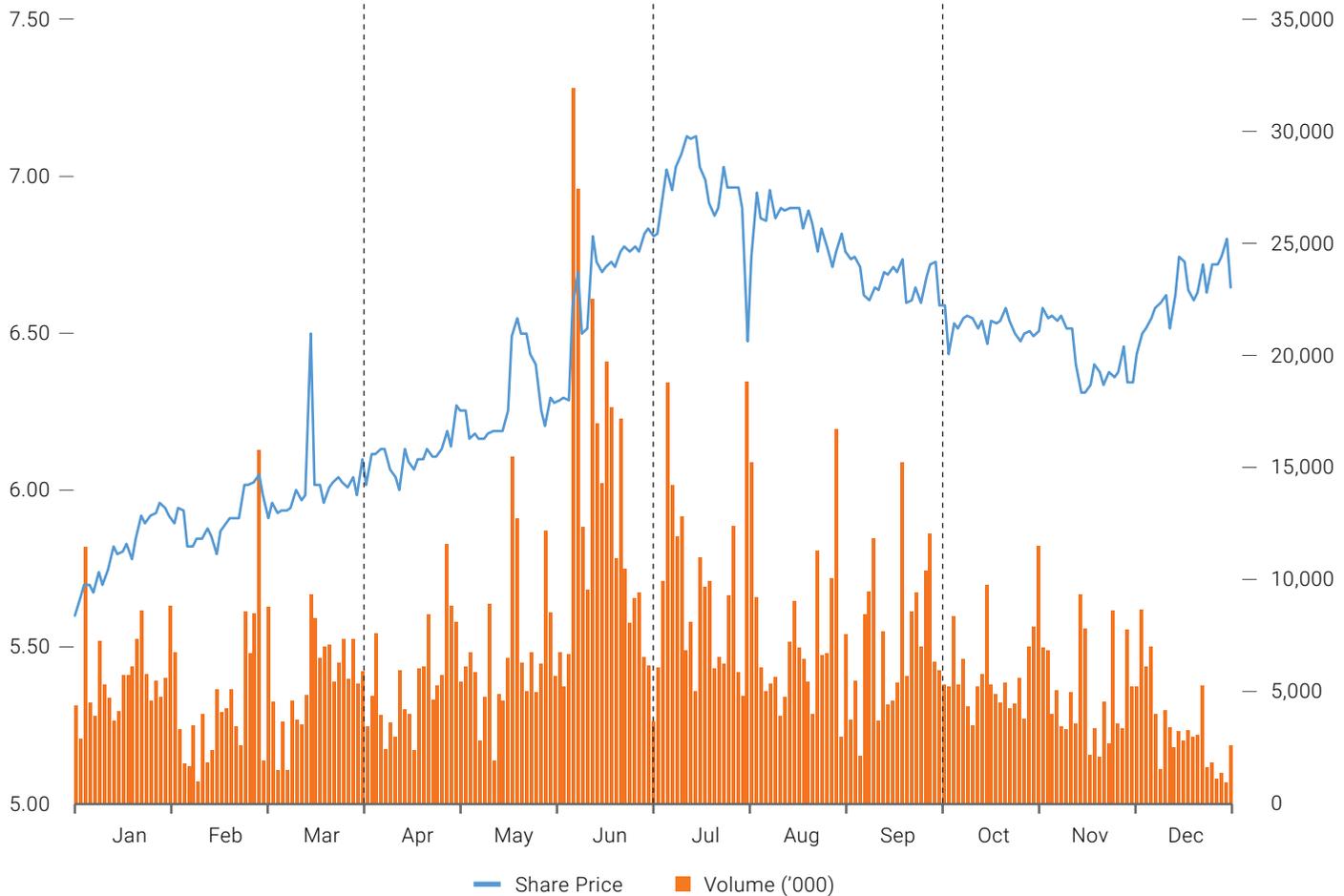
\* as at 31 December 2024

\*\* as at 31 December

1Q			2Q			3Q			4Q		
<b>High</b>	6.50	15 Mar	<b>High</b>	7.02	19 Jun	<b>High</b>	7.19	16 & 17 Jul	<b>High</b>	6.83	30 Dec
<b>Low</b>	5.52	2 Jan	<b>Low</b>	5.97	1 & 2 Apr	<b>Low</b>	6.40	5 Aug	<b>Low</b>	6.29	15 Nov
<b>Close</b>	6.04	29 Mar	<b>Close</b>	6.76	28 Jun	<b>Close</b>	6.72	30 Sep	<b>Close</b>	6.65	31 Dec

### TM Share Price (RM)

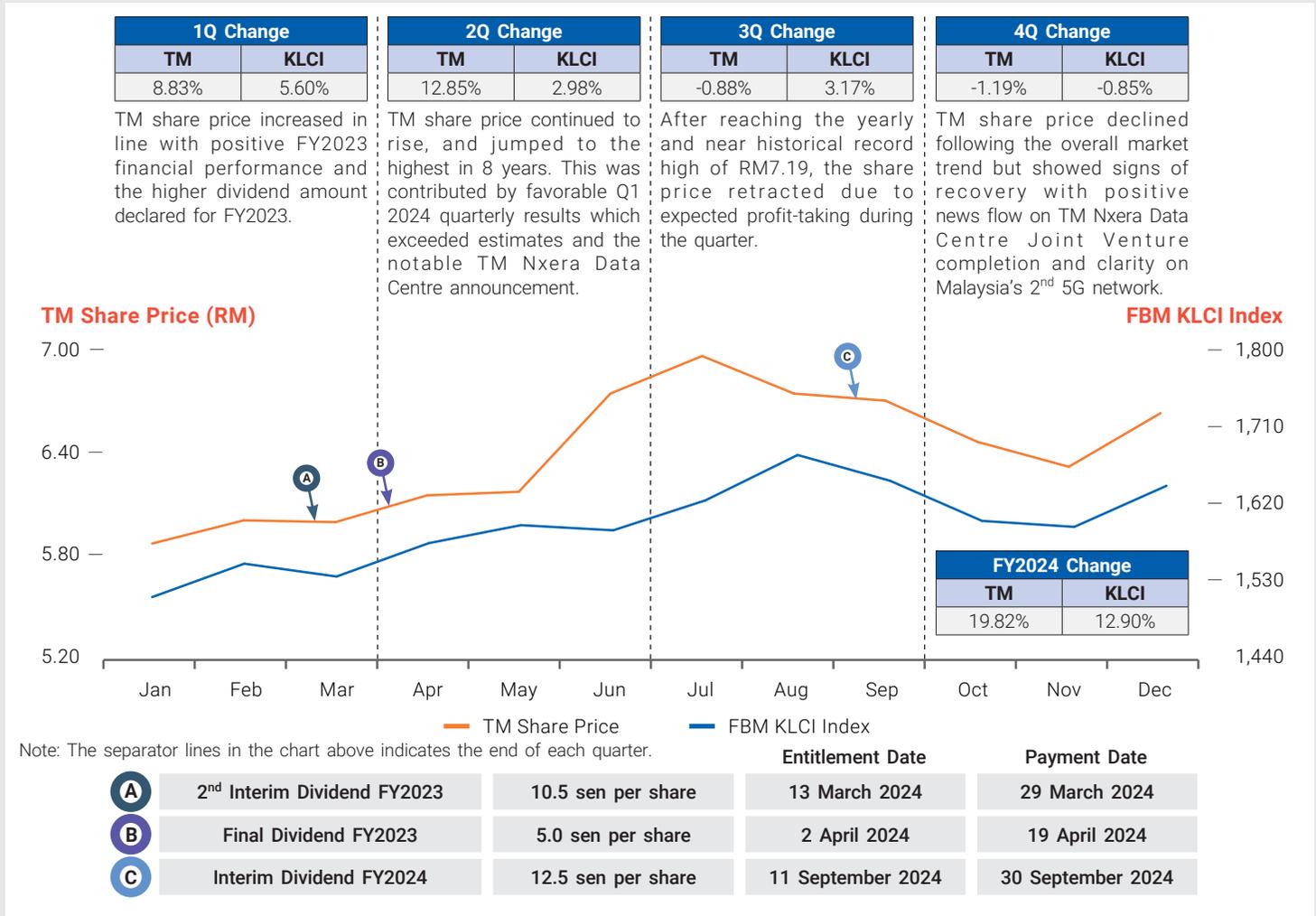
### Volume Traded ('000)



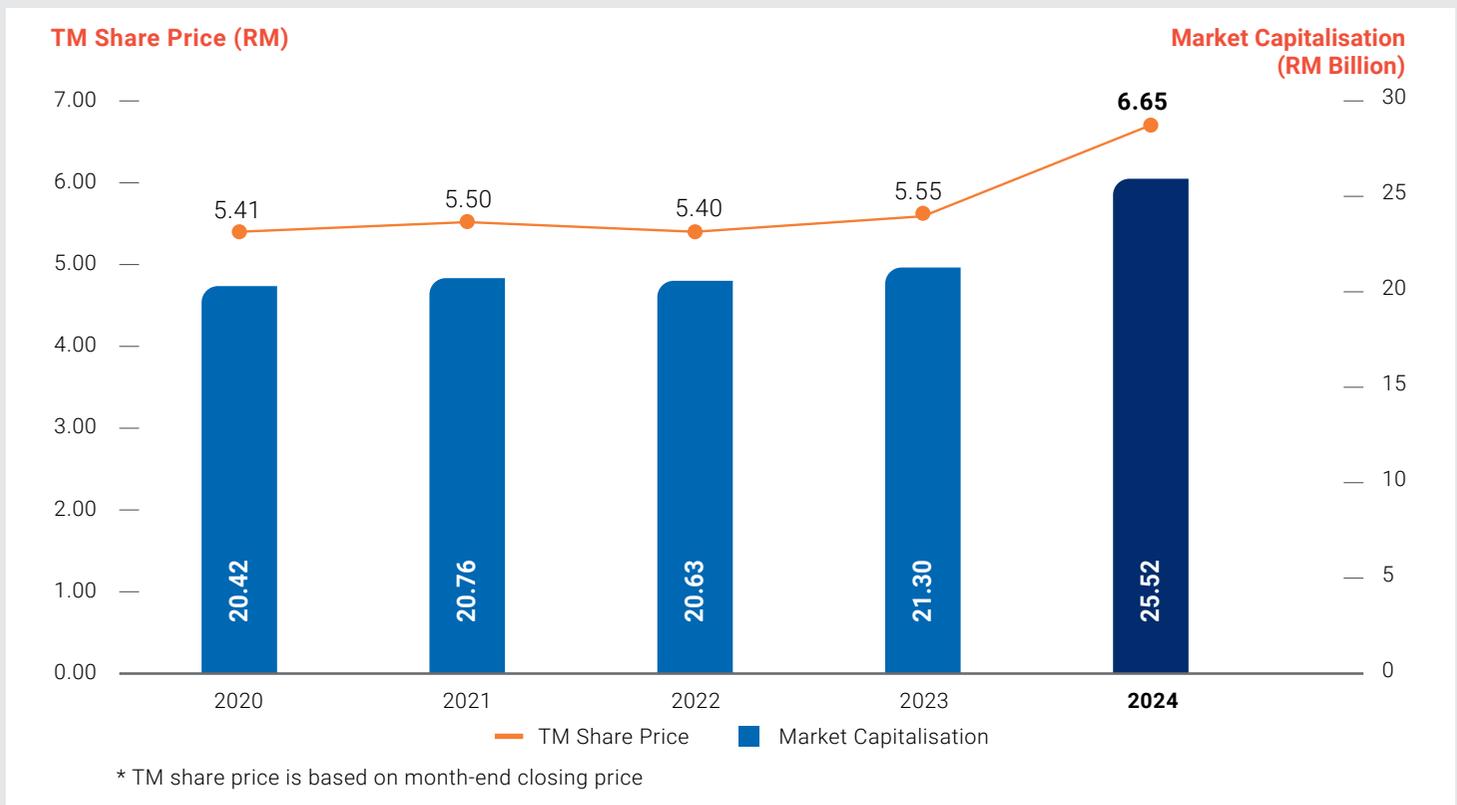
Note: The separator lines in the chart above indicates the end of each quarter.

## SHARE PERFORMANCE

### SHARE PRICE CHANGE



### TM SHARE PRICE & MARKET CAPITALISATION

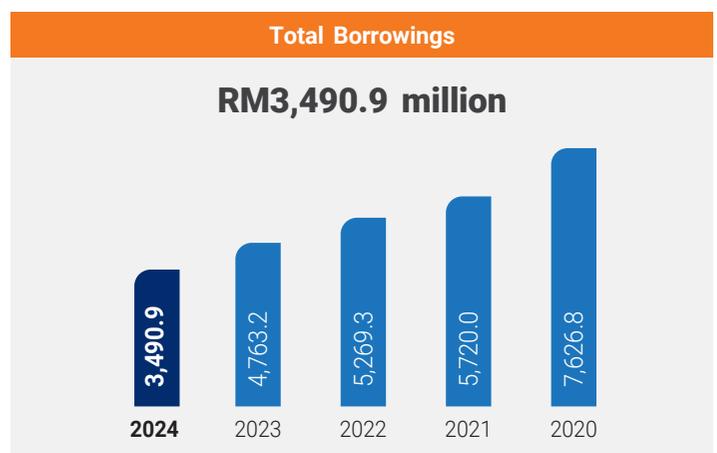
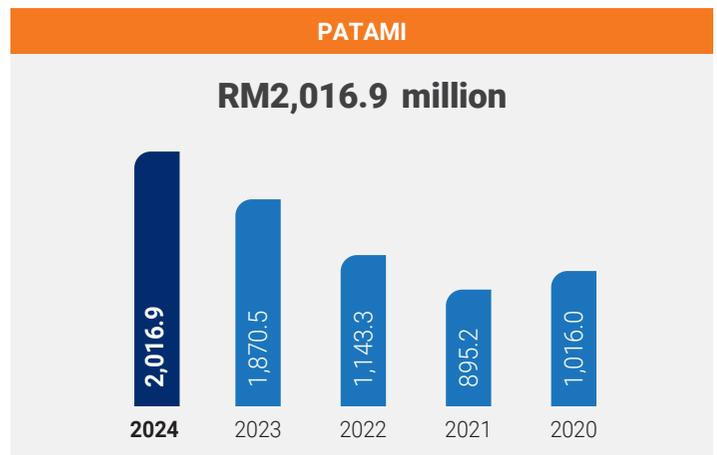


## GROUP FINANCIAL HIGHLIGHTS

In RM Million	2024	2023 Restated	2022	2021	2020
<b>OPERATING RESULTS</b>					
Operating revenue*	<b>11,712.4</b>	11,690.2	12,118.1	11,529.0	10,840.3
Earnings before interest, tax, depreciation and amortisation (EBITDA)*	<b>4,474.5</b>	4,502.0	4,953.1	4,344.8	3,888.6
Earnings before interest and tax (EBIT)	<b>2,325.1</b>	2,088.4	2,090.2	1,710.1	1,604.7
Profit before tax and zakat	<b>2,177.2</b>	1,808.5	1,686.5	1,246.8	1,278.5
Profit for the financial year	<b>2,038.9</b>	1,885.0	1,144.2	877.9	996.0
Profit attributable to equity holders of the Company (PATAMI)	<b>2,016.9</b>	1,870.5	1,143.3	895.2	1,016.0
<b>KEY DATA OF FINANCIAL POSITION</b>					
Total shareholders' equity	<b>10,099.7</b>	9,163.0	7,936.5	7,502.5	7,124.6
Total assets*	<b>21,162.5</b>	21,687.9	23,131.3	22,831.1	24,278.5
Total liabilities*	<b>10,896.6</b>	12,365.3	13,472.1	15,503.2	17,303.2
Total borrowings	<b>3,490.9</b>	4,763.2	5,269.3	5,720.0	7,626.8
Lease liabilities	<b>1,699.9</b>	1,857.6	1,774.5	1,883.7	1,907.6
<b>SHARE INFORMATION</b>					
Per share					
Earnings (basic)	<b>52.6 sen</b>	48.9 sen	30.2 sen	23.7 sen	27.0 sen
Dividend	<b>31.0 sen</b>	25.0 sen	16.5 sen	13.0 sen	14.3 sen
Net assets	<b>263.2 sen</b>	238.8 sen	207.7 sen	198.8 sen	188.8 sen
Share price as at 31 December	<b>RM6.65</b>	RM5.55	RM5.40	RM5.50	RM5.41
Market capitalisation	<b>RM25,520.7</b>	RM21,298.8	RM20,633.5	RM20,755.4	RM20,415.4
<b>FINANCIAL RATIOS</b>					
Return on shareholders' equity (ROE)	<b>20.9%</b>	23.0%	17.7%	13.9%	13.7%
Return on total assets*	<b>9.4%</b>	9.1%	6.0%	4.3%	4.0%
Return on invested capital (ROIC)*	<b>13.3%</b>	11.7%	10.8%	9.0%	8.4%
Debt equity ratio	<b>0.6</b>	0.8	1.0	1.2	1.4

\* During the financial year, the Group changed its accounting policy on the presentation of Government grants and has restated the 2023 comparative information accordingly, as disclosed in note 49 to the audited financial statements. The information for 2020 to 2022 has not been restated.

## GROUP FINANCIAL HIGHLIGHTS



\* During the financial year, the Group changed its accounting policy on the presentation of Government grants and has restated the 2023 comparative information accordingly, as disclosed in note 49 to the audited financial statements. The information for 2020 to 2022 has not been restated.

## SIMPLIFIED GROUP STATEMENT OF FINANCIAL POSITION

TOTAL ASSETS	2024 RM Million	2023 RM Million Restated
Property, plant and equipment	11,429.3	11,796.8
Intangible assets	839.5	896.3
Right-of-use assets	1,182.9	1,263.6
Inventories	201.7	204.6
Investments at fair value through profit or loss (FVTPL)	111.3	153.4
Trade and other receivables	2,518.0	2,275.0
Cash and bank balances	3,096.2	2,955.2
Other non-current receivables/assets	332.7	610.9
Contract assets	643.9	644.3
Other assets	807.0	887.8
<b>Total Assets</b>	<b>21,162.5</b>	21,687.9

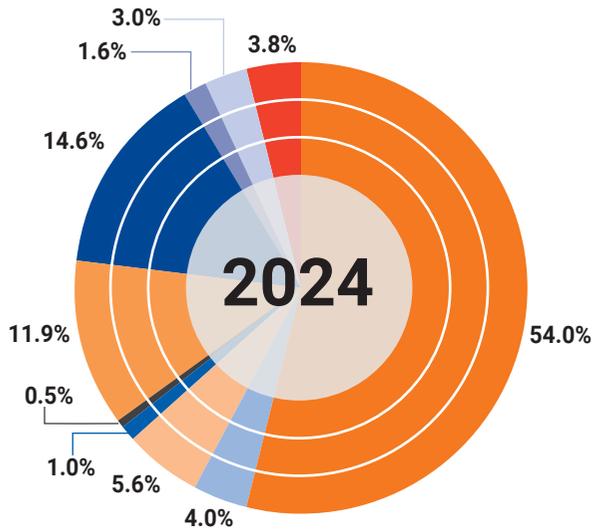
TOTAL LIABILITIES & SHAREHOLDERS' EQUITY	2024 RM Million	2023 RM Million Restated
Share capital	4,070.7	4,070.2
Other reserves	135.7	141.9
Retained profits	5,893.3	4,950.9
Non-controlling interests	166.2	159.6
Borrowings	3,490.9	4,763.2
Deferred tax liabilities	920.9	1,127.0
Trade and other payables	3,409.4	3,226.1
Tax and zakat	47.2	8.0
Contract liabilities	1,231.8	1,247.9
Lease liabilities	1,699.9	1,857.6
Others	96.5	135.5
<b>Total Liabilities &amp; Shareholders' Equity</b>	<b>21,162.5</b>	21,687.9

## SIMPLIFIED GROUP STATEMENT OF FINANCIAL POSITION

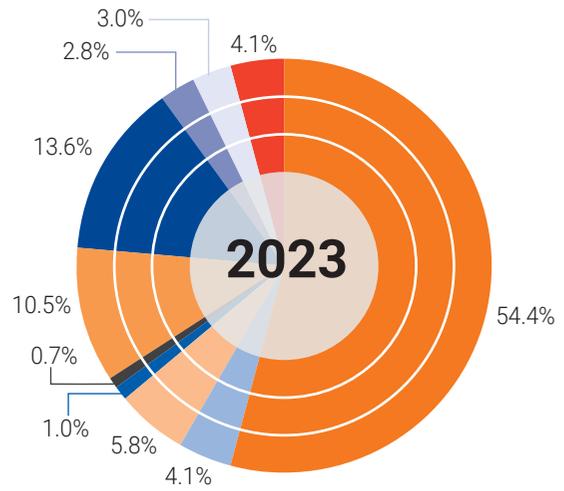
### Total Assets

**RM21,162.5 million**

(2023: RM21,687.9 million)



- Property, plant and equipment
- Intangible assets
- Right-of-use assets
- Inventories
- Investments at fair value through profit or loss (FVTPL)

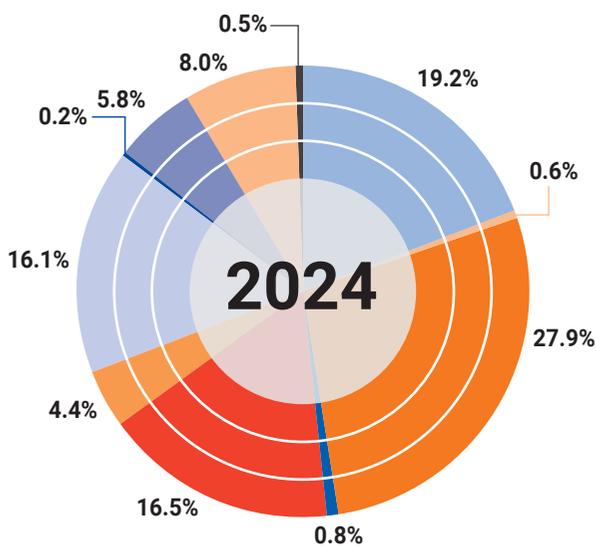


- Trade and other receivables
- Cash and bank balances
- Other non-current receivables/assets
- Contract assets
- Other assets

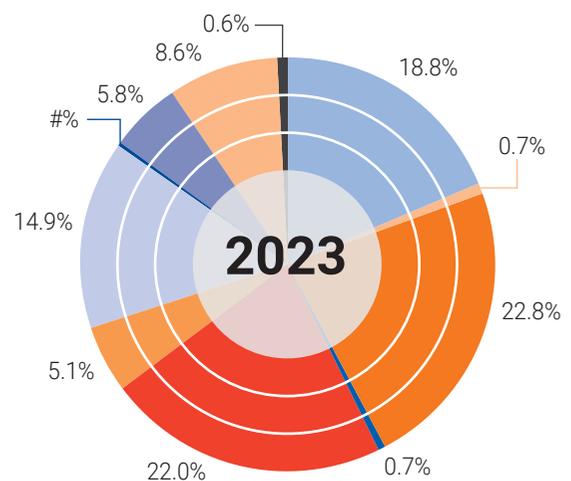
### Total Liabilities & Shareholders' Equity

**RM21,162.5 million**

(2023: RM21,687.9 million)



- Share capital
- Other reserves
- Retained profits
- Non-controlling interests
- Borrowings
- Deferred tax liabilities



- Trade and other payables
  - Lease liabilities
  - Contract liabilities
  - Others
- # Less than 0.1%

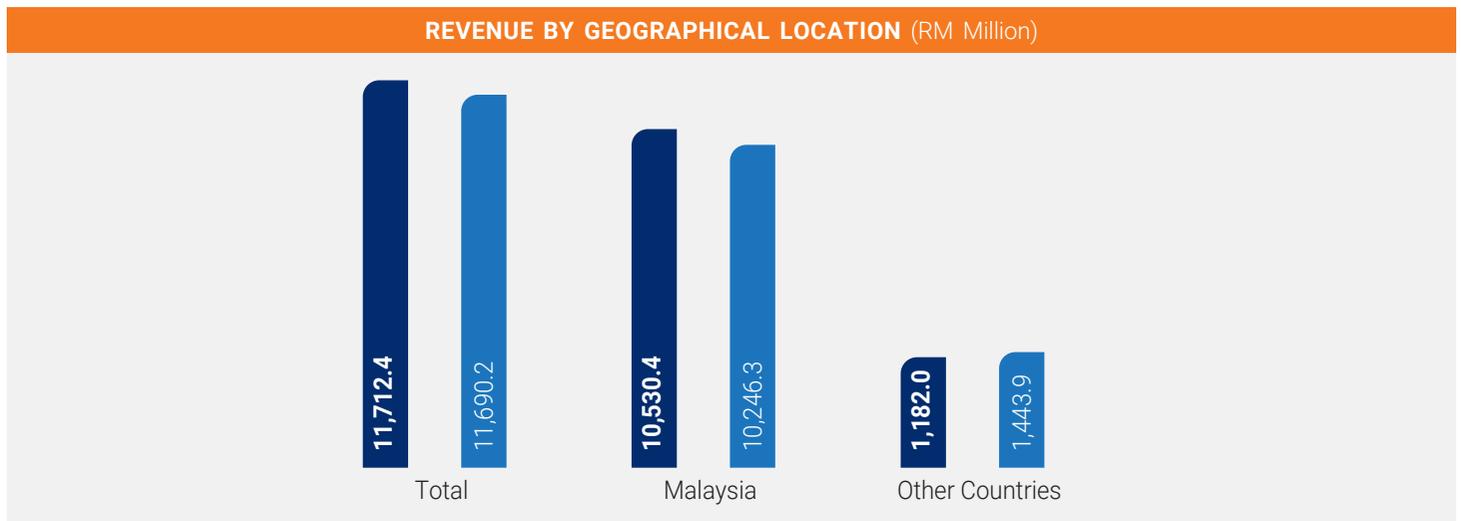
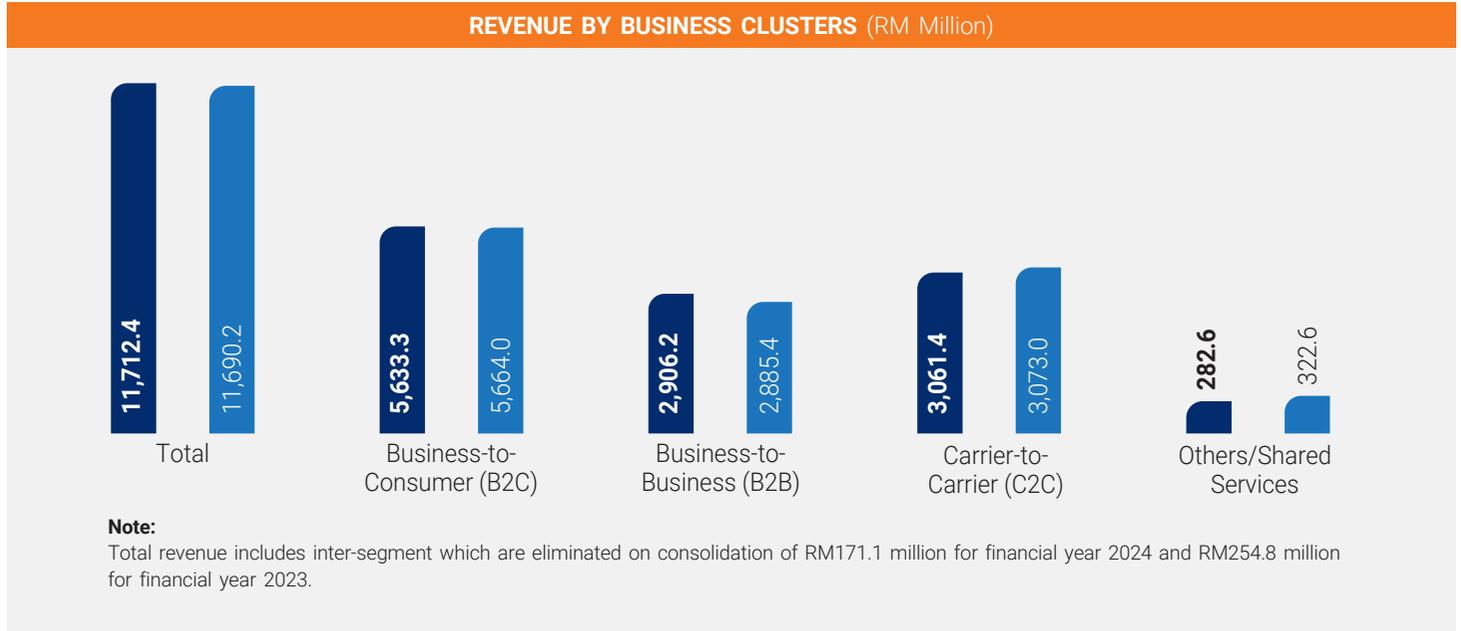
## GROUP QUARTERLY FINANCIAL PERFORMANCE

<b>2024</b> <i>In RM Million</i>	<b>First Quarter</b>	<b>Second Quarter</b>	<b>Third Quarter</b>	<b>Fourth Quarter</b>	<b>Year 2024</b>
Operating revenue	2,837.0	2,907.9	2,917.1	3,050.4	11,712.4
Operating profit before other gains and finance cost	650.9	612.7	549.1	512.4	2,325.1
Profit before tax and zakat	572.1	565.5	668.2	371.4	2,177.2
Profit attributable to equity holders of the Company	424.8	396.4	465.1	730.6	2,016.9
Basic earnings per share (sen)	11.1	10.3	12.1	19.0	52.6
Dividend per share (sen)	–	12.5	–	18.5	31.0

<b>2023</b> <i>In RM Million</i> Restated	<b>First Quarter</b>	<b>Second Quarter</b>	<b>Third Quarter</b>	<b>Fourth Quarter</b>	<b>Year 2023</b>
Operating revenue	2,785.9	2,958.6	2,953.7	2,992.0	11,690.2
Operating profit before other gains and finance cost	473.3	630.0	576.0	409.1	2,088.4
Profit before tax and zakat	421.0	488.8	505.0	393.7	1,808.5
Profit attributable to equity holders of the Company	330.1	568.7	538.2	433.5	1,870.5
Basic earnings per share (sen)	8.6	14.9	14.1	11.3	48.9
Dividend per share (sen)	–	9.5	–	15.5	25.0

# SEGMENTAL ANALYSIS

■ 2024 ■ 2023



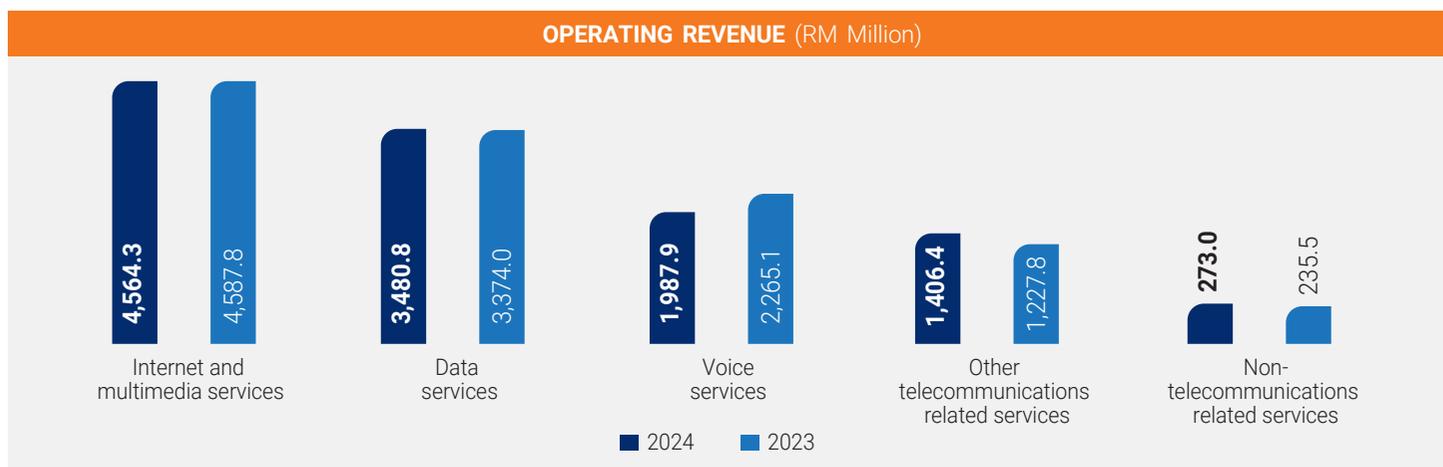
## GROUP FINANCIAL REVIEW

The Group has exhibited exceptional resilience throughout the year, culminating in a strong finish as it closes 2024 on a high note. Despite intensified competitive pressure and dynamic market conditions, our core businesses remained steadfast, maintaining a positive revenue trajectory from the previous year. Moreover, our internal efficiencies remain robust, as demonstrated by the Group's strong Earnings Before Interest and Tax (EBIT) and Group's Profit after Tax and Non-controlling Interest (PATAMI). These results enables the Group to position itself with the necessary strategic edge to drive TM's growth in the year ahead.

### OPERATING REVENUE

The Group successfully maintained a positive trajectory of a 0.2% year-on-year increase from RM11,690.2 million to RM11,712.4 million, driven primarily by data and other telecommunications services, as well as a strong performance from our education segment.

Despite the full impact of Unifi's price adjustment and the intense competition in 2024, the Business-to-Consumers (B2C) segment saw a 1.5% increase in fixed broadband customers, rising from 3.1 million to 3.2 million at the year end. This was largely anchored by targeted campaigns and promotional activities, reinforcing our position as the nation's convergence champion with the only quad-play services. Our success is further bolstered by strategic partnerships with Government agencies and enterprises, advancing digital transformation through solutions such as smart services, sovereign cloud, and cybersecurity. Additionally, we continued to expand our core digital infrastructure, including nationwide fibre networks, broadband coverage, 5G mobile backhaul, data centres, and submarine cables—all crucial elements in fostering digital inclusivity.



#### Internet and multimedia services

Internet and multimedia services revenue continue to be the largest revenue segment for the Group, contributing 39.0% of total revenue in 2024 (2023: 39.2%). Fixed broadband customer base grew 1.5% year-on-year, reaching 3.2 million at the year-end. This revenue segment remained resilient amidst intense competition. Full impact of Unifi's price adjustment and the heightened competitive pressures in 2024 weighed the revenue down to a marginal 0.5% decrease (RM23.5 million) to RM4,564.3 million, compared to RM4,587.8 million in 2023. The Group will be ramping up more targeted campaigns and offerings to further tap on opportunities of personalised experience with our services.

#### Data services

Revenue from data services contributed 29.7% of the Group's revenue, up from 28.9% in 2023. This revenue segment primarily includes leased lines, Ethernet, SD-WAN and IP services, serving both domestic and global telecommunication licensee customers. Data services generated RM3,480.8 million revenue in 2024, an increase of 3.2% (RM106.8 million) from RM3,374.0 million recorded in 2023, driven by strong demand in both domestic and international markets. In further strengthening this revenue segment, the Group continued to roll out mobile backhaul sites to support 5G, expanded High-Speed Broadband Access (HSBA) ports and enhanced transmission services to other telecommunications service providers within the country and globally.

#### Other telecommunications related services

Other telecommunications related services include revenue from customer projects, data centre, cloud solutions, managed Information and Communications Technology (ICT), business process outsourcing and smart services. Representing 12.0% of the Group's total revenue, this revenue segment grew by 14.5% (RM178.6 million) reaching to RM1,406.4 million from RM1,227.8 million in 2023. The growth reflects higher demand for the Group's international submarine cables and data centre services.

#### Non-telecommunications related services

The Group's RM273.0 million revenue from non-telecommunications related services rose 15.9% (RM37.5 million) in 2024 from RM235.5 million in 2023, contributed to 2.3% of the Group's total revenue (2.0% in 2023). This revenue segment comprises of the Group's diversified ventures in non-telecommunication related business activities through subsidiaries focusing on education segment and property development.

## GROUP FINANCIAL REVIEW

### OPERATING COSTS

The Group remains committed to enhancing profitability and operational excellence, with financial results reflecting a balanced approach of cost discipline and strategic investments for sustainable growth. Operating costs decreased by 2.3% (RM226.0 million) to RM9,579.3 million in 2024, compared to RM9,805.3 million in the previous year. This reduction was primarily driven by lower operational costs, depreciation, impairment and amortisation expenses, as well as reduced expenditures on network and building asset maintenance and improvements.

#### Depreciation, impairment and amortisation

Depreciation decreased by 10.9% (RM264.2 million), from RM2,413.6 million in 2023 to RM2,149.4 million in 2024. This reduction was primarily due to the one-off impairment loss of RM120.6 million recognised in the previous year, mainly related to certain IT assets and accelerated depreciation of network telecommunication towers and other network assets. This positive outcome reflects the Group's ongoing efforts to streamline its asset portfolio and enhance operational efficiency.

#### Domestic, international outpayment and commission

Domestic, international outpayment and commission, which account for 18.6% of the Group's total operating costs, decreased by 6.8% (RM130.8 million) year-on-year, despite a 0.2% growth in operating revenue. This cost category primarily includes telecommunications outpayment, costs associated with servicing

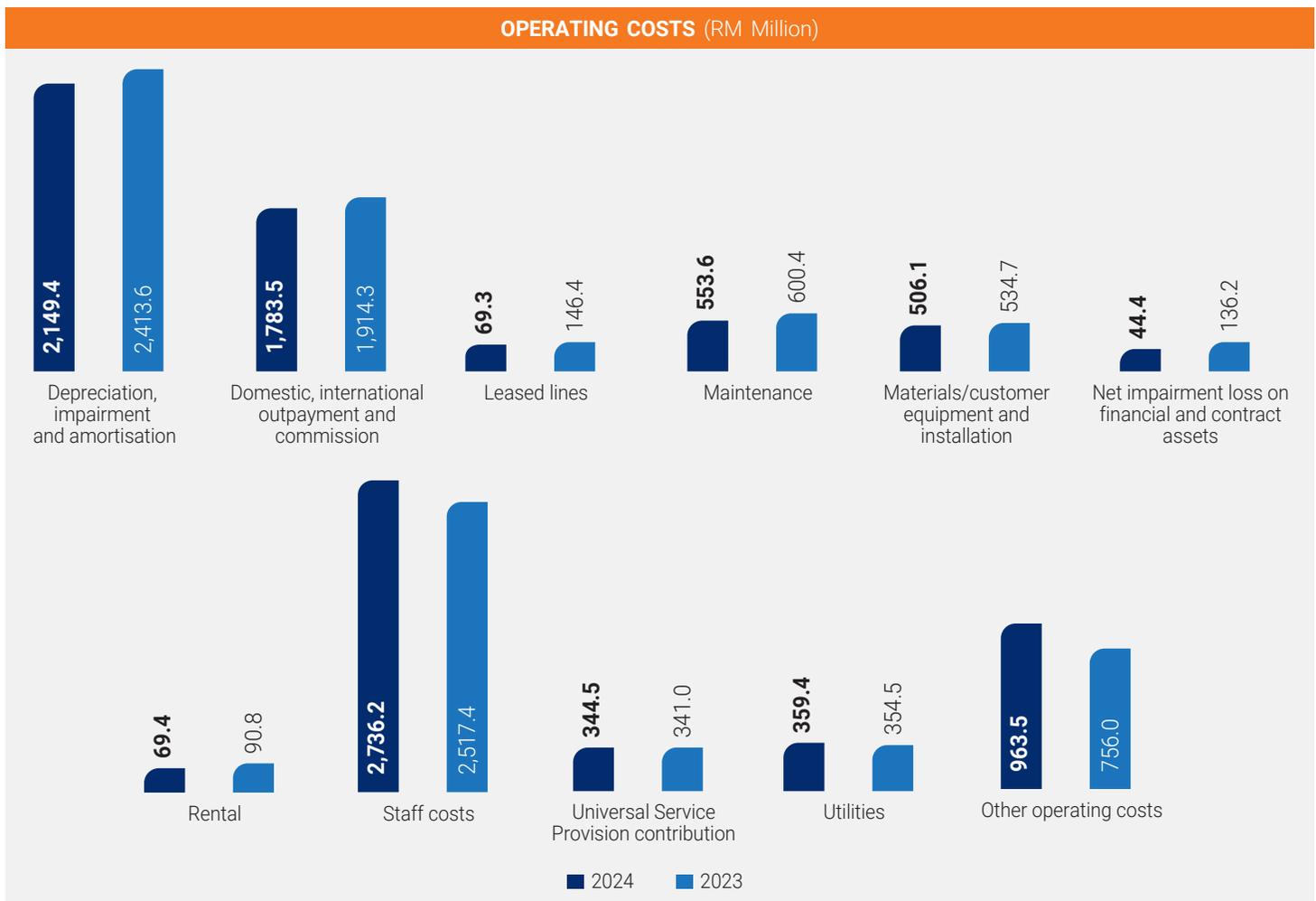
domestic and international traffic, commissions to resellers and agents, and expenses for telecommunications equipment and engineering services. The reduction reflects the Group's continued focus on operational efficiency.

#### Maintenance

The Group's maintenance cost for 2024 decreased by 7.8% (RM46.8 million), totaling RM553.6 million, compared to RM600.4 million in 2023, which includes repair and maintenance costs for the Group's network, buildings, premises, systems, and software. The reduction reflects the Group's continued efforts to optimise maintenance programmes and establish more efficient collaboration models with maintenance partners, all while ensuring the highest standards of service quality for our customers.

#### Materials/customer equipment and installation

The Group's materials/customer equipment and installation costs for 2024 totaled RM506.1 million, representing 5.3% of total costs and a 5.3% (RM28.6 million) decrease from the previous year. These costs primarily include expenses for customer premise equipment (CPE) such as routers and modems, incurred when acquiring customer contracts. Where applicable, these costs are capitalised and amortised over the contract period with customers. In 2024, this cost component represented 4.3% of total revenue, down from 4.6% in 2023, reflecting the Group's continued investment in enhancing customer experience.



## GROUP FINANCIAL REVIEW

### Net impairment loss on financial and contract assets

The Group closed the year with RM44.4 million provision for impairment of financial and contract assets in 2024, lower by RM91.8 million compared to RM136.2 million recorded in 2023. The cost over revenue ratio for this cost element that represents the Group's general and specific provision for impairment loss from trade and other receivable was at a level of 0.4% of revenue, compared to 1.2% in the previous financial year.

### Staff costs

Staff costs accounted for 28.6% of the Group's total operating costs, with a year-on-year increase of 8.8% (RM220.7 million). In absolute terms, total staff costs (net of capitalised staff costs) for 2024 amounted to RM2,736.2 million, compared to RM2,517.4 million in 2023. This increase is a testament to the Group's commitment to prioritising the well-being of its workforce, ensuring they remain well-supported amidst the rising cost of living.

### OTHER (LOSSES)/GAINS (NET)

The Group's fair value gains or losses on financial instruments measured at fair value through profit or loss (FVTPL) and gains or losses from the disposal or de-recognition of instruments measured at fair value through other comprehensive income (FVOCI) are reported as other (losses)/gains (net). In 2024, the Group recorded a net loss of RM15.6 million (2023: net gain of RM10.4 million), primarily driven by the fair value movement of its investment in a technology fund and changes in the value of fixed income unit trust investments.

### NET FINANCE (COST)/INCOME

At RM140.4 million, the Group's net finance (cost)/income for 2024 in totality reduced significantly by 53.7% (RM163.0 million) compared to RM303.4 million recorded in 2023. This was driven by current lower borrowing base because of the proactive early repayments undertaken in last few years, coupled with foreign exchange translation gain on the Group's USD-denominated borrowings of RM36.7 million, compared to a loss of RM48.7 million in 2023.

During the financial year, the Group repaid RM1.2 billion of Islamic Medium Term Notes (IMTN) in 4 tranches upon maturity, along with the early redemption of USD59.1 million (RM262.5 million) Debentures and the RM250.0 million IMTN repaid in the previous financial year. As a result, the Group's finance cost decreased by RM51.0 million compared to 2023, with no new borrowings during the current financial year.

Furthermore, finance income increased to RM127.7 million in 2024 from RM101.1 million in 2023, driven by higher cash and bank balances as at year-end, despite the repayment of IMTN and full settlement of Government grants obligations during the current financial year. The Group also recorded a foreign exchange translation gain of RM36.7 million on USD-denominated borrowings, compared to a loss of RM48.7 million last year. Consequently, the Group's net finance cost for 2024 decreased by 53.7% to RM140.4 million from RM303.4 million in 2023.

### Tax and Zakat Expenses

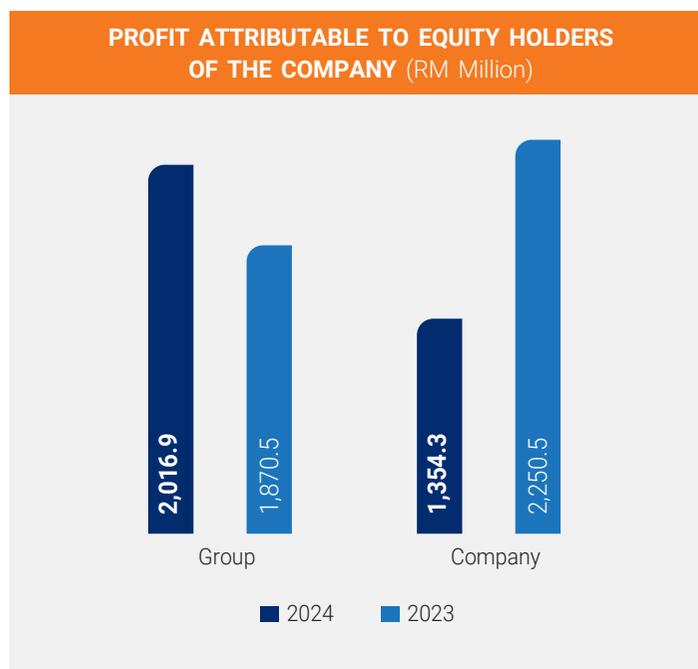
Following certain developments that have crystallised during the current financial year, the Group has recognised the remaining one-off deferred tax assets related to previously unabsorbed capital allowances following the Group's internal reorganisation, as their utilisation against future taxable profits has become probable. The Group's zakat contribution for 2024 amounted to RM9.0 million, compared to the RM9.9 million in 2023. The Group concluded the financial year with total tax and zakat charges of RM138.3 million (2023: RM76.5 million tax credit and zakat charges).

### Profitability

The Group's 2024 performance demonstrates its resilience in navigating a highly competitive domestic and international market, while maintaining a strong focus on enhancing profitability and operational excellence.

The Group's Earnings Before Interest and Tax (EBIT) improved 11.3% (RM236.7 million) to RM2,325.1 million, up from RM2,088.4 million last year. This was primarily contributed by lower depreciation, impairment and amortisation during the current financial year.

With a lower net finance cost of RM140.4 million and recognition of remaining one-off tax credits from unabsorbed capital allowances, the Group's Profit after Tax and Non-controlling Interests (PATAMI) in 2024 of RM2,016.9 million is 7.8% (RM146.4 million) higher than RM1,870.5 million recorded last year.



## GROUP FINANCIAL REVIEW

### TOTAL ASSETS

The Group closed the financial year end with total assets of RM21,162.5 million compared to RM21,687.9 million at the end of the previous financial year. This was largely contributed from net reduction in property, plant and equipment, right-of-use assets, intangible assets, investments at fair value through profit or loss, inventories, against net increase in trade and other receivables and cash and bank balances between the two balance sheet dates.

#### Property, plant and equipment (PPE)

The Group's PPE decreased by 3.1% (RM367.5 million) to RM11,429.3 million at the end of the financial year, compared to RM11,796.8 million at the end of 2023. Capital expenditure (CAPEX) of the Group was RM1,588.5 million in 2024, 13.6% of the Group's revenue. The CAPEX was 17.5% (RM335.9 million) lower than the RM1,924.4 million spent in 2023, a more prudent and diligent approach in expanding the Group's network infrastructure nationwide and regional submarine cable system.

#### Right-of-Use (ROU) assets

ROU assets represent the Group's collective rights to use leased assets which predominantly comprise of the rentals of thousands of telecommunication transmission sites throughout the nation, identified capacity within international and domestic submarine cables and co-location arrangements at data centres along with lease on office buildings, over the remaining lease period of those lease contracts. These assets are depreciated over the lease period and the Group would apply critical assumptions on the most probable outcome of extension for contracts with options to extend. The Group closed the financial year with RM1,182.9 million ROU assets, a decrease from RM1,263.6 million last year. This reduction was primarily driven by fewer new ROU contracts with high contract terminations, reflecting improved efficiency following the internal reorganisation on 1 March 2023.

#### Trade and other receivables

Trade and other receivables balance was at RM2,518.0 million at the end of 2024, compared to RM2,275.0 million the previous year. The RM243.0 million movements in balances was primarily from accrued earnings and grant recoverable from the Government and other relevant local or federal authorities, as well as the reclassification of sinking fund deposits from non-current receivables. This reclassification aligns with the Group's plan to allocate the sinking fund for the financing of its Debentures upon their maturity on 1 August 2025.

### Cash and bank balances

Cash and bank balances of the Group increased between the reporting year ends with RM3,096.2 million recorded as at 31 December 2024, as compared to RM2,955.2 million at the end of the previous balance sheet date. The RM141.0 million movements in cash and bank balances was primarily driven by reduction in capital expenditure for the year, despite reductions in borrowings from the repayment of IMTN upon its maturity and full settlement of the obligations related to Government grants.

### Inventories

The inventory levels dropped from RM204.6 million by the end of 2023 to RM201.7 million. This decline was primarily driven by a decrease in telecommunication and CPE, but this was partially offset by the increase in the international network capacity held for resale at C2C (*formerly TM Global*), specifically the international submarine cables.

## TOTAL LIABILITIES

The Group closed the financial year ended with total liabilities of RM10,896.6 million compared to RM12,365.3 million recorded at the end of 2023.

### Borrowings

Total borrowings of the Group stood at RM3,490.9 million as at 31 December 2024 compared to RM4,763.2 million at the end of 2023. Reduction in borrowings balance was mainly due to repayment of RM1,200.0 million IMTN tranches upon its maturity in 2024, as well as full settlement of the obligations related to Government grants amounting to RM22.5 million in the current financial year.

### Lease liabilities

The Group's lease liabilities were RM1,699.9 million at the end of the financial year, an 8.5% (RM157.7 million) decrease compared to RM1,857.6 million at the end of the previous financial year. The lease liabilities represent the present value of the Group's obligation to make future lease payments, discounted at borrowing rates inherent to the individual entities within the Group.

### Trade and other payables

The Group's total trade and other payables increased 5.7% (RM183.3 million) at RM3,409.4 million as at 31 December 2024, compared to RM3,226.1 million. This is aligned to the higher Accounts Payable (AP) days to settle the payments and decrease in the payments to suppliers during 2023.

## GROUP FINANCIAL REVIEW

### SHAREHOLDERS' EQUITY

The Group's strong performance for 2024 with PATAMI of RM2,016.9 million, less the RM1,074.5 million appropriation of dividend in cash during the year led to a 10.2% (RM936.7 million) increase in shareholders' equity.

Despite issuance of new ordinary shares during the year from the Group's Long Term Incentive Plan (LTIP), net asset per share increased from 238.8 sen per share at the end of the previous financial year to close at 10.2% higher at 263.2 sen.

### Earnings per share (EPS) and return on shareholders' equity (ROE)

The Group's EPS for 2024 increased to 52.6 sen per share from 48.9 sen per share in 2023, resulting from a 7.8% increase in the Group's PATAMI, which amounts to RM146.4 million. The ROE, calculated by dividing Reported PATAMI by the average shareholders' equity, decreased from 23.0% in 2023 to 20.9% in 2024.

### Dividends

The Group remains committed to its dividend payout policy to distribute yearly dividend of 40% to 60% from the Group's Reported PATAMI. For our shareholders, the Group declared on 25 February 2025 a second interim single-tier dividend of 12.5 sen per share and a special single-tier dividend of 6.0 sen per share, with a total payout amounting to approximately RM479.7 million and RM230.3 million, respectively, for the financial year of 2024. Together with the first interim single-tier dividend of 12.5 sen per share declared on 26 August 2024, the total dividend for the financial year ended 31 December 2024 is 31.0 sen per share, amounting to RM1,189.7 million.



## STATEMENT OF VALUE ADDED

Value added is a measure of wealth created. The following statement shows the Group's value added for 2024 and 2023 and its distribution by way of payments to employees, Government/approved agencies and shareholders, with the balance retained in the Group for reinvestment and future growth.

VALUE ADDED	2024 RM Million	2023 RM Million Restated
Revenue	11,712.4	11,690.2
Purchase of goods and services	(4,598.9)	(4,788.9)
Value added by the Group	7,113.5	6,901.3
Other operating income (net)	192.0	203.5
Other (losses)/gains (net)	(15.6)	10.4
Finance income	127.7	101.1
Finance cost	(304.8)	(355.8)
Foreign exchange gains/(losses) on borrowings	36.7	(48.7)
Share of results of associate/jointly controlled entity	8.1	13.1
<b>Value added available for distribution</b>	<b>7,157.6</b>	<b>6,824.9</b>

DISTRIBUTION	2024 RM Million	2023 RM Million Restated
<b>To Employees</b>		
Employment cost	2,831.0	2,602.8
<b>To Government/Approved Agencies*</b>		
Tax, zakat and Universal Service Provision (USP) contributions	482.8	264.5
<b>To Shareholders</b>		
Dividends	1,074.5	649.6
Non-controlling interests	22.0	14.5
<b>Retained for reinvestment and future growth</b>		
Depreciation, impairment and amortisation	2,149.4	2,413.6
Net increase in retained profits	597.9	879.9
<b>Total distributed</b>	<b>7,157.6</b>	<b>6,824.9</b>

\* Includes USP contribution regulated under Communications and Multimedia (Rates) Rules 2002.

## DISTRIBUTION OF VALUE CREATED



## TAX STRATEGY STATEMENT

This document sets out TM Group's (including subsidiaries and overseas branches) accountable and sustainable tax policy and approach to managing its tax affairs and tax compliance risk for the financial year ended 31 December 2024.

### 1. KEY PRINCIPLES

TM Group is committed to conducting its tax affairs based on the following principles:

- (a) Timely compliance with all applicable tax laws and regulations of the countries in which it operates;
- (b) Ensure that business transactions are driven by business purpose or commercial purpose taking into account Environmental, Social and Governance (ESG) considerations and TM's Core Values;
- (c) Reflecting good corporate governance, TM Group believes in conducting its affairs such that it reports and pays its fair share of taxes in a timely manner to all tax authorities and does not seek to evade tax or engage in any aggressive tax planning nor facilitate others in doing so;
- (d) Exercise due diligence and professional care, including seeking written opinion from third party advisors and rulings/confirmations from the tax authorities, where necessary, to ensure that the positions taken reflect legislative intent, are supportable and defensible in a tax audit; and
- (e) Adopt open and collaborative professional relationships with the relevant tax authorities, Government bodies and stakeholders with which it interacts.

### 2. TAX GOVERNANCE

TM's Group Tax Unit (Group Tax) in collaboration with the finance teams in each entity within the Group, is responsible in ensuring timely tax compliance. Group Tax work together with the Group's various Business Finance departments to provide advice and guidance, maintaining compliance with the tax laws and regulations while ensuring that business decisions are commercially justified.

The respective Business Finance departments would seek input from Group Tax on:

- (a) Business proposals to ensure a clear understanding of the tax consequences;
- (b) Assessment and management of tax risks to ensure compliance with local and overseas tax regulations in respect of TM's cross border related party transactions;
- (c) Tax technical position to ensure that a position taken is supported by documentation, legal interpretation and the practice adopted by the tax authorities. Where required, external tax advice would be sought in consultation with Group Tax; and
- (d) Audits and/or enquiries from tax/regulatory authorities.

In addition, Group Tax must be involved in the planning, implementation and documentation of any business or share acquisitions, including but not limited to disposals, changes in corporate structure, significant business transactions, new cross border intra-group trading arrangements and selection of tax advisors.

TM Group is in-scope for the Global Minimum Tax (GMT), which was introduced to address the tax challenges arising from the globalisation and digitalisation of the economy. This represents a major step forward in international cooperation on the taxation of multinational enterprises, places greater emphasis on transparency with tax authorities, combating tax evasion within the global business network.

### 3. ATTITUDE TO TAX PLANNING

TM Group will utilise tax incentives and reliefs to minimise the tax costs of conducting its business provided that they are aligned with intended policy objectives of the Governments which introduced the incentives, supported with genuine commercial activity and consistent with the business and/or operational objectives of TM Group.

TM Group is cognisant of the importance of ensuring any tax planning opportunities are carried out within the ambit of the tax laws. Substantive and commercial reasons would always be the main consideration for entities which are based in low or nil-tax rate jurisdictions and the Group uses the arm's length principle, pricing in-line with best practice guidelines issued by the Organisation for Economic Co-operation and Development (OECD) and apply this consistently across our businesses (contingent on local laws).

### 4. MANAGEMENT OF TAX RISKS

Written advice will be obtained from external advisors to support the decision-making process where there is uncertainty on the application/interpretation of tax laws and/or the transaction carries substantial reputational and monetary or regulatory risk.

Any changes in relevant tax laws and practices are monitored through regular updates from external tax advisors, discussions/dialogues with the professional bodies and relevant tax authorities and participation in seminars/conferences. Team members at Business Finance and Group Tax have recognised accounting qualifications and the Group's activities provide opportunities for internal/external training in respect of taxation to ensure that members of the finance teams have the necessary experience and expertise to identify and manage tax matters as they arise.

Group Tax has the responsibility to determine the technical position to be taken by TM in relation to tax matters.

From time to time, our position may differ from those of the tax authorities with regards to the appropriate tax treatment. Where such circumstances arise, TM will work constructively and proactively with the tax authorities with a view to achieving an early resolution to any matters arising.

Depending on the degree of risk and/or nature of the transactions involved, tax actions/decisions will be referred to the Board Audit Committee (BAC) and the Board of Directors for approval and guidance.

The subjective nature in the interpretation of tax laws and various tax rules makes it impossible to fully mitigate all tax risks. Therefore, we endeavour to keep tax risks to a minimum and do not set a limit on acceptable risks.

We seek to manage our affairs consistent with our tax strategy principles and will refer to the BAC and Board of Directors for guidance, where required.

### 5. RELATIONSHIPS WITH TAX AUTHORITIES

TM Group seeks to:

- (a) Deal with tax authorities and other relevant bodies in a collaborative, courteous and timely manner;
- (b) Engage in open dialogue to discuss tax planning, strategy, risks and significant transactions;
- (c) Make fair, accurate and timely disclosure in correspondences, returns and financial statements; and
- (d) Provide response to queries and information requests on a timely basis and seek to resolve issues with the tax authorities to aim for early agreement on disputed matters and to obtain a ruling/confirmation on technical positions, where possible.

## STATEMENT OF RESPONSIBILITY BY DIRECTORS

In respect of the Audited Financial Statements for the Financial Year Ended 31 December 2024

The Directors are required by the Companies Act 2016 (CA 2016) to prepare the financial statements for each financial year in accordance with applicable Malaysian Financial Reporting Standards (MFRS Accounting Standards), International Financial Reporting Standards (IFRS Accounting Standards), the relevant provisions of the CA 2016 and the requirements of the Main Market Listing Requirements (Main LR) of Bursa Malaysia Securities Berhad (Bursa Securities). The Directors are responsible to ensure that the financial statements give a true and fair view of the financial position of the Group and the Company at the end of the financial year, and of their financial performance and cash flows for the financial year then ended.

In preparing the financial statements, the Directors have:

- adopted appropriate and relevant accounting policies and applied them consistently;
- made judgements and estimates that are reasonable and prudent;
- ensured that all applicable approved accounting standards have been followed; and
- prepared the financial statements on a going concern basis as the Directors have a reasonable expectation, having made enquiries, that the Group and the Company have adequate resources to continue in operation for the foreseeable future.

The Directors have the responsibility to ensure that the Group and the Company keep accounting records which disclose with reasonable accuracy the financial position of the Group and the Company, and which enable them to ensure the financial statements comply with the CA 2016.

The Directors also have the overall responsibilities to take such steps that are reasonably open to them to safeguard the assets of the Group and the Company, and for the establishment, implementation and maintenance of appropriate accounting and internal control systems for the detection and prevention of fraud and other irregularities.

## DIRECTORS' REPORT

for the financial year ended 31 December 2024

The Directors have the pleasure of submitting the audited financial statements of the Group and the Company for the financial year ended 31 December 2024.

### PRINCIPAL ACTIVITIES

The principal activities of the Group and the Company are investment holding, the establishment, maintenance and provision of telecommunications and related services. The details and principal activities of subsidiaries are set out in note 50 to the audited financial statements. There were no significant changes in the principal activities of the Group during the financial year.

### RESULTS

The results of the operations of the Group and the Company for the financial year were as follows:

	The Group RM Million	The Company RM Million
Profit for the financial year attributable to:		
– equity holders of the Company	2,016.9	1,354.3
– non-controlling interests	22.0	–
Profit for the financial year	2,038.9	1,354.3

In the opinion of the Directors, the results of the operations of the Group and the Company during the financial year were not substantially affected by any item, transaction or event of a material and unusual nature.

### DIVIDENDS

Since the end of the previous financial year, dividends paid, declared or proposed on ordinary shares of the Company were as follows:

	The Company RM Million
In respect of the financial year ended 31 December 2023 as reported in the Directors' report of the year:	
(a) The second interim single-tier dividend of 10.5 sen per share was declared on 23 February 2024 and paid on 29 March 2024	402.9
(b) The final single-tier dividend of 5.0 sen per share was declared on 23 February 2024 and paid on 19 April 2024	191.9
In respect of the financial year ended 31 December 2024:	
(a) An interim single-tier dividend of 12.5 sen per share was declared on 26 August 2024 and paid on 30 September 2024	479.7
	1,074.5

On 25 February 2025, the Board of Directors declared the following dividends in respect of the financial year ended 31 December 2024:

- (a) Second interim single-tier dividend of 12.5 sen per share has been paid on 28 March 2025 to shareholders whose names appear in the Register of Members and Record of Depositors on 14 March 2025.
- (b) Special single-tier dividend of 6.0 sen per share has been paid on 28 March 2025 to shareholders whose names appear in the Register of Members and Record of Depositors on 14 March 2025.

The financial statements for the current financial year do not reflect these proposed dividends. Such dividends will be accounted for in equity as an appropriation of retained earnings in the financial year ending 31 December 2025.

At the Thirty-ninth (39<sup>th</sup>) Annual General Meeting (AGM) on 30 May 2024, the Shareholders approved the renewal of authority for Directors of the Company to allot and issue new ordinary shares in the Company (New TM Shares) in accordance with the Dividend Reinvestment Scheme (DRS) (as disclosed in note 13(b) to the audited financial statements) from the 39<sup>th</sup> AGM until the conclusion of the next AGM.

## DIRECTORS' REPORT

for the financial year ended 31 December 2024

### EMPLOYEE SHARE SCHEME – LONG TERM INCENTIVE PLAN (LTIP)

On 29 September 2016, the Company implemented an LTIP that is enforceable over a period of 10 years, having obtained shareholders' approval at an Extraordinary General Meeting (EGM) on 28 April 2016 and all other subsequent required approvals. The EGM also approved the By-Laws governing the LTIP.

There has been no further grant of new LTIP tranches during the current financial year.

During the financial year, New TM Shares were issued following the fulfilment of the vesting conditions pursuant to the LTIP to eligible employees of the Company and its subsidiaries as detailed below:

Description	Listing date	Total TM Shares Issued	Issue Price per unit (RM)
Restricted Shares	30 May 2024	21,200	6.4893
Performance Shares	30 May 2024	55,200	6.4893
<b>TOTAL</b>		<b>76,400</b>	

Description of both Restricted Shares (RS) and Performance Shares (PS) are disclosed in note 14 to the audited financial statements for the financial year ended 31 December 2024.

### SHARE CAPITAL

#### Shares issued pursuant to LTIP

Pursuant to the vesting of the RS and PS under the LTIP as disclosed above, the number of ordinary shares of the Company increased by 76,400 during the financial year and the number of ordinary shares of the Company was 3,837,704,680 as at 31 December 2024.

#### Shares issued pursuant to DRS

No new shares were issued pursuant to the DRS during the financial year as the DRS was not made applicable to any dividends appropriated during the financial year.

The Company will seek shareholders' approval at the forthcoming Fortieth (40<sup>th</sup>) AGM for the renewal of the authority for the Directors of the Company to allot and issue New TM Shares pursuant to the DRS and the approval of Bursa Securities for the listing and quotation of the New TM Shares.

### ISSUANCES, REPURCHASES AND REPAYMENTS OF DEBT

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

During the current financial year, the Group repaid the following IMTN tranches in full, at its nominal value, upon their maturity dates:

Debt Securities	Date of Issue	Nominal Value (RM Million)	Rate per Annum	Maturity Date
IMTN	21 March 2014	300.0	4.820%	21 March 2024
IMTN	27 June 2014	300.0	4.738%	27 June 2024
IMTN	7 October 2014	300.0	4.550%	7 October 2024
IMTN	22 December 2014	300.0	4.550%	20 December 2024

The IMTN was issued as part of the RM3.0 billion IMTN Programme, as disclosed in note 17(a) to the audited financial statements.

### MOVEMENTS ON RESERVES AND PROVISIONS

All material transfers to or from reserves or provisions during the financial year have been disclosed in the audited financial statements.

## DIRECTORS' REPORT

for the financial year ended 31 December 2024

### OTHER STATUTORY INFORMATION

Before the financial statements of the Group and the Company were prepared, the Directors took reasonable steps to:

- (a) ascertain that proper actions had been taken in relation to the writing off of bad debts and the making of allowance for doubtful debts and satisfied themselves that all known bad debts had been written off and that adequate allowance had been made for doubtful debts; and
- (b) ensure that any current assets that were unlikely to be realised in the ordinary course of business, including the value of current assets as shown in the accounting records of the Group and the Company, had been written down to an amount which the current assets might be expected to realise.

At the date of this report, the Directors are not aware of any circumstances which:

- (a) would render the amounts written off for bad debts or the amount of allowance for doubtful debts inadequate to any substantial extent; or
- (b) would render the value attributed to current assets in the financial statements of the Group and the Company misleading; or
- (c) have arisen which would render adherence to the existing method of valuation of assets or liabilities of the Group and the Company misleading or inappropriate.

At the date of this report, there are:

- (a) no charges on the assets of the Group and the Company which have arisen since the end of the financial year which secures the liabilities of any other person; and
- (b) no contingent liabilities have arisen in the Group and the Company since the end of the financial year.

No contingent or other liability of any company in the Group has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year, which, in the opinion of the Directors, will or may affect the ability of the Group or the Company to meet their obligations when they fall due.

At the date of this report, the Directors are not aware of any circumstances not otherwise dealt with in this report or the financial statements of the Group and the Company, which would render any amount stated in the financial statements misleading.

In the opinion of the Directors:

- (a) the results of the operations of the Group and the Company during the financial year were not substantially affected by any item, transaction or event of a material and unusual nature; and
- (b) there has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely to affect substantially the results of any operations of the Group and the Company for the financial year in which this report is made.

### DIRECTORS

The Directors in office during the financial year and from the end of the financial year to the date of this report are:

#### Directors

Dato' Zainal Abidin Putih  
Amar Huzaimi Md Deris  
Datuk Dr. Shahrazat Haji Ahmad  
Dato' Mohamed Nasri Sallehuddin  
Muhammad Afhzal Abdul Rahman  
Hisham Zainal Mokhtar  
Datuk Siti Zauyah Md Desa  
Rossana Annizah Ahmad Rashid  
Ahmad Taufek Omar  
Datuk Bazlan Osman  
*(Appointed on 30 May 2024)*  
Tan Sri Datuk Yong Poh Kon  
*(Appointed on 30 May 2024)*

#### Alternate Director

Iszad Jeffri Ismail

## **DIRECTORS' REPORT**

for the financial year ended 31 December 2024

### **DIRECTORS (CONTINUED)**

#### **Directors who retired or resigned during the year**

Tunku Afwida Tunku Dato' A.Malek  
*(Ceased as director on 30 May 2024)*  
Balasingham A. Namasiwayam  
*(Ceased as director on 30 May 2024)*  
Suhendran Sockanathan  
*(Resigned on 25 July 2024)*

Pursuant to Clause 106(2) of the Company's Constitution, the following Directors who were appointed during the year shall retire at the forthcoming 40<sup>th</sup> AGM of the Company and being eligible, offer themselves for re-election:

- (i) Datuk Bazlan Osman; and
- (ii) Tan Sri Datuk Yong Poh Kon.

In accordance with Clause 112 of the Company's Constitution, the following Directors shall retire by rotation at the forthcoming 40<sup>th</sup> AGM of the Company and being eligible, offer themselves for re-election:

- (i) Dato' Mohamed Nasri Sallehuddin; and
- (ii) Muhammad Afhzal Abdul Rahman.

Rossana Annizah Ahmad Rashid who also retires by rotation according to Clause 112, has expressed her intention not to seek re-election at the forthcoming 40<sup>th</sup> AGM. Hence, she will retain office until the conclusion of the 40<sup>th</sup> AGM.

The names of the directors of the subsidiaries of the Company since the beginning of the financial year to the date of this report (not including the directors listed above) are:

#### **Directors**

Abdul Rahman Taha  
Ahmad Fairus Rahim  
Azlan Ariff Mohd Suah  
Azween Zakaria  
Baharul Nizam Said Daliman  
Bhavin Chimanlal Shah  
Datuk Mohd Rani Hisham Samsudin *(Resigned on 1 December 2024)*  
Datuk Shazril Imri Mokhtar  
Elvin Tan Shen Wei  
Fatimah Mis  
Fu Yueh Yee  
Gyma Marich Saibi  
Hasniza Mohamed  
Haslina Kamaruzzaman *(Resigned on 15 November 2024)*  
Hawaby Sultan Muhamad  
Ismail Hassan  
Jafer Sadig Abdul Lathiff  
Jazlan Azizy Jusoh  
Junaidah Mat Pilus *(Resigned on 15 November 2024)*  
Kamal Ariffin A.Rahman *(Appointed on 15 November 2024)*  
Khaidhir Elias  
Khairul Liza Ibrahim  
Marina Noordin  
Micheal Lim Ban Chen  
Moharmustaqeem Mohammed  
Mohamad Noor Azman Ali  
Mohamad Rejab Sulaiman  
Mohamed Faisal Naina Mohamed  
Mohamed Suhaimi Yaacob  
Mohamed Tajul Mohamed Sultan  
Mohd Shah Sarpin  
Mohd Nizam Abd Razak  
Mohd Hafiz Lockman  
Mohd Noridzuan Md Arif  
Nik Azli Abu Zahar *(Appointed on 21 May 2024)*

## DIRECTORS' REPORT

for the financial year ended 31 December 2024

### DIRECTORS (CONTINUED)

The names of the directors of the subsidiaries of the Company since the beginning of the financial year to the date of this report (not including the directors listed above) are: (continued)

#### Directors

Nik Sofizan Nik Yusuf (Appointed on 15 November 2024)  
 Noor Hanani Abdul Munir (Appointed on 15 November 2024)  
 Noorhanida Su'ib (Appointed on 9 July 2024)  
 Nor A'dni Ismail  
 Peter Wong (Resigned on 23 April 2024)  
 Nora'zam Jaafar (Resigned on 10 July 2024)  
 Prof. Dato' Dr. Mazliham Mohd Su'ud  
 Raja Zaireen Raja Zaib Shah  
 Razidan Ghazalli (Resigned on 31 October 2024 & 8 February 2025)  
 Romulo Jr Carlos  
 Rozhan Zainuddin  
 Sarinah Abu Bakar (Resigned on 23 December 2024)  
 Shazurawati Abd Karim  
 Ts Noor Mohd Helmi Nong Hadzmi  
 Wan Shamilah Wan Muhammad Saidi (Appointed on 9 August 2024)  
 Zulkifli Salahudin  
 (Resigned on 15 November 2024)

#### Alternate Director

Dr. Pavala Malar Kannan Mariappan  
 (Ceased as Alternate Director on 15 November 2024)

### DIRECTORS' INTEREST IN SHARES

In accordance with the Register of Directors' Shareholdings required to be kept under Section 59 of the CA 2016, none of the Directors who held office at the end of the financial year has any direct or indirect interests in the shares in the Company and its related corporations, during the financial year except for the following:

	Interest	Number of ordinary shares			
		Balance as at 1.1.2024/ date of appointment	Acquired/ LTIP Vested	Disposed	Balance as at 31.12.2024
Amar Huzaimi Md Deris	Direct	319,010	–	–	319,010
Datuk Bazlan Osman	Direct	10,000	–	–	10,000

None of the Directors who held office at the end of the financial year have been granted any units of shares under the LTIP of the Group and the Company as described in note 14 to the audited financial statements.

### DIRECTORS' BENEFITS

Since the end of the previous financial year, none of the Directors has received or become entitled to receive a benefit (except for the Directors' fees, remuneration and others as disclosed in the following table) by reason of a contract made by the Company or a related corporation with the Director or with a firm of which the Director is a member or with a company in which the Director has a substantial financial interest and any benefit that may deem to have been received by certain Directors, except that certain Directors also received remuneration from related corporations.

	The Group		The Company	
	2024 RM Million	2023 RM Million	2024 RM Million	2023 RM Million
Non-Executive Directors' fees	2.5	2.9	2.5	2.1
Non-Executive Directors' other emoluments	1.0	1.9	1.0	1.8
Executive Director's salary, allowances and bonus	3.9	4.8	3.9	4.8
Executive Director's Employees' Provident Fund (EPF)	0.5	1.1	0.5	1.1
Benefits-in-kind	1.3	1.0	1.3	1.0
	9.2	11.7	9.2	10.8

## DIRECTORS' REPORT

for the financial year ended 31 December 2024

### DIRECTORS' BENEFITS (CONTINUED)

Neither during nor at the end of the financial year was the Company or any of its related corporations, a party to any arrangements whose object was to enable the Directors to acquire benefits by means of the acquisition of shares in, or Debentures of the Company or any other body corporate.

The Directors and Officers of the Group and the Company are covered by Directors and Officers liability insurance for any liability incurred in the discharge of their duties, provided that they have not acted fraudulently or dishonestly or derived any personal profit or advantage. The insurance premium paid during the financial year amounted to RM0.2 million.

### BUSINESS REVIEW

A business review for the Group and the Company for the financial year ended 31 December 2024 and the prospect for the coming financial year are set out in the Words from the Leaders section of the Group's Integrated Annual Report for the financial year ended 31 December 2024.

Financial year 2024 performance has established a strong foundation for TM Group, driving Malaysia's digital evolution through its comprehensive suite of convergence offerings. Strategic investments and collaboration have positioned the Group to capitalise on emerging opportunities, including hyperconnected data centres and cutting-edge technologies such as Artificial Intelligence and GPU-as-a-Service.

TM Group remains dedicated to sustaining its growth momentum, keeping it on course to become a Digital Powerhouse by 2030, further solidifying Malaysia's position as the digital hub of the ASEAN region.

### AUDITORS' REMUNERATION

Details of auditors' remuneration are set out in the following table:

	The Group		The Company	
	2024 RM Million	2023 RM Million	2024 RM Million	2023 RM Million
Statutory Audit Fees				
– Ernst & Young PLT	<b>2.9</b>	3.3	<b>0.4</b>	0.4
– Member firms of Ernst & Young PLT	<b>0.3</b>	0.3	–	–
Audit Related Fees	<b>0.8</b>	0.7	–	–
	<b>4.0</b>	4.3	<b>0.4</b>	0.4

To the extent permitted by law, the Company has agreed to indemnify its auditors, Ernst & Young PLT, as part of the terms of its audit engagement against claims by third parties arising from the audit (for an unspecified amount). No payment has been made to indemnify Ernst & Young PLT for the financial year ended 31 December 2024.

### AUDITORS

The auditors, Ernst & Young PLT (202006000003 (LLP0022760-LCA) & AF 0039) have expressed their willingness to seek re-appointment.

In accordance with a resolution of the Board of Directors dated 8 April 2025.



**DATO' ZAINAL ABIDIN PUTIH**  
 Director



**AMAR HUZAIMI MD DERIS**  
 Director

## INCOME STATEMENTS

for the financial year ended 31 December 2024

All amounts are in million unless otherwise stated	Note	The Group		The Company	
		2024 RM	2023 RM Restated	2024 RM	2023 RM
<b>CONTINUING OPERATIONS</b>					
OPERATING REVENUE	5	<b>11,712.4</b>	11,690.2	<b>1,434.4</b>	703.6
OPERATING COSTS					
– depreciation, impairment and amortisation	6(a)	<b>(2,149.4)</b>	(2,413.6)	–	1,456.7
– net (impairment loss)/reversal of impairment on financial and contract assets		<b>(44.4)</b>	(136.2)	<b>0.7</b>	–
– other operating costs	6(b)	<b>(7,385.5)</b>	(7,255.5)	<b>(37.3)</b>	(13.8)
OTHER OPERATING INCOME (net)	7	<b>192.0</b>	203.5	<b>1.7</b>	2.4
OPERATING PROFIT BEFORE OTHER GAINS AND FINANCE COST		<b>2,325.1</b>	2,088.4	<b>1,399.5</b>	2,148.9
OTHER (LOSSES)/GAINS (net)	8	<b>(15.6)</b>	10.4	<b>(15.6)</b>	10.4
OPERATING PROFIT BEFORE FINANCE COST		<b>2,309.5</b>	2,098.8	<b>1,383.9</b>	2,159.3
FINANCE INCOME		<b>127.7</b>	101.1	<b>47.3</b>	45.1
FINANCE COST		<b>(304.8)</b>	(355.8)	<b>(63.7)</b>	(82.8)
FOREIGN EXCHANGE GAINS/(LOSSES) ON BORROWINGS		<b>36.7</b>	(48.7)	<b>19.4</b>	(32.6)
NET FINANCE (COST)/INCOME	9	<b>(140.4)</b>	(303.4)	<b>3.0</b>	(70.3)
ASSOCIATE/JOINTLY CONTROLLED ENTITY – share of results (net of tax)	26	<b>8.1</b>	13.1	–	–
PROFIT BEFORE TAX AND ZAKAT FROM CONTINUING OPERATIONS		<b>2,177.2</b>	1,808.5	<b>1,386.9</b>	2,089.0
TAX AND ZAKAT	10	<b>(138.3)</b>	76.5	<b>(32.6)</b>	(2.9)
PROFIT FOR THE FINANCIAL YEAR FROM CONTINUING OPERATIONS		<b>2,038.9</b>	1,885.0	<b>1,354.3</b>	2,086.1
<b>DISCONTINUED OPERATIONS</b>					
PROFIT FOR THE FINANCIAL YEAR FROM DISCONTINUED OPERATIONS	52	–	–	–	164.4
PROFIT FOR THE FINANCIAL YEAR		<b>2,038.9</b>	1,885.0	<b>1,354.3</b>	2,250.5
ATTRIBUTABLE TO:					
– equity holders of the Company					
– continuing operations		<b>2,016.9</b>	1,870.5	<b>1,354.3</b>	2,086.1
– discontinued operations		–	–	–	164.4
– non-controlling interests		<b>22.0</b>	14.5	–	–
PROFIT FOR THE FINANCIAL YEAR		<b>2,038.9</b>	1,885.0	<b>1,354.3</b>	2,250.5
EARNINGS PER SHARE (sen)					
– basic	11	<b>52.6</b>	48.9		
– diluted	11	<b>52.5</b>	48.7		

The above Income Statements are to be read in conjunction with the Notes to the Financial Statements on pages 35 to 133. Independent Auditors' Report – Pages 135 to 138.

## STATEMENTS OF COMPREHENSIVE INCOME

for the financial year ended 31 December 2024

All amounts are in million unless otherwise stated	Note	The Group		The Company	
		2024 RM	2023 RM	2024 RM	2023 RM
PROFIT FOR THE FINANCIAL YEAR		<b>2,038.9</b>	1,885.0	<b>1,354.3</b>	2,250.5
OTHER COMPREHENSIVE INCOME					
Items that will not be reclassified subsequently to income statement:					
– increase/(decrease) in fair value of equity investments at fair value through other comprehensive income (FVOCI)	27(a)	<b>2.3</b>	(12.6)	<b>2.3</b>	(12.6)
Items that may be reclassified subsequently to income statement:					
– increase in fair value of investments at fair value through other comprehensive income (FVOCI)	27(b)	<b>0.2</b>	1.3	<b>0.2</b>	1.3
– reclassification adjustments relating to FVOCI investments disposed	8	<b>0.3</b>	#	<b>0.3</b>	#
– increase in fair value of receivables at FVOCI	28	<b>0.4</b>	1.7	–	–
– cash flow hedge:					
– (decrease)/increase in fair value of cash flow hedge	19	<b>(6.1)</b>	23.7	<b>(6.1)</b>	23.7
– change in fair value of currency basis	19	<b>(7.2)</b>	(5.9)	<b>(7.2)</b>	(5.9)
– reclassification to foreign exchange gains/(losses) on borrowings	9	<b>13.3</b>	(19.0)	<b>13.3</b>	(19.0)
– currency translation differences					
– subsidiaries		<b>(13.6)</b>	2.1	–	–
– associate		<b>4.7</b>	0.2	–	–
Other comprehensive (loss)/income for the financial year		<b>(5.7)</b>	(8.5)	<b>2.8</b>	(12.5)
TOTAL COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR		<b>2,033.2</b>	1,876.5	<b>1,357.1</b>	2,238.0
ATTRIBUTABLE TO:					
– equity holders of the Company					
– continuing operations		<b>2,011.2</b>	1,862.0	<b>1,357.1</b>	2,073.6
– discontinued operations		–	–	–	164.4
– non-controlling interests		<b>22.0</b>	14.5	–	–
TOTAL COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR		<b>2,033.2</b>	1,876.5	<b>1,357.1</b>	2,238.0

# Amount less than RM0.1 million

The above Statements of Comprehensive Income are to be read in conjunction with the Notes to the Financial Statements on pages 35 to 133.

Independent Auditors' Report – Pages 135 to 138.

## STATEMENTS OF FINANCIAL POSITION

as at 31 December 2024

	Note	The Group			The Company		
		2024 RM	2023 RM Restated	2022 RM Restated	2024 RM	2023 RM Restated	2022 RM Restated
<b>All amounts are in million unless otherwise stated</b>							
SHARE CAPITAL	13	<b>4,070.7</b>	4,070.2	3,986.5	<b>4,070.7</b>	4,070.2	3,986.5
OTHER RESERVES	15	<b>135.7</b>	141.9	220.0	<b>104.7</b>	102.4	183.8
RETAINED PROFITS	16	<b>5,893.3</b>	4,950.9	3,730.0	<b>4,888.0</b>	4,608.2	2,935.6
TOTAL CAPITAL AND RESERVES ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY		<b>10,099.7</b>	9,163.0	7,936.5	<b>9,063.4</b>	8,780.8	7,105.9
NON-CONTROLLING INTERESTS		<b>166.2</b>	159.6	152.6	–	–	–
<b>TOTAL EQUITY</b>		<b>10,265.9</b>	9,322.6	8,089.1	<b>9,063.4</b>	8,780.8	7,105.9
Borrowings	17	<b>2,109.9</b>	3,536.8	4,959.6	<b>1.4</b>	1,111.9	4,400.1
Payable to a subsidiary		–	–	–	–	–	552.2
Lease liabilities	18	<b>1,441.5</b>	1,634.5	1,544.2	–	–	652.2
Deferred tax liabilities	20	<b>920.9</b>	1,127.0	1,425.8	–	–	1,412.6
Trade and other payables	35	<b>139.0</b>	192.8	85.2	–	–	45.5
<b>NON-CURRENT LIABILITIES</b>		<b>4,611.3</b>	6,491.1	8,014.8	<b>1.4</b>	1,111.9	7,062.6
		<b>14,877.2</b>	15,813.7	16,103.9	<b>9,064.8</b>	9,892.7	14,168.5
Property, plant and equipment	21	<b>11,429.3</b>	11,796.8	11,991.9	–	–	10,479.8
Investment property		–	–	–	–	–	97.9
Intangible assets	22	<b>839.5</b>	896.3	745.4	–	–	268.3
Right-of-use assets	23	<b>1,182.9</b>	1,263.6	1,139.1	–	–	675.4
Subsidiaries	24	–	–	–	<b>8,428.2</b>	8,426.2	2,297.3
Loans and advances to subsidiaries	25	–	–	–	<b>13.2</b>	19.3	35.5
Associate/Jointly controlled entity	26	<b>109.8</b>	100.1	94.3	–	–	–
Equity investments at fair value through other comprehensive income (FVOCI)	27(a)	<b>138.8</b>	136.5	149.1	<b>138.8</b>	136.5	149.1
Investments at fair value through profit or loss (FVTPL)	27(c)	<b>111.1</b>	150.1	164.6	<b>111.1</b>	150.1	164.6
Receivables at fair value through other comprehensive income (FVOCI)	28	<b>58.1</b>	49.7	147.0	–	–	147.0
Other non-current receivables/assets	29	<b>332.7</b>	610.9	574.3	–	494.4	275.6
Derivative financial instruments	19	–	149.8	132.0	–	149.8	132.0
Deferred tax assets	20	<b>22.8</b>	19.1	24.1	–	–	–
<b>NON-CURRENT ASSETS</b>		<b>14,225.0</b>	15,172.9	15,161.8	<b>8,691.3</b>	9,376.3	14,722.5
Inventories	30	<b>201.7</b>	204.6	305.4	–	–	265.7
Trade and other receivables	32	<b>2,518.0</b>	2,275.0	2,312.3	<b>644.6</b>	421.4	2,298.1
Contract assets	5(b)	<b>643.9</b>	644.3	702.4	–	–	579.8
Contract cost assets	31	<b>262.6</b>	357.3	420.7	–	–	375.2
Loans and advances to subsidiaries	25	–	–	–	<b>3.4</b>	7.4	5.0
Receivables at fair value through other comprehensive income (FVOCI)	28	<b>3.0</b>	2.6	8.4	–	–	8.4
Investments at fair value through other comprehensive income (FVOCI)	27(b)	<b>72.9</b>	70.4	66.5	<b>72.9</b>	70.4	66.5
Investments at fair value through profit or loss (FVTPL)	27(c)	<b>0.2</b>	3.3	2.1	<b>0.2</b>	3.3	2.1
Financial assets at fair value through profit or loss (FVTPL)	33	<b>2.5</b>	2.3	2.2	<b>2.5</b>	2.3	2.2
Derivative financial instruments	19	<b>136.5</b>	–	–	<b>136.5</b>	–	–
Cash and bank balances	34	<b>3,096.2</b>	2,955.2	2,579.4	<b>774.6</b>	638.0	2,126.7
<b>CURRENT ASSETS</b>		<b>6,937.5</b>	6,515.0	6,399.4	<b>1,634.7</b>	1,142.8	5,729.7
Trade and other payables	35	<b>3,270.4</b>	3,033.3	3,718.0	<b>162.7</b>	626.0	4,727.6
Contract liabilities	5(c)	<b>1,231.8</b>	1,247.9	839.0	–	–	857.5
Customer deposits	36	<b>96.5</b>	135.5	182.6	–	–	180.7
Borrowings	17	<b>1,381.0</b>	1,226.4	309.7	<b>1,078.0</b>	0.2	272.4
Lease liabilities	18	<b>258.4</b>	223.1	230.3	–	–	77.1
Tax and zakat		<b>47.2</b>	8.0	177.7	<b>20.5</b>	0.2	168.4
<b>CURRENT LIABILITIES</b>		<b>6,285.3</b>	5,874.2	5,457.3	<b>1,261.2</b>	626.4	6,283.7
<b>NET CURRENT ASSETS/(LIABILITIES)</b>		<b>652.2</b>	640.8	942.1	<b>373.5</b>	516.4	(554.0)
		<b>14,877.2</b>	15,813.7	16,103.9	<b>9,064.8</b>	9,892.7	14,168.5

The above Statements of Financial Position are to be read in conjunction with the Notes to the Financial Statements on pages 35 to 133. Independent Auditors' Report – Pages 135 to 138.

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the financial year ended 31 December 2024

All amounts are in million unless otherwise stated	Note	Attributable to equity holders of the Company							Non-controlling Interests RM	Total Equity RM
		Special Share*/ Ordinary Shares	FVOCI Reserves	Hedging Reserve	Cost of Hedging Reserve	Long Term Incentive Plan Reserve	Currency Translation Differences	Retained Profits		
		Share Capital RM	RM	RM	RM	RM	RM	RM		
At 1 January 2024		4,070.2	89.5	(8.5)	10.9	12.3	37.7	4,950.9	159.6	9,322.6
Profit for the financial year		-	-	-	-	-	-	2,016.9	22.0	2,038.9
Other comprehensive income										
Items that will not be reclassified subsequently to income statement:										
- increase in fair value of equity investments at FVOCI	27(a)	-	2.3	-	-	-	-	-	-	2.3
Items that may be reclassified subsequently to income statement:										
- increase in fair value of investments at FVOCI	27(b)	-	0.2	-	-	-	-	-	-	0.2
- reclassification adjustments relating to FVOCI investments disposed	8	-	0.3	-	-	-	-	-	-	0.3
- increase in fair value of receivables at FVOCI	28	-	0.4	-	-	-	-	-	-	0.4
- cash flow hedge										
- decrease in fair value of cash flow hedge	19	-	-	(6.1)	-	-	-	-	-	(6.1)
- change in fair value currency basis	19	-	-	-	(7.2)	-	-	-	-	(7.2)
- reclassification to foreign exchange gain on borrowings	9	-	-	13.3	-	-	-	-	-	13.3
- currency translation differences										
- subsidiaries		-	-	-	-	-	(13.6)	-	-	(13.6)
- associate		-	-	-	-	-	4.7	-	-	4.7
Total comprehensive income/(loss) for the financial year		-	3.2	7.2	(7.2)	-	(8.9)	2,016.9	22.0	2,033.2
Transactions with owners:										
Second interim single-tier dividend paid for the financial year ended 31 December 2023	12	-	-	-	-	-	-	(402.9)	-	(402.9)
Final single-tier dividend paid for the financial year ended 31 December 2023	12	-	-	-	-	-	-	(191.9)	-	(191.9)
Interim single-tier dividend paid for the financial year ended 31 December 2024	12	-	-	-	-	-	-	(479.7)	-	(479.7)
Dividends paid to non-controlling interests		-	-	-	-	-	-	-	(15.4)	(15.4)
Long Term Incentive Plan (LTIP):										
- transfer from LTIP reserve upon issuance of shares on vesting	13	0.5	-	-	-	(0.5)	-	-	-	-
Total transactions with owners		0.5	-	-	-	(0.5)	-	(1,074.5)	(15.4)	(1,089.9)
<b>At 31 December 2024</b>		<b>4,070.7</b>	<b>92.7</b>	<b>(1.3)</b>	<b>3.7</b>	<b>11.8</b>	<b>28.8</b>	<b>5,893.3</b>	<b>166.2</b>	<b>10,265.9</b>

\* Issued and fully paid shares include the Special Rights Redeemable Preference Share (Special Share) of RM1.00. Refer to note 13(a) for details of the terms and rights attached to the Special Share.

The above Consolidated Statement of Changes in Equity are to be read in conjunction with the Notes to the Financial Statements on pages 35 to 133.

Independent Auditors' Report – Pages 135 to 138.

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the financial year ended 31 December 2023

All amounts are in million unless otherwise stated	Note	Attributable to equity holders of the Company							Non-controlling Interests RM	Total Equity RM
		Special Share*/ Ordinary Shares	FVOCI Reserves RM	Hedging Reserve RM	Cost of Hedging Reserve RM	Long Term Incentive Plan Reserve RM	Currency Translation Differences RM	Retained Profits RM		
		Share Capital RM								
At 1 January 2023		3,986.5	99.1	(13.2)	16.8	81.9	35.4	3,730.0	152.6	8,089.1
Profit for the financial year		-	-	-	-	-	-	1,870.5	14.5	1,885.0
Other comprehensive income										
Items that will not be reclassified subsequently to income statement:										
- decrease in fair value of equity investments at FVOCI	27(a)	-	(12.6)	-	-	-	-	-	-	(12.6)
Items that may be reclassified subsequently to income statement:										
- increase in fair value of investments at FVOCI	27(b)	-	1.3	-	-	-	-	-	-	1.3
- reclassification adjustments relating to FVOCI investments disposed	8	-	#	-	-	-	-	-	-	#
- increase in fair value of receivables at FVOCI	28	-	1.7	-	-	-	-	-	-	1.7
- cash flow hedge										
- increase in fair value of cash flow hedge	19	-	-	23.7	-	-	-	-	-	23.7
- change in fair value currency basis	19	-	-	-	(5.9)	-	-	-	-	(5.9)
- reclassification to foreign exchange loss on borrowings	9	-	-	(19.0)	-	-	-	-	-	(19.0)
- currency translation differences										
- subsidiaries		-	-	-	-	-	2.1	-	-	2.1
- associate		-	-	-	-	-	0.2	-	-	0.2
Total comprehensive (loss)/income for the financial year		-	(9.6)	4.7	(5.9)	-	2.3	1,870.5	14.5	1,876.5
Transactions with owners:										
Final interim single-tier dividend paid for the financial year ended 31 December 2022	12	-	-	-	-	-	-	(286.6)	-	(286.6)
Interim single-tier dividend paid for the financial year ended 31 December 2023	12	-	-	-	-	-	-	(363.0)	-	(363.0)
Dividends paid to non-controlling interests		-	-	-	-	-	-	-	(7.5)	(7.5)
Long Term Incentive Plan (LTIP):										
- ordinary shares granted**	14,15	-	-	-	-	14.1	-	-	-	14.1
- transfer from LTIP reserve upon issuance of shares on vesting	13	83.7	-	-	-	(83.7)	-	-	-	-
Total transactions with owners		83.7	-	-	-	(69.6)	-	(649.6)	(7.5)	(643.0)
At 31 December 2023		4,070.2	89.5	(8.5)	10.9	12.3	37.7	4,950.9	159.6	9,322.6

# Amount less than RM0.1 million

\* Issued and fully paid shares include the Special Rights Redeemable Preference Share (Special Share) of RM1.00. Refer to note 13(a) for details of the terms and rights attached to the Special Share.

\*\* The apportionment over the vesting period of the fair value of the Group's granting of TM shares made to eligible employees of TM and its subsidiaries subject to fulfilment of relevant vesting conditions.

The above Consolidated Statement of Changes in Equity are to be read in conjunction with the Notes to the Financial Statements on pages 35 to 133.

Independent Auditors' Report – Pages 135 to 138.

## COMPANY STATEMENT OF CHANGES IN EQUITY

for the financial year ended 31 December 2024

All amounts are in million unless otherwise stated	Note	Special Share*/ Ordinary Shares	FVOCI Reserves RM	Hedging Reserve RM	Cost of Hedging Reserve RM	Long Term Incentive Plan Reserve RM	Retained Profits RM	Total Equity RM
		Share Capital RM						
At 1 January 2024		4,070.2	88.2	(8.5)	10.9	11.8	4,608.2	8,780.8
Profit for the financial year		-	-	-	-	-	1,354.3	1,354.3
Other comprehensive income								
Items that will not be reclassified subsequently to income statement:								
- increase in fair value of equity investments at FVOCI	27(a)	-	2.3	-	-	-	-	2.3
Items that may be reclassified subsequently to income statement:								
- increase in fair value of investments at FVOCI	27(b)	-	0.2	-	-	-	-	0.2
- reclassification adjustments relating to FVOCI investments disposed	8	-	0.3	-	-	-	-	0.3
- cash flow hedge								
- decrease in fair value of cash flow hedge	19	-	-	(6.1)	-	-	-	(6.1)
- change in fair value currency basis	19	-	-	-	(7.2)	-	-	(7.2)
- reclassification to foreign exchange gain on borrowings	9	-	-	13.3	-	-	-	13.3
Total comprehensive income/(loss) for the financial year		-	2.8	7.2	(7.2)	-	1,354.3	1,357.1
Transactions with owners:								
Second interim single-tier dividend paid for the financial year ended 31 December 2023	12	-	-	-	-	-	(402.9)	(402.9)
Final single-tier dividend paid for the financial year ended 31 December 2023	12	-	-	-	-	-	(191.9)	(191.9)
Interim single-tier dividend paid for the financial year ended 31 December 2024	12	-	-	-	-	-	(479.7)	(479.7)
Long Term Incentive Plan (LTIP):								
- transfer from LTIP reserve upon issuance of shares on vesting	13	0.5	-	-	-	(0.5)	-	-
Total transactions with owners		0.5	-	-	-	(0.5)	(1,074.5)	(1,074.5)
<b>At 31 December 2024</b>		<b>4,070.7</b>	<b>91.0</b>	<b>(1.3)</b>	<b>3.7</b>	<b>11.3</b>	<b>4,888.0</b>	<b>9,063.4</b>

\* Issued and fully paid shares include the Special Rights Redeemable Preference Share (Special Share) of RM1.00. Refer to note 13(a) for details of the terms and rights attached to the Special Share.

The above Company Statement of Changes in Equity are to be read in conjunction with the Notes to the Financial Statements on pages 35 to 133.

Independent Auditors' Report – Pages 135 to 138.

## COMPANY STATEMENT OF CHANGES IN EQUITY

for the financial year ended 31 December 2023

All amounts are in million unless otherwise stated	Note	Special Share*/ Ordinary Shares	FVOCI Reserves RM	Hedging Reserve RM	Cost of Hedging Reserve RM	Long Term Incentive Plan Reserve RM	Retained Profits RM	Total Equity RM
		Share Capital RM						
At 1 January 2023		3,986.5	99.1	(13.2)	16.8	81.1	2,935.6	7,105.9
Profit for the financial year		-	-	-	-	-	2,250.5	2,250.5
Other comprehensive income								
Items that will not be reclassified subsequently to income statement:								
- decrease in fair value of equity investments at FVOCI	27(a)	-	(12.6)	-	-	-	-	(12.6)
Items that may be reclassified subsequently to income statement:								
- increase in fair value of investments at FVOCI	27(b)	-	1.3	-	-	-	-	1.3
- reclassification adjustments relating to FVOCI investments disposed	8	-	#	-	-	-	-	#
- cash flow hedge								
- increase in fair value of cash flow hedge	19	-	-	23.7	-	-	-	23.7
- change in fair value currency basis	19	-	-	-	(5.9)	-	-	(5.9)
- reclassification to foreign exchange loss on borrowings	9	-	-	(19.0)	-	-	-	(19.0)
Total comprehensive (loss)/income for the financial year		-	(11.3)	4.7	(5.9)	-	2,250.5	2,238.0
Transactions with owners:								
Final interim single-tier dividend paid for the financial year ended 31 December 2022	12	-	-	-	-	-	(286.6)	(286.6)
Interim single-tier dividend paid for the financial year ended 31 December 2023	12	-	-	-	-	-	(363.0)	(363.0)
Transferred to TM Technology Services Sdn Bhd (TM Tech) due to internal reorganisation	52	-	0.4	-	-	-	-	0.4
Distribution of assets from liquidated subsidiaries arising from internal reorganisation		-	-	-	-	-	71.7	71.7
Long Term Incentive Plan (LTIP):								
- ordinary shares granted**	14,15	-	-	-	-	14.4	-	14.4
- transfer from LTIP reserve upon issuance of shares on vesting	13	83.7	-	-	-	(83.7)	-	-
Total transactions with owners		83.7	0.4	-	-	(69.3)	(577.9)	(563.1)
At 31 December 2023		4,070.2	88.2	(8.5)	10.9	11.8	4,608.2	8,780.8

# Amount less than 0.1 million

\* Issued and fully paid shares include the Special Rights Redeemable Preference Share (Special Share) of RM1.00. Refer to note 13(a) for details of the terms and rights attached to the Special Share.

\*\* The apportionment over the vesting period of the fair value of the Group's granting of TM shares made to eligible employees of TM and its subsidiaries subject to fulfilment of relevant vesting conditions.

The above Company Statement of Changes in Equity are to be read in conjunction with the Notes to the Financial Statements on pages 35 to 133.

Independent Auditors' Report – Pages 135 to 138.

## STATEMENTS OF CASH FLOWS

for the financial year ended 31 December 2024

### CONTINUING OPERATIONS

All amounts are in million unless otherwise stated	Note	The Group		The Company	
		2024 RM	2023 RM	2024 RM	2023 RM
CASH FLOWS FROM OPERATING ACTIVITIES	37	<b>4,010.6</b>	3,686.1	<b>1,193.1</b>	567.3
CASH FLOWS (USED IN)/FROM INVESTING ACTIVITIES	38	<b>(1,002.2)</b>	(1,643.9)	<b>36.7</b>	(858.3)
CASH FLOWS USED IN FINANCING ACTIVITIES	39	<b>(2,708.5)</b>	(1,687.8)	<b>(1,074.7)</b>	(971.0)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		<b>299.9</b>	354.4	<b>155.1</b>	(1,262.0)
EFFECT OF EXCHANGE RATE CHANGES		<b>(24.7)</b>	(0.8)	<b>(18.5)</b>	7.3
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR		<b>2,697.9</b>	2,344.3	<b>638.0</b>	1,892.7
<b>CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL YEAR</b>	34	<b>2,973.1</b>	2,697.9	<b>774.6</b>	638.0

### SIGNIFICANT NON-CASH TRANSACTIONS

Significant non-cash transactions during the financial year are as follows:

	The Group		The Company	
	2024 RM	2023 RM	2024 RM	2023 RM
(a) Contra settlements with subsidiaries between trade and other receivables and trade and other payables	-	-	<b>160.5</b>	79.6
(b) Contra settlements with customers cum suppliers between trade receivables and trade payables	<b>245.4</b>	175.9	-	156.5

The above Statements of Cash Flows are to be read in conjunction with the Notes to the Financial Statements on pages 35 to 133. Independent Auditors' Report – Pages 135 to 138.

# NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2024

All amounts are in million unless otherwise stated

## 1. PRINCIPAL ACTIVITIES

The principal activities of the Group and of the Company are investment holding, the establishment, maintenance and provision of telecommunications and related services. The details and principal activities of subsidiaries are set out in note 50. There were no significant changes in the principal activities of the Group during the financial year.

Telekom Malaysia Berhad is a public limited liability company, incorporated and domiciled in Malaysia, and is listed on the Main Board of Bursa Malaysia Securities Berhad (Bursa Securities). The registered office of the Company is Level 51 North Wing, Menara TM, Jalan Pantai Baharu, 50672 Kuala Lumpur. The principal office and place of business of the Company is Menara TM, Jalan Pantai Baharu, 50672 Kuala Lumpur.

## 2. MATERIAL ACCOUNTING POLICIES

### (a) Basis of Preparation of the Financial Statements

The financial statements of the Group and of the Company have been prepared in accordance with the Malaysian Financial Reporting Standards (MFRS Accounting Standards), International Financial Reporting Standards (IFRS Accounting Standards) and the requirements of the Companies Act 2016 in Malaysia.

The financial statements have been prepared under the historical cost convention except as disclosed in the Material Accounting Policies below.

The preparation of financial statements in conformity with MFRS Accounting Standards requires the use of certain critical accounting estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosures of contingent assets and liabilities as at the reporting date, and the reported amounts of the revenue and expenses during the reported period. It also requires the Directors to exercise their judgements in the process of applying the Group's and the Company's accounting policies. Although these estimates and judgements are based on the Directors' best knowledge of current events and actions, actual results may differ. The areas involving a higher degree of judgements or complexities, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 3.

### (i) The amendments to published standards that are effective and applicable for the Group's and the Company's financial year beginning 1 January 2024

The amendments to published standards that are effective and applicable to the Group and the Company are as follows:

Amendments to MFRS 16	Lease Liability in a Sale and Leaseback
Amendments to MFRS 101	Non-current Liabilities with Covenants
Amendments to MFRS 107 and MFRS 7	Supplier Finance Arrangements

The adoption of the above amendments to published standards have not led to any material impact on the financial result, position or disclosure for the current or previous periods nor any of the Group's and of the Company's Material Accounting Policies.

### (ii) New standards and amendments to published standards that have been issued but not yet effective and have not been adopted early by the Group and the Company

#### Effective for annual periods beginning on or after 1 January 2025

Amendments to MFRS 121	Lack of Exchangeability
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## NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2024

### 2. MATERIAL ACCOUNTING POLICIES (CONTINUED)

#### (a) Basis of Preparation of the Financial Statements (continued)

##### (ii) New standards and amendments to published standards that have been issued but not yet effective and have not been adopted early by the Group and the Company (continued)

###### Effective for annual periods beginning on or after 1 January 2026

Amendments to MFRS 9 and MFRS 7	Amendments to the Classification and Measurement of Financial Instruments
	Contracts Referencing Nature-dependent Electricity
Annual Improvements to MFRS Accounting Standards - Volume 11	(i) Amendments to MFRS 7 Financial Instruments: Disclosures (Gain or loss on derecognition)
	(ii) Amendments to MFRS 9 Financial Instruments (Derecognition of lease liabilities & Transaction price)
	(iii) Amendments to MFRS 10 Consolidated Financial Statements (Determination of a 'de facto agent')
	(iv) Amendments to MFRS 107 Statement of Cash Flows (Cost method)

###### Effective for annual periods beginning on or after 1 January 2027

MFRS 18	Presentation and Disclosure in Financial Statements
MFRS 19	Subsidiaries without Public Accountability: Disclosures

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

Amendments to MFRS 10 and MFRS 128	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture
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The adoption of the above new standards, annual improvements and amendments to published standards are not expected to have a material impact on the financial statements of the Group and of the Company.

#### (b) Economic Entities in the Group

##### (i) Subsidiaries

Subsidiaries are all entities over which the Group has control.

Subsidiaries are consolidated using the acquisition method of accounting except for business combinations involving entities or businesses under common control. Under the acquisition method of accounting, subsidiaries are fully consolidated from the date on which control is transferred to the Group and are excluded from consolidation from the date that control ceases.

The consideration transferred for acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred and the equity interests issued by the Group. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date.

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the identifiable net assets acquired is recorded as goodwill. If this is less than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognised in the Consolidated Income Statement (refer to Material Accounting Policies note 2(e)(i) on Goodwill).

Non-controlling interest is the equity in a subsidiary not attributable, directly or indirectly, to a parent. On an acquisition-by-acquisition basis, the Group measures any non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's identifiable net assets.

Intra-group transactions, balances and unrealised gains or losses on transactions between Group companies are eliminated.

## NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2024

### 2. MATERIAL ACCOUNTING POLICIES (CONTINUED)

#### (b) Economic Entities in the Group (continued)

##### (ii) Business combination under common control

The Group applies merger accounting to account for business combinations under common control involving the parent company and its wholly-owned subsidiaries. Under merger accounting, assets and liabilities acquired are not restated to their respective fair values. The assets and liabilities are recognised at the carrying amounts included in the financial statements of the transferred entities.

The difference between any consideration given and the aggregate carrying value of the assets and liabilities of the acquired entity at the date of the transaction is recognised as an adjustment to equity. No new goodwill arises in merger accounting.

The acquired entity's results, assets and liabilities are consolidated from the date on which the business combination between entities under common control occurred. The comparative information is not restated.

##### (iii) Associate and Joint Venture

Investment in associate and joint venture is accounted for in the consolidated financial statements using the equity method of accounting and is initially recognised at cost. The Group's investment in associate and joint venture includes goodwill identified on acquisition, net of any accumulated impairment loss.

#### (c) Investments in Subsidiaries, Associate and Joint Venture in Separate Financial Statements

Investments in subsidiaries, associate and joint venture are stated at cost less accumulated impairment losses in the Company's separate financial statements. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount (refer to Material Accounting Policies note 2(f) on Impairment of Non-Financial Assets). Impairment losses are charged to the Income Statement.

#### (d) Property, Plant and Equipment

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the items. Certain freehold land are carried at fair value, being their deemed cost in accordance with the exemption provided by MFRS 1 "First-time Adoption of Malaysian Financial Reporting Standards" as at 1 January 2011, the date of transition to MFRS.

##### (i) Cost

Cost of telecommunications network comprises expenditure up to and including the last distribution point before the customers' premises and includes contractors' charges, materials, direct labour and related overheads. The cost of other property, plant and equipment comprises their purchase cost and any incidental cost of acquisition. These costs include the costs of dismantling, removal and restoration, the obligation which was incurred as a consequence of installing the asset. Cost also includes borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset.

Subsequent cost is included in the carrying amount of the asset or recognised as a separate asset, as appropriate, only when it is probable that the future economic benefit associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the Income Statement during the period in which they are incurred.

##### (ii) Depreciation

Freehold land is not depreciated as it has an infinite life. Leasehold land is depreciated over the period of its respective lease and is classified as long-term lease if it has an unexpired lease period of 50 years and above. Other property, plant and equipment are depreciated on a straight line basis to allocate the cost of the assets to their residual values over their estimated useful lives in years as summarised below:

Telecommunications civil works, ducts and manholes	30
Telecommunications network and infrastructure related	2 – 20
Movable plant and equipment	3 – 10
Computer support systems	3 – 8
Buildings	5 – 40

## NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2024

### 2. MATERIAL ACCOUNTING POLICIES (CONTINUED)

#### (d) Property, Plant and Equipment (continued)

##### (ii) Depreciation (continued)

Capital work-in-progress are stated at cost and are not depreciated. Upon completion, capital work-in-progress are transferred to categories of property, plant and equipment depending on the nature of the assets. Capital work-in-progress includes servicing equipment, materials and spares.

##### (iii) Impairment

At each reporting date, the Group assesses whether there is any indication of impairment. If such indication exists, an analysis is performed to assess whether the carrying value of the asset is fully recoverable. A write-down is made if the carrying value exceeds the recoverable amount (refer to Material Accounting Policies note 2(f) on Impairment of Non-Financial Assets).

#### (e) Intangible Assets

##### (i) Goodwill

Goodwill is carried at cost less accumulated impairment losses. Goodwill is tested for impairment at least annually, or when events or circumstances occur indicating that an impairment may exist.

For the purpose of impairment testing, goodwill is allocated to each of the cash-generating units (CGUs), or groups of CGUs, that is expected to benefit from the synergies of the combination. The carrying value of goodwill is compared to the recoverable amount, which is the higher of value-in-use and the fair value less cost of disposal. Any impairment is recognised immediately as an expense and not subsequently reversed.

##### (ii) Software

Acquired software costs and development costs that are directly associated with identifiable and unique software products controlled by the Group that will generate probable future economic benefits exceeding costs beyond one year are recognised as intangible assets. The assets are amortised from the point which they are ready for use. Amortisation is calculated on a straight line basis over their estimated useful lives as summarised as below:

Infrastructure Software	5 – 8
Application Software	3 – 8
Others	3 – 8

Directly attributable costs that are capitalised as part of the software product include the software development employee costs and an appropriate portion of relevant overheads.

Computer software for a computer-controlled machine tool that cannot operate without that specific software is an integral part of the related hardware and it is accounted for as property, plant and equipment as disclosed under note 2(d). Software that is not an integral part of the related hardware is accounted for as an intangible asset.

At each reporting date, the Group assesses whether there is any indication of impairment. If such indication exists, an analysis is performed to assess whether the carrying value of the asset is fully recoverable.

##### (iii) Telecommunication Spectrum

Telecommunication spectrum acquired in a business combination is carried at cost less accumulated amortisation. Amortisation is calculated on a straight line basis over the estimated useful life of 7 years.

Other telecommunication spectrums acquired through Spectrum Assignment (SA) are amortised based on the assignment term of the respective spectrum bands. The annual fees incurred during the SA periods are recognised as expenses in the Income Statement.

Spectrums are subjected for impairment review whenever adverse events or changes in circumstances indicate that impairment may have occurred.

## NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2024

### 2. MATERIAL ACCOUNTING POLICIES (CONTINUED)

#### (f) Impairment of Non-Financial Assets

Assets that have an indefinite useful life, namely goodwill, are not subject to amortisation and are tested for impairment annually, or as and when events or circumstances occur indicating that an impairment may exist. Property, plant and equipment and other non-current assets, including intangible assets with definite useful life, are reviewed for impairment losses whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. Assets other than goodwill that suffered an impairment are reviewed for possible reversal at each reporting date.

#### (g) Financial Assets

At initial recognition, the Group and the Company measure a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVTPL), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVTPL are expensed in profit or loss.

##### Debt instruments

There are three measurement categories into which the Group and the Company classify their debt instruments:

#### (i) Amortised cost

Assets that are held for collection of contractual cash flows where those cash flows represent solely payment of principal and interest (SPPI) are measured at amortised cost. Interest income from these financial assets is included in other income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other gains/(losses) together with foreign exchange gains and losses. Impairment losses are presented as separate line item in the Income Statement.

#### (ii) FVOCI

Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent SPPI, are measured at FVOCI, for instance housing loans extended to employees which were classified as Receivables at FVOCI. Movements in the carrying amount are taken through Other Comprehensive Income (OCI), except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses which are recognised in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other gains/(losses).

Interest income from these financial assets is included in other income using the effective interest rate method. Foreign exchange gains and losses are presented in other gains/(losses) and impairment expenses are presented as separate line item in the Income Statement.

#### (iii) FVTPL

Assets that do not meet the criteria for amortised cost or FVOCI are measured at FVTPL. The Group and the Company may also irrevocably designate financial assets at FVTPL if doing so significantly reduces or eliminates a mismatch created by assets and liabilities being measured on different bases. Fair value changes are recognised in profit or loss and presented net within other gains/(losses) in the period when they arise.

##### Equity instruments

The Group and the Company subsequently measure all equity investments at fair value except for subsidiaries and associate. Where the Group's and the Company's management have elected to present fair value gains and losses on equity investments in OCI, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. Dividends from such investments continue to be recognised in profit or loss as other income when the Group's and the Company's right to receive payments is established.

#### Offsetting Financial Instruments

Certain amounts of trade receivables and trade payables are offset and the net amount presented in the Statement of Financial Position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously.

## NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2024

### 2. MATERIAL ACCOUNTING POLICIES (CONTINUED)

#### (h) Impairment of Financial Assets

##### Impairment for contract assets and debt instruments

The Group and the Company assess on a forward looking basis the expected credit loss (ECL) associated with its debt instruments carried at amortised cost and at FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

The Group and the Company have contract assets and four types of financial instruments that are subject to the ECL model:

- Trade receivables
- Other receivables
- Loans to subsidiaries
- Receivables at FVOCI

While cash and cash equivalents are also subject to the impairment requirements of MFRS 9, the identified impairment loss is immaterial.

ECL represents a probability-weighted estimate of the difference between present value of cash flows according to contract and present value of cash flows the Group expects to receive, over the remaining life of the financial instrument.

The measurement of ECL reflects:

- an unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;
- the time value of money; and
- reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

#### (i) General 3-stage approach for receivables other than trade and contract assets

At each reporting date, the Group measures ECL through loss allowance at an amount equal to 12 month ECL if credit risk on a financial instrument or a group of financial instruments has not increased significantly since initial recognition. For all other financial instruments, a loss allowance at an amount equals to lifetime ECL is required. Note 4(a)(ii)(c)(ii) sets out the measurement details of ECL.

#### (ii) Simplified approach for trade receivables and contract assets

The Group applies the MFRS 9 simplified approach to measure ECL which uses a lifetime ECL for all trade receivables and contract assets. Note 4(a)(ii)(c)(i) sets out the measurement details of ECL.

##### Significant increase in credit risk

The Group considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. It considers available reasonable and supportable forward-looking information. Macroeconomic information (such as market interest rates or growth rates) is incorporated as part of the internal rating model.

A significant increase in credit risk is presumed if a debtor is more than 30 days past due in making a contractual payment.

##### Definition of default and credit-impaired financial assets

The Group defines a financial instrument as default, which is fully aligned with the definition of credit-impaired, when it meets one or more of the following criteria:

##### Quantitative criteria:

The Group defines a financial instrument as default, when the counterparty fails to make contractual payment within 90 and 365 days of when they fall due for trade receivable and non-trade receivable balances respectively.

## NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2024

### 2. MATERIAL ACCOUNTING POLICIES (CONTINUED)

#### (h) Impairment of Financial Assets (continued)

##### (ii) Simplified approach for trade receivables and contract assets (continued)

###### Qualitative criteria:

The debtor meets unlikeliness to pay criteria, which indicates the debtor is in significant financial difficulty. The Group considers the following instances:

- the debtor is in breach of financial covenants
- concessions have been made by the lender relating to the debtor's financial difficulty
- it is becoming probable that the debtor will enter bankruptcy or other financial reorganisation
- the debtor is insolvent.

Financial instruments that are credit-impaired are assessed on individual basis.

#### **Groupings of instruments for measurement of ECL**

##### (a) Collective assessment

To measure ECL, trade receivables and contract assets arising from Business-to-Consumer (B2C) (*formerly Unifi*), Business-to-Business (B2B) (*formerly TM One*) and Carrier-to-Carrier (C2C) (*formerly TM Global*) customer-facing business units have been grouped based on shared credit risk characteristics and the days past due. The contract assets relate to unbilled services provided and have substantially the same risk characteristics as the trade receivables for the same types of contracts. The Group and the Company have therefore concluded that the expected loss rates for trade receivables are a reasonable approximation of the loss rates for the contract assets.

##### (b) Individual assessment

Trade receivables and contract assets which are in default or credit-impaired are assessed individually.

Loans to subsidiaries in the Company's separate financial statements are assessed on individual basis for ECL measurement, as credit risk information is obtained and monitored based on each loan to subsidiary.

#### **Write-off**

The financial assets and contract assets are written off when there is no reasonable expectation of recovery. Indicators such as the failure of a debtor to engage in a repayment plan with the Group and the Company, early termination of contract by customers and a failure to make contractual payment for a prolonged period.

#### (i) Derivative Financial Instruments and Hedging Activities

##### **Cash flow hedge**

The effective portion of changes in the fair value of derivatives that are designated and qualified as cash flow hedges is recognised in other comprehensive income. The gain or loss relating to the ineffective portion is recognised immediately in the Income Statement within "other gains or losses – net". Where the Group and the Company exclude the foreign currency basis spread from the designation of derivatives used as hedging instrument, the change in the foreign currency basis spread of the hedging instrument is recognised in other comprehensive income and accumulated in costs of hedging reserve within equity. The Group and the Company designate the cost of hedging application in relation to foreign currency basis spread on a hedge by hedge basis.

Amounts accumulated in equity (including the cost of hedging reserve) are reclassified to the Income Statement in the periods when the hedged cash flows affect the Income Statement. The gain or loss relating to the effective portion of cross currency interest rate swaps and interest rate swap hedging fixed rate borrowings is recognised in the Income Statement within "finance cost".

When a hedging instrument expires or is sold or terminated, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss existing in equity at that time remains in equity and is recognised when the hedged cash flows affect profit or loss in the Income Statement.

## NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2024

### 2. MATERIAL ACCOUNTING POLICIES (CONTINUED)

#### (j) Inventories

Inventories comprise telecommunications equipment, capacity held for resale and land held for sale are stated at lower of cost and net realisable value.

Cost is determined on a weighted average basis and comprises all costs of purchase and other costs incurred in bringing the inventories to their present location. The cost of finished goods comprises design costs, raw materials, direct labour, other direct costs and related production overheads (based on normal operating capacity). It excludes borrowing costs.

Net realisable value represents the estimated selling price in the ordinary course of business, less all estimated costs to completion and applicable variable selling expenses. In arriving at the net realisable value, due allowance is made for all obsolete and slow moving items.

#### (k) Discontinued Operations

A discontinued operation is a component of the entity that has been disposed of or is classified as held for sale and that represents a separate major line of business or geographical area of operations, is part of a single coordinated plan to dispose of such a line of business or area of operations, or is a subsidiary acquired exclusively with a view to resale. The results of discontinued operations are excluded from the results of continuing operations and are presented as a single amount as profit or loss after tax for the financial year from discontinued operations in the Income Statements.

Additional disclosures are provided in note 52. All other notes to the financial statements include amounts for continuing operations, unless indicated otherwise.

#### (l) Share Capital

##### (i) Classification

Ordinary shares and non-redeemable preference shares with discretionary dividends are classified as equity. Other shares are classified as equity and/or liability according to the economic substance of the particular instrument.

Distribution to holders of a financial instrument classified as an equity instrument is debited directly to equity.

##### (ii) Share Issue Costs

Incremental costs directly attributable to the issuance of new shares or options are deducted against equity.

##### (iii) Dividend to Shareholders of the Company

Dividends on redeemable preference shares are recognised as a liability and expressed on an accrual basis. Other dividends are recognised as a liability in the period in which they are declared.

Dividend in specie of shares distributed to the Group's and the Company's shareholders is recorded at the carrying value of net asset distributed. The distribution is recorded as a movement in equity.

#### (m) Financial Liabilities

Trade and other payables, customer deposits and borrowings are classified as other financial liabilities. These are recognised initially at fair value, net of transaction costs incurred and subsequently measured at amortised cost using the effective interest method.

#### (n) Leases

##### (i) Accounting by lessee

The Group leases various categories of items such as telecommunications network, lands and buildings. Leases are recognised as right-of-use (ROU) asset and a corresponding liability at the date on which the leased asset is available for use by the Group (i.e. the commencement date).

Contracts may contain both lease and non-lease components. The Group allocates the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices. However, for leases such as properties and customer premise equipment (CPE) for which the Group is lessee, they have elected the practical expedient provided in MFRS 16 not to separate lease and non-lease components. Both components are accounted for as a single lease component and payments for both components are included in the measurement of lease liability.

## NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2024

### 2. MATERIAL ACCOUNTING POLICIES (CONTINUED)

#### (n) Leases (continued)

##### (i) Accounting by lessee (continued)

##### (a) Lease term

In determining the lease term, extension options (or periods after termination options) are only included if the lease is reasonably certain to be extended (or not to be terminated).

The Group reassesses the lease term upon the occurrence of a significant event or change in circumstances that is within the control of the Group.

##### (b) Right-of-use (ROU) assets

ROU assets are initially measured at cost comprising the following:

- The amount of the initial measurement of lease liability;
- Any lease payments made at or before the commencement date less any lease incentive received;
- Any initial direct costs; and
- Decommissioning or restoration costs.

ROU assets are subsequently measured at cost, less accumulated depreciation and impairment loss. The ROU assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight line basis. If the Group is reasonably certain to exercise a purchase option, the ROU asset is depreciated over the underlying asset's useful life.

In addition, the ROU assets are adjusted for certain remeasurement of the lease liabilities due to modification and termination of lease contracts.

##### (c) Lease liabilities

Lease liabilities are initially measured at the present value of the lease payments to be made over the lease term. Lease payments are discounted using the interest rate implicit in the lease or the lessee's incremental borrowing rate. Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period.

##### (d) Reassessment of lease liabilities

The Group is also exposed to potential future increases in variable lease payments that depend on an index or rate, which are not included in the lease liability until they take effect. When adjustments to lease payments based on an index or rate take effect, the lease liability is remeasured and adjusted against the ROU assets.

##### (e) Short-term leases and low-value assets

Short-term leases are leases with a lease term of 12 months or less. Low-value assets are those with individual asset cost of less than RM25,000 and comprise information technology (IT) equipment and small items of office furniture. Payments associated with short-term leases of equipment and vehicles and all leases of low-value assets are recognised on a straight line basis as an expense in profit or loss.

##### (ii) Accounting by lessor

##### Finance leases

The Group classifies a lease as a finance lease if the lease transfers substantially all the risks and rewards incidental to ownership of an underlying asset to the lessee.

The Group derecognises the underlying asset and recognise a receivable at an amount equal to the net investment in a finance lease. The receivable is measured based on future payments to be received discounted using the interest rate implicit in the lease, adjusted for any direct costs. The difference between derecognised asset and lease receivables is recognised in the Income Statement. Finance income arising from lease receivables is recognised over the term of the lease on the Group's net investment in the lease to reflect a constant periodic rate of return.

## NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2024

### 2. MATERIAL ACCOUNTING POLICIES (CONTINUED)

#### (n) Leases (continued)

##### (ii) Accounting by lessor (continued)

###### Operating leases

The Group classifies a lease as an operating lease if the lease does not transfer substantially all the risks and rewards incidental to ownership of an underlying asset to the lessee.

The Group recognised lease payments received under operating lease as lease income on a straight line basis over the lease term.

When assets are leased out under an operating lease, the asset is included in the Statement of Financial Position based on the nature of the asset. Initial direct costs incurred in obtaining an operating lease are added to the carrying amount of underlying asset and recognised as an expense over the lease term on the same basis as lease income.

#### (o) Government Grants

Grants from the Government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Group will comply with all attached conditions.

Government grants related to income are deducted from the corresponding costs on the Income Statement. Government grants relating to the purchase of assets are deducted from the carrying amount of the related assets and recognised in profit or loss over the lives of the depreciable assets by way of a reduced depreciation charge.

Any excess of Government grants, after offsetting, is deferred and recognised in the Income Statement.

#### (p) Income Taxes

Current tax expense is determined according to the tax laws of each jurisdiction in which the Group operates and include all taxes based upon the taxable profits, including withholding taxes payable by foreign subsidiaries or associate on distributions of retained profits to companies in the Group, and real property gains taxes payable on disposal of properties. Tax is recognised in the Income Statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the Company and its subsidiaries, and associate operate and generate taxable income.

Deferred tax is recognised in full, using the liability method, on temporary differences arising between the amounts attributed to assets and liabilities for tax purposes and their carrying amounts in the financial statements. Deferred tax is determined using tax rates (and tax laws) that have been enacted or substantively enacted by the reporting date and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.

Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available in the future, against which the deductible temporary differences or unutilised tax losses and tax credits (including investment allowances) can be utilised.

## NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2024

### 2. MATERIAL ACCOUNTING POLICIES (CONTINUED)

#### (q) Revenue Recognition

##### (i) Revenue from contracts with customers under MFRS 15

###### (a) Revenue from Internet and multimedia, voice and data services

Revenue from Internet and multimedia, voice and data services are bundled contracts prevalent to the B2C, B2B and C2C, the customer-facing business units of the Group. It is common for contracts with customers for these services to require a minimum subscription period, whereby any early termination by the customer will result in a penalty charged against the customer. Such minimum subscription periods shall be taken as the contract period. Contract periods may be modified for extensions when customers accept equipment relating to the contract free of charges in exchange for an extension to the previous minimum contract period. Allocation of the total consideration receivable to the different components of the contract is based on the separate stand-alone selling price of each component.

CPE provided for Internet and multimedia and voice contracts are accounted for as a separate performance obligation to the customer. CPE for data services are mostly intrinsic to the services provided to customers and are not accounted for as a separate performance obligation. Revenue allocated to CPE is recognised upfront upon installation of the CPE at the inception of the contract. Consequently, this will reduce the monthly service revenue recognised when compared to the fixed amount billed subsequently on a recurring basis. This results in the recognition of a contract asset when the device or content is delivered before billing whereas if the payment is made or due from customer before the delivery of device or content, then a contract liability is recognised.

Other performance obligations in Internet and multimedia, voice and data services contracts are recognised on a straight line basis over the contractual period as services are provided on a continuous basis.

###### (b) Revenue from Wholesale voice and data services

Certain wholesale services are contracted with volume discounts based on aggregated cumulative volume. Revenue from these contracts is recognised based on the price specified in the contract, net of the volume discounts estimated to be given over the contract period. Accumulated experience and expected trends are used to estimate and provide for the discounts, using the most likely value method. Revenue is only recognised to the extent that it is highly probable that a significant reversal will not occur. The difference between the revenue recognised net of estimated discounts and the amount billed to customers are recognised as contract liabilities.

Revenue net of estimated discounts is recognised on a straight line basis over the contractual period.

###### (c) Revenue from Other telecommunications related services

Revenue from Other telecommunications related services mainly comprises revenue from contracts with customers of B2B which bundles the provision of data services and/or Internet and voice services with customised Information and Communications Technology (ICT) products and solutions. It is common for these contracts to include the delivery, installation and maintenance services of telecommunications related equipment and network. Revenue from the Group's Business Process Outsourcing services are also disclosed under this category.

When the total contract price for a bundled contract is negotiated and concluded together, certain portions of the bundled equipment or services may be provided at discounted prices. The total consideration received in such bundled or multiple performance obligation contracts is allocated between the different performance obligations based on the stand-alone selling price of each component. Where these are not directly observable, they are estimated based on expected cost plus margin.

Revenue is generally recognised over time based on the progress towards the satisfaction of the performance obligation.

## NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2024

### 2. MATERIAL ACCOUNTING POLICIES (CONTINUED)

#### (q) Revenue Recognition (continued)

##### (i) Revenue from contracts with customers under MFRS 15 (continued)

##### (c) Revenue from Other telecommunications related services (continued)

The progress towards complete satisfaction of the performance obligation is measured based on one of the following methods that best depict the Group's performance in satisfying the performance obligation:

- direct measurements of the value transferred by the Group to the customer (i.e. certificates of acceptance); or
- the Group's efforts or inputs to the satisfaction of the performance obligation (i.e. costs incurred to date).

Consequently, the timing of revenue recognition may differ from the amount and frequency of contracted milestone billings. Contract assets will be recognised when the equipment or services are delivered before billing whereas if the payment is made or due from customer before the delivery of the associated equipment or services, then a contract liability is recognised.

##### (d) Revenue from Non-telecommunications related services

Revenue from Non-telecommunications related services mainly comprise revenue from tuition fees from the Group's education cluster. These contracts with customers are largely single performance obligation contracts where revenue is recognised upon rendering of services.

##### (ii) Revenue from other sources

Dividend income from investment in subsidiaries, associate and equity investments is recognised when a right to receive payment is established.

#### (r) Contracts with Customers

##### (i) Contract Cost Assets

Sales commission and other third party acquisition costs resulting directly from securing contracts with customers will be capitalised when they are incremental and expected to be recovered over the contract period when it exceeds 12 months. These are then amortised on straight line basis over either the average customer retention period or the contract term.

##### (ii) Contract Assets

Contract assets is the right of the Group to receive consideration in exchange for goods or services that the Group have transferred to a customer conditioned to factor(s) other than the passage of time.

##### (iii) Contract Liabilities

The Group's obligation to transfer goods or services to a customer for which the Group has received consideration in advance from customer is presented as contract liability. A contract liability is also recognised for expected volume discounts granted to customer for future purchases.

#### (s) Employee Benefits

##### (i) Short Term Employee Benefits

Wages, salaries, paid annual leave and sick leave, bonuses and non-monetary benefits are accrued in the period in which the associated services are rendered by employees of the Group and of the Company.

##### (ii) Defined Contribution Plans

The Group's contributions to defined contribution plans are charged to the Income Statement in the period to which they relate. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

## NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2024

### 2. MATERIAL ACCOUNTING POLICIES (CONTINUED)

#### (s) Employee Benefits (continued)

##### (iii) Termination Benefits

Termination benefits are payable whenever an employee's employment is terminated before the normal retirement date or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Group recognises termination benefits when it is demonstrably committed to either terminate the employment of current employees according to a detailed formal plan without possibility of withdrawal or to provide termination benefits as a result of an offer made to encourage voluntary redundancy. Benefits falling due more than 12 months after the reporting date are discounted to present value. These include limited medical benefits provided up to a certain age for eligible ex-employees under certain optional retirement scheme.

##### (iv) Share-based Compensation

###### • Equity-settled Share-based Compensation

The fair value of the employee services received in exchange for the grant of shares to employees of the Group and of the Company are recognised as an expense in the Income Statement over the vesting period of the grant (or each respective grants in the event of multiple grants) with a corresponding increase in share-based payment reserve in equity.

For shares granted to the employees of subsidiaries, the fair value of the grant is recognised as a cost to investment in the subsidiaries over the vesting period with a corresponding adjustment to equity.

###### • Cash-settled Share-based Compensation

The fair value of the employee services received in exchange for the cash payment by the Group or the Company to employees in lieu of shares of the Group and of the Company are recognised at the fair value of the liability incurred, as expense in the Income Statement over the vesting period of the grant (or each respective grants in the event of multiple grants).

The total amount to be expensed over the respective vesting periods is determined by reference to the fair value of the shares granted, excluding the impact of any non-market vesting conditions. Non-market vesting conditions are included in the assumptions about the number of shares that are expected to vest. At each reporting date, the Group and the Company revise estimates of the number of shares that are expected to vest. It recognises the impact of the revision of original estimates of the grant liability, if any, in the Income Statement with a corresponding adjustment to share-based payment reserve in equity.

The fair value of shares granted to employees of subsidiaries are allocated to the subsidiaries.

When the shares granted are vested and issued, the fair value is credited to share capital with corresponding debit to reserves and cash received (if any).

#### (t) Foreign Currencies

##### (i) Functional and Presentation Currency

The consolidated financial statements are presented in Ringgit Malaysia, which is the Company's functional and presentation currency.

##### (ii) Transactions and Balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions.

Foreign exchange gains and losses that relate to borrowings are presented in the Income Statement within "net finance cost". All other foreign exchange gains and losses are presented in the Income Statement within "operating costs".

## NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2024

### 3. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates are continually evaluated by the Directors and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Group and the Company make estimates and assumptions concerning the future. The resulting accounting estimates will by definition, rarely equal the related actual results. To enhance the information content of the estimates, certain key variables that are anticipated to have material impact to the Group's and the Company's results and financial position are tested for sensitivity to changes in the underlying parameters. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next year are mentioned below:

#### (a) Accounting for Contracts with Customers

Certain estimates were made in applying MFRS 15 for the Group. These estimates were made, amongst others, on volume commitments, transaction prices and future discounts, which took into consideration the circumstances and information that were available at the reporting date. Accordingly, the Group will continue to refine these estimates, where applicable.

Areas of Estimates	Basis of Estimates
(i) Determination of Stand-alone Selling Price	<p>The relative Stand-alone Selling Price (SSP) of each performance obligation is used as a basis to allocate the total contracted price from a contract with customer to the different performance obligations that the contract comprises of.</p> <p>Management estimates the SSP of performance obligations at contract inception based on observable prices for the type of hardware, goods or services likely to be provided in similar circumstances to similar customers. When observable market price is limited from the market, historical profit margins for actual similar services provided from recent years is used as a basis to be applied on planned or estimated cost to provide a service to arrive to a SSP.</p>
(ii) Measurement of progress of performance obligation	<p>Certain contracts for which a combination of performance obligations may be delivered to the customer over a medium/long term period may require an estimate of percentage of completion of the services delivered to the customer based on the total costs incurred over expected cost of the contract. Where practicable, acceptance milestones from customers over total contracted deliverables are also used as a measure of progress.</p>
(iii) Determination of transaction price	<p>Certain medium/long term wholesale contracts involve tiered or volume discounts given based on the transaction price of all services under that contract once a certain volume or number of sites of services is reached. Estimates are made on the expected discounts to be given for such contracts based on total cumulative services together with estimates of scales expected to be reached over the contract period and general economic environment affecting general level of demand from the particular customer. Adjustments on such estimates and its impact on the total transaction prices expected from the entire contract are revised cumulatively at least on an annual review basis.</p>
(iv) Allocation of discounts and transaction price to performance obligations	<p>Management estimates the SSP at contract inception based on observable prices of the type of hardware likely to be provided and the services rendered in similar circumstances to similar customers. If discount is granted, either for certain or all performance obligations, it is allocated to all performance obligations within the contract based on their relative SSP.</p>

## NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2024

### 3. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONTINUED)

#### (b) Estimated Useful Lives of Property, Plant and Equipment

The Group reviews annually the estimated useful lives of property, plant and equipment based on factors such as business plan and strategies, expected level of usage, changes in technology, latest findings in research and development, updated practices to enhance performance of certain network assets and future technological developments. Future results of operations could be materially affected by changes in these estimates brought about by changes in the factors mentioned. A change in the estimated useful lives of property, plant and equipment would change the recorded depreciation and the carrying amount of property, plant and equipment.

During the previous financial year, the Group revised the estimated useful lives of certain telecommunications network, movable plant and equipment and computer support systems, giving rise to an increase in depreciation charges from the shortening of useful lives. The revision reflects the expected economic usage of the Group's telecommunications network, movable plant and equipment and computer support systems. The change in the estimated useful lives was accounted for prospectively in accordance with MFRS 108 "Accounting Policies, Changes in Accounting Estimates and Errors". Further details are disclosed in note 21(b).

#### (c) Impairment of Property, Plant and Equipment and Intangible Assets

The Group assesses impairment of the property, plant and equipment and intangible assets whenever the events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable (i.e. the carrying amount of the asset is more than the recoverable amount). Recoverable amount is measured at the higher of the fair value less cost to sell for that asset and its value-in-use. The value-in-use is the net present value of the projected future cash flow derived from that asset discounted at an appropriate discount rate.

Projected future cash flows are based on the Group's estimates calculated based on historical, sector and industry trends, general market and economic conditions, changes in technology and other available information.

During the previous financial year, the Group recognised total impairment losses on assets amounting to RM120.6 million in property, plant and equipment and RM0.4 million in intangible asset respectively, primarily in relation to certain computer support system and buildings as well as certain infrastructure software related to the digital infrastructure.

Further detail on assumptions and estimates applied in arriving to the impairment losses recognised at the Group are disclosed in note 21(a).

#### (d) Impairment of Goodwill

The Group tests goodwill for impairment annually in accordance with its accounting policy or whenever events or changes in circumstances indicate that this is necessary. The assumptions used, results and conclusion of the impairment assessment are stated in note 22(a).

#### (e) Impairment of Receivables

The Group and the Company assess at each reporting date whether there is objective evidence that receivables have been impaired. Impairment loss is calculated periodically based on a review of the current status of existing receivables and historical collection trends to reflect the actual and anticipated experience.

The Group and the Company apply the ECL impairment approach under the requirements of MFRS 9 "Financial Instruments". The loss allowances for financial assets are based on assumptions about risk of default and expected loss rates. The Group and the Company use judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Group's and the Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period. Details of the key assumptions and inputs used are disclosed in note 4(a)(ii).

#### (f) Accounting for Leases

Certain estimate and judgements were made in applying MFRS 16 for the Group. The estimate was made on incremental borrowing rate and judgements were made on extension and termination options took into consideration the circumstances and information that were available at the reporting date. Accordingly, the Group will continue to refine these estimates, where applicable.

## NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2024

### 3. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONTINUED)

#### (f) Accounting for Leases (continued)

Areas of Estimate and Judgements	Basis of Estimate and Judgements
(i) Measurement of lease liability using incremental borrowing rate	<p>The incremental borrowing rate is determined based on interest rate for the list of AAA rated bonds issued in the current year and will be adjusted based on factors such as credit risk specific to the respective entities, country risk and collateralised elements that are applicable to each lease.</p> <p>The incremental borrowing rate is reviewed on a semi-annual basis.</p>
(ii) Determination of the extension and termination option	<p>In determining the lease term, the Group considers all facts and circumstances that create an economic incentive to exercise an extension option, or not to exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not to be terminated).</p>

#### (g) Taxation

##### (i) Income Taxes

The Group is subject to income taxes in numerous jurisdictions. Judgement is involved in determining the group-wide provision for income taxes. There are certain transactions and computations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for tax matters based on estimates of whether additional taxes will be due. If the final outcome of these tax matters result in a difference in the amounts initially recognised, such differences will impact the income tax and/or deferred tax provisions in the period in which such determination is made.

Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. Provisions are established, where appropriate on the basis of amounts expected to be paid to the tax authorities. Where relevant, this is measured using the single best estimate of the most likely outcome, considering strategic and commercial interest and substance of the circumstances surrounding such positions.

##### (ii) Deferred Tax Assets

Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which temporary differences or unutilised tax losses and tax credits (including investment allowances) can be utilised. This involves judgement regarding future taxable profits of a particular entity in which the deferred tax asset has been recognised.

Estimating the future taxable profits involved significant assumptions, especially in respect of demand on existing and new services, competition and regulatory changes that may impact the pricing of services. These assumptions were derived based on past performance, future prospect and adjusted for non-recurring circumstances.

#### (h) Fair Value of Derivatives and Other Financial Instruments

The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined by using valuation techniques. The Group exercises its judgement in selecting a variety of valuation methods and makes assumptions that are mainly based on market conditions existing at the end of each reporting period.

The fair value of derivatives is the present value of their future cash flows. The Group estimated the fair values at the reporting date, of certain equity investments at FVOCI and investments at FVOCI that are not traded in an active market by using the net tangible assets and the discounted cash flow methods respectively. Although the Group and the Company believe that estimates of fair value are appropriate, the use of different methodologies or assumptions could lead to different measurements of fair value.

The summary of financial instruments by category is disclosed in note 43. The valuation of such financial instruments is further discussed in note 44.

## NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2024

### 4. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

#### (a) Financial Risk Factors

The main risks arising from the Group's and the Company's financial assets and liabilities are market risk (comprises foreign exchange risk and interest rate risk), credit risk and liquidity risk. The Group's and the Company's overall risk management seeks to minimise potential adverse effects of these risks on the financial performance of the Group and the Company.

The Group has established risk management policies, guidelines and procedures in order to manage its exposure to these financial risks. Hedging strategies are determined in light of commercial commitments to mitigate the relevant risks exposures. Derivative financial instruments are used to hedge the underlying commercial exposures and are not held for speculative purposes.

#### (i) Market Risk

- Foreign Exchange Risk

The Group's and the Company's foreign exchange risk refer to adverse exchange rate movements on foreign currency positions originating from trade receivables and payables, deposits and borrowings denominated in foreign currencies, and from retained profits in overseas subsidiaries, where the functional currencies are not in Ringgit Malaysia.

The Group's and the Company's objective is to mitigate foreign exchange exposure to an acceptable level against pre-determined limits and impact to the Income Statement. The Group and the Company monitor their foreign currency denominated assets and liabilities and uses various hedging instruments such as forward contracts, Cross Currency Interest Rate Swaps (CCIRS) contracts and option structures as well as maintaining funds in foreign currencies at appropriate levels to support operating cash flows requirement. The Group's and the Company's policy requires all transactions for hedging foreign currency exchange risk exposure be executed within the parameters approved by the Board of Directors.

The foreign exchange risk of the Group and the Company arises predominantly from borrowings denominated in foreign currencies, mainly the US Dollar. After hedging of the US Dollar borrowings, the foreign currency borrowings composition is increased to 34.1% (2023: 25.8%) of the Group's total borrowings as at 31 December 2024 and remained the same at 58.5% (2023: 58.5%) of the Company's total borrowings as at 31 December 2024.

Based on the borrowings position as at 31 December 2024, if the Ringgit Malaysia had weakened/strengthened by 5.0% against the US Dollar with all other variables held constant, the post-tax profit and equity for the financial year would have been lower/higher by approximately RM81.9 million (2023: RM84.4 million) (before hedging) and RM59.6 million (2023: RM61.4 million) (after hedging) for the Group and lower/higher by approximately RM54.0 million (2023: RM55.6 million) (before hedging) and RM31.6 million (2023: RM32.6 million) (after hedging) for the Company as a result of foreign exchange losses or gains on translation of US Dollar denominated borrowing and are constant and on the basis in December 2023.

- Interest Rate Risk

The Group and the Company have cash and short term deposits, fixed income securities and fixed income unit trust funds that are exposed to interest rate movement. The Group and the Company manage their interest rate risk on cash and short term deposits through allocation in suitable tenure. For fixed income securities, the Group and the Company apply suitable duration and basis point valuation analysis impact to manage its interest rate risk. As for fixed income unit trust funds, it applies the fund manager's duration structure management for the future interest rate trend.

The Group's investments in money market, fixed income securities and fixed income unit trust funds as at 31 December 2024 were RM2,527.8 million (2023: RM2,213.9 million), RM72.9 million (2023: RM70.4 million) and RM92.4 million (2023: RM93.1 million) respectively. Correspondingly, the Company's investments in money market, fixed income securities and fixed income unit trust funds as at 31 December 2024 were RM767.5 million (2023: RM636.5 million), RM72.9 million (2023: RM70.4 million) and RM92.4 million (2023: RM93.1 million) respectively. For an increase/decrease of 25 basis points in the Overnight Policy Rate (OPR) by Bank Negara Malaysia and assuming the overall yield curve also increases/decreases by the same percentage, the finance income from the money market portfolio of the Group and the Company would correspondingly move up/down by approximately RM6.3 million (2023: RM5.5 million) and RM1.9 million (2023: RM1.6 million) respectively while the net asset value of the fixed income securities and fixed income unit trust fund of the Group and the Company would move down/up by approximately RM0.8 million (2023: RM0.8 million) and RM0.6 million (2023: RM0.5 million) respectively.

## NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2024

### 4. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

#### (a) Financial Risk Factors (continued)

##### (i) Market Risk (continued)

- Interest Rate Risk (continued)

The Group's and the Company's debts include revolving credits, borrowings, bonds, notes and debentures. The Group's and the Company's objective is to manage the interest rate risk to an acceptable level of exposure on the finance cost. The Group and the Company review their composition of fixed and floating rate debt based on assessment of its existing exposure and desirable interest rate profile acceptable to the Group and the Company. Hedging instruments such as interest rate swaps are used to manage these risks.

The Group's and the Company's policy requires all transactions for hedging interest rate risk exposure be executed within the parameters approved by the Board of Directors.

The Group and the Company have entered into interest rate swap transactions with creditworthy financial institutions. Based on the hedging position as at 31 December 2024, the Group's and the Company's interest rate profiles after hedging, were both at 100% fixed interest rate (2023: 100% fixed interest rate). As such, the Group and the Company would not be affected by any hike in the OPR. This was also the position as at the end of the previous financial year.

##### (ii) Credit Risk

Financial assets that are primarily exposed to credit risks are receivables, cash and bank balances, marketable securities and financial instruments used in hedging activities.

Due to the nature of the Group's and the Company's business, customers are mainly segregated according to business units. The Group and the Company have no significant concentration of credit risk due to its diverse customer base. Credit risk is managed through the application of stringent credit control assessment and approval, credit limit and monitoring procedures. Where appropriate, the Group and the Company obtain deposits or bank guarantees from customers to be held as collaterals.

#### Expected Credit Loss (ECL)

The Group and the Company estimate and provide for ECL in relation to trade and other receivables.

#### (a) Measurement of ECL

##### (i) Trade receivables and contract assets – Simplified approach

The expected loss rates recognised for trade receivables and contract assets are based on the payment profiles of sales over a period of 24 to 36 months before the reporting date and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward looking information on macroeconomic variables affecting the ability of the customers to settle the receivables. The Group and the Company have identified the following to be the most relevant factors applicable to each of the three main customer-facing business units in the Group and the Company, and accordingly the correlation between historical loss rates against these macroeconomic variables are being applied as a basis in forecasting forward looking expected loss rate based on the expected changes in these factors.

Business-to-Consumer (B2C)	<ul style="list-style-type: none"> <li>• Malaysian Consumer Price Index</li> <li>• Malaysia Three Month Interbank Rate</li> </ul>
Business-to-Business (B2B)	<ul style="list-style-type: none"> <li>• USD/RM Exchange Rate</li> <li>• Brent Crude Oil Price</li> </ul>
Carrier-to-Carrier (C2C)	<ul style="list-style-type: none"> <li>• Brent Crude Oil Price</li> <li>• Inflation Rate (Asia)</li> <li>• Standard &amp; Poor's 500 Index and Real Gross Domestic Product Growth (Asia)</li> </ul>

No significant changes to estimation techniques or assumptions were made during the current financial year compared to those applied in the previous financial year.

## NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2024

### 4. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

#### (a) Financial Risk Factors (continued)

#### (ii) Credit Risk (continued)

#### Expected Credit Loss (ECL) (continued)

#### (a) Measurement of ECL (continued)

#### (ii) Receivables other than trade and contract assets – General 3-stages approach

The Group and the Company use the 3-stages approach for the ECL on receivables other than trade and contract assets. The 3-stages approach reflects their receivables' credit risk and how the loss allowance is determined for each of those categories. A summary of the assumptions underpinning the Group's and the Company's ECL model is as follows:

Category	Group's and Company's definition of category	Basis for recognising ECL
<b>Performing</b>	Debtors have a low risk of default and a strong capacity to meet contractual cash flows	12 month ECL
<b>Underperforming</b>	Debtors for which there is a significant increase in credit risk or significant increase in credit risk is presumed if interest and/or principal repayments are 30 days past due	Lifetime ECL
<b>Non-performing</b>	Debtors and repayments are more than 365 days past due	Lifetime ECL
<b>Write-off</b>	There is evidence indicating that there is no reasonable expectation of recovery based on unavailability of debtor's sources of income or assets to generate sufficient future cash flows to repay the amount	Asset is written off

Based on the above, loss allowance is measured on either 12 month ECL or lifetime ECL using a PD x LGD x EAD methodology where:

- PD ("probability of default") – the likelihood that the debtor would not be able to repay during the contractual period;
- LGD ("loss given default") – the percentage of contractual cash flows that will not be collected if default happens; and
- EAD ("exposure at default") – the outstanding amount that is exposed to default risk.

In deriving the PD and LGD, the Group and the Company consider historical data by each debtor by category and adjust for forward looking macroeconomic data. The Group and the Company have identified the industry and geographical area which the debtor operates in, to be the most relevant factors, and accordingly adjust the historical loss rates based on expected changes in these factors. Loss allowance is measured at a probability-weighted amount that reflects the possibility that a credit loss occurs and the possibility that no credit loss occurs. No significant changes to estimation techniques or assumptions were made during the reporting period.

**NOTES TO THE FINANCIAL STATEMENTS**

for the financial year ended 31 December 2024

**4. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)****(a) Financial Risk Factors (continued)****(ii) Credit Risk (continued)****Expected Credit Loss (ECL) (continued)****(b) Reconciliation of loss allowance****(i) Trade receivables and contract assets – Simplified approach**

The loss allowance for trade receivables and contract assets as at 31 December 2024 and 31 December 2023 reconcile to the opening loss allowance for that provision as follows:

	The Group		The Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Opening loss allowance as at 1 January	599.1	512.0	–	484.0
Reclassification	1.5	(2.0)	–	–
	600.6	510.0	–	484.0
Increase in loss allowance recognised in profit or loss during the year	42.9	131.8	–	1.6
Receivables written off	(12.3)	(33.7)	–	(18.9)
Netted off against unrecoverable contract assets	(8.6)	(9.0)	–	(1.4)
Internal reorganisation (note 52):				
– transferred from subsidiaries	–	–	–	23.1
– transferred to TM Tech	–	–	–	(488.4)
<b>At 31 December</b>	<b>622.6</b>	<b>599.1</b>	<b>–</b>	<b>–</b>

**(ii) Receivables other than trade and contract assets – General 3-stages approach**

The loss allowance for receivables other than trade and contract assets as at 31 December 2024 and 31 December 2023 reconcile to the opening loss allowance as follows:

The Group	Performing RM	Under- performing RM	Non- performing RM	Total RM
At 1 January 2024	27.2	19.5	108.8	155.5
Reclassification	–	–	(1.5)	(1.5)
Additional/(Reversal) impairment on existing financial assets	2.2	(7.3)	15.1	10.0
Write-off	–	–	(13.8)	(13.8)
<b>Closing loss allowance as at 31 December 2024</b>	<b>29.4</b>	<b>12.2</b>	<b>108.6</b>	<b>150.2</b>
At 1 January 2023	28.0	15.8	107.9	151.7
Reclassification	–	–	2.0	2.0
New/originating financial assets	(0.8)	–	–	(0.8)
Additional impairment on existing financial assets	–	3.7	8.6	12.3
Write-off	–	–	(9.7)	(9.7)
Closing loss allowance as at 31 December 2023	27.2	19.5	108.8	155.5

## NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2024

### 4. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

#### (a) Financial Risk Factors (continued)

##### (ii) Credit Risk (continued)

##### Expected Credit Loss (ECL) (continued)

#### (b) Reconciliation of loss allowance (continued)

##### (ii) Receivables other than trade and contract assets – General 3-stages approach (continued)

The loss allowance for receivables other than trade and contract assets as at 31 December 2024 and 31 December 2023 reconcile to the opening loss allowance as follows: (continued)

The Company	Performing RM	Under- performing RM	Non- performing RM	Total RM
At 1 January 2024	–	6.1	1.0	7.1
(Reversal)/Additional impairment on existing financial assets	–	(2.4)	1.7	(0.7)
Write-off	–	(0.3)	(1.0)	(1.3)
<b>Closing loss allowance as at 31 December 2024</b>	<b>–</b>	<b>3.4</b>	<b>1.7</b>	<b>5.1</b>
At 1 January 2023	28.0	34.2	174.2	236.4
Reversal of impairment on existing financial assets	–	–	(9.1)	(9.1)
Write-off	–	–	(27.1)	(27.1)
Internal reorganisation (note 52):				
– transferred from subsidiaries	–	(0.1)	20.1	20.0
– transferred to TM Tech	(28.0)	(28.0)	(157.1)	(213.1)
Closing loss allowance as at 31 December 2023	–	6.1	1.0	7.1

#### (c) Maximum exposure to credit risk

##### (i) Trade receivables and contract assets – Simplified approach

The following table contains an analysis of the credit risk exposure of financial instruments for which ECL allowances are recognised. The gross carrying amount of financial assets below also represent the Group's maximum exposure to credit risk on these assets:

The Group	Current RM	1 – 90 days past due RM	91 – 180 days past due RM	More than 181 days past due RM	Total RM
<b>31 December 2024</b>					
Expected loss rate	3.91%	22.81%	39.49%	84.92%	26.90%
Gross carrying amount – trade receivables, accrued earnings and contract assets	1,369.2	296.3	109.9	539.3	2,314.7
Loss allowance	(53.6)	(67.6)	(43.4)	(458.0)	(622.6)
<b>Net trade receivables, accrued earnings and contract assets</b>	<b>1,315.6</b>	<b>228.7</b>	<b>66.5</b>	<b>81.3</b>	<b>1,692.1</b>

## NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2024

### 4. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

#### (a) Financial Risk Factors (continued)

##### (ii) Credit Risk (continued)

##### Expected Credit Loss (ECL) (continued)

##### (c) Maximum exposure to credit risk (continued)

##### (i) Trade receivables and contract assets – Simplified approach (continued)

The following table contains an analysis of the credit risk exposure of financial instruments for which ECL allowances are recognised. The gross carrying amount of financial assets below also represent the Group's maximum exposure to credit risk on these assets: (continued)

The Group	Current RM	1 – 90 days past due RM	91 – 180 days past due RM	More than 181 days past due RM	Total RM
<b>31 December 2023</b>					
Expected loss rate	4.79%	22.25%	51.51%	93.76%	28.57%
Gross carrying amount – trade receivables, accrued earnings and contract assets	1,139.0	332.1	274.9	350.9	2,096.9
Loss allowance	(54.6)	(73.9)	(141.6)	(329.0)	(599.1)
Net trade receivables, accrued earnings and contract assets	1,084.4	258.2	133.3	21.9	1,497.8

##### (ii) Receivables other than trade and contract assets – General 3-stages approach

The following table contains an analysis of the credit risk exposure of receivables other than trade and contract assets for which an ECL allowance is recognised. The gross carrying amount of receivables other than trade and contract assets disclosed below also represent the maximum exposure to credit risk on these assets:

The Group	Expected credit loss rate	Basis for recognition of expected credit loss provision	Estimated gross carrying amount at default RM	Loss allowance RM	Carrying amount (net of impairment provision) RM
<b>As at 31 December 2024</b>					
Internal credit rating					
Performing	3.29%	12 month ECL	893.7	(29.4)	864.3
Underperforming	43.26%	Lifetime ECL	28.2	(12.2)	16.0
Non-performing	96.11%	Lifetime ECL	113.0	(108.6)	4.4
<b>Total</b>			<b>1,034.9</b>	<b>(150.2)</b>	<b>884.7</b>
<b>As at 31 December 2023</b>					
Performing	2.75%	12 month ECL	987.7	(27.2)	960.5
Underperforming	44.83%	Lifetime ECL	43.5	(19.5)	24.0
Non-performing	99.73%	Lifetime ECL	109.1	(108.8)	0.3
<b>Total</b>			<b>1,140.3</b>	<b>(155.5)</b>	<b>984.8</b>

## NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2024

### 4. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

#### (a) Financial Risk Factors (continued)

##### (ii) Credit Risk (continued)

##### Expected Credit Loss (ECL) (continued)

##### (c) Maximum exposure to credit risk (continued)

##### (ii) Receivables other than trade and contract assets – General 3-stages approach (continued)

The following table contains an analysis of the credit risk exposure of receivables other than trade and contract assets for which an ECL allowance is recognised. The gross carrying amount of receivables other than trade and contract assets disclosed below also represent the maximum exposure to credit risk on these assets: (continued)

The Company Internal credit rating	Expected credit loss rate	Basis for recognition of expected credit loss provision	Estimated gross carrying amount at default RM	Loss allowance RM	Carrying amount (net of impairment provision) RM
<b>As at 31 December 2024</b>					
Performing	–	12 month ECL	713.6	–	713.6
Underperforming	15.89%	Lifetime ECL	21.4	(3.4)	18.0
Non-performing	73.91%	Lifetime ECL	2.3	(1.7)	0.6
<b>Total</b>			<b>737.3</b>	<b>(5.1)</b>	<b>732.2</b>
<b>As at 31 December 2023</b>					
Performing	–	12 month ECL	753.8	–	753.8
Underperforming	31.44%	Lifetime ECL	19.4	(6.1)	13.3
Non-performing	100.00%	Lifetime ECL	1.0	(1.0)	–
<b>Total</b>			<b>774.2</b>	<b>(7.1)</b>	<b>767.1</b>

The Group and the Company place their cash and cash equivalents with various creditworthy financial institutions. The Group's policy limits the concentration of credit exposure to any single financial institution based on its net tangible asset position and/or credit rating, which is subject to annual review.

The Group and the Company have appointed several fixed income, commercial papers and fixed income unit trust funds managers to manage their investment portfolios. In managing the portfolios' credit risk, the investment parameter was established to restrict all fund managers to only invest in securities that carry at least A3/P1/MARC1 credit ratings or equivalent. This is in accordance with the Group's Treasury Investment Policies and Guidelines. In the current financial year, the Group's and the Company's investment portfolios were predominantly securities carrying AAA/AA credit ratings or above, as shown in note 27(b) and note 27(c).

All hedging instruments are executed with creditworthy financial institutions with a view to limiting the credit risk exposure of the Group and the Company. The Group and the Company, however, are exposed to credit-related losses in the event of non-performance by counterparties to financial derivative instruments, but does not expect any counterparties to fail to meet their obligations.

In complying with the risk management policies, all counterparties are required to maintain certain credit rating as defined by the international and local rating agencies.

##### (iii) Liquidity Risk

Group Treasury maintains cash and cash equivalents at a level that is deemed appropriate by the management to finance the Group's operations. It also actively monitors and controls liquidity risk exposures and funding needs across legal entities within the Group, business lines and currencies, taking into account legal, regulatory and operational limitations via a centralised Treasury operation.

## NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2024

### 4. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

#### (a) Financial Risk Factors (continued)

##### (iii) Liquidity Risk (continued)

Due to the dynamic nature of the underlying business, the Group and the Company also aim at maintaining flexibility in funding by keeping both committed and uncommitted credit lines available.

Cash flow forecasts are performed in the operating entities of the Group on a rolling basis and are aggregated by Group Treasury to ensure sufficient cash is available to meet operational needs while maintaining adequate headroom on its undrawn committed credit facilities at all times. As at 31 December 2024, the Group and the Company held deposits with financial institutions of RM2,409.1 million (2023: RM1,959.5 million) and RM767.5 million (2023: RM636.5 million) respectively and cash and bank balances of RM568.4 million (2023: RM741.3 million) and RM7.1 million (2023: RM1.5 million) respectively that are expected to be readily available to meet any payment obligation when it falls due.

Refinancing risk is managed by limiting the amount of borrowings that mature within any specific period and by having appropriate strategies in place to manage refinancing needs as they arise. The Group has sufficient internally generated funds and funds from financing facilities available (with remaining combined limit of up to RM7.9 billion nominal value) to meet capital expenditure, business operating requirements as well as obligations as and when they fall due, in the next 12 months. The analysis of the maturity profile of the Group's and the Company's financial liabilities are shown in note 45.

There has been no significant change in the Group's and the Company's financial risk management objectives and policies as well as their financial risk exposure in the current financial year as compared to the preceding financial year.

#### (b) Capital Management

The Group's and the Company's objectives when managing capital are to safeguard the Group's and the Company's ability to continue as a going concern in order to provide long term return to shareholders and benefits for other stakeholders. The Group's and the Company's capital management framework comprises of a dividend policy and strives to maintain an optimal capital structure that will improve its capital efficiency.

In order to maintain or adjust the capital structure, the Group and the Company may adjust the amount of dividends to be paid to the shareholders or may return capital to shareholders vis-à-vis its debt-to-equity ratio (gearing level). In 2014, the Group introduced a Dividend Reinvestment Scheme (DRS) whereby its shareholders have the option to either receive cash dividends or reinvest the dividends in new ordinary shares of the Company. Depending on the level of subscription of DRS, the Group would be able to enlarge its share capital base as well as strengthen its capital position through the DRS whenever applicable.

The gearing ratios as at 31 December were as follows:

	The Group		The Company	
	2024	2023	2024	2023
Borrowings (RM million) (note 17)	<b>3,490.9</b>	4,763.2	<b>1,079.4</b>	1,112.1
Lease Liabilities (RM million) (note 18)	<b>1,699.9</b>	1,857.6	–	–
Total Debt (RM million)	<b>5,190.8</b>	6,620.8	<b>1,079.4</b>	1,112.1
Total Shareholders' Equity (RM million)	<b>10,099.7</b>	9,163.0	<b>9,063.4</b>	8,780.8
Debt-to-equity Ratio <sup>#</sup>	<b>0.6</b>	0.8	<b>0.1</b>	0.4

<sup>#</sup> Based on average debt

The Group also monitors its gearing level in comparison to its peers within the industry while maintaining the desired level of credit rating. During 2024, the Group's credit rating remained unchanged at AAA by RAM, A- by S&P and A3 by Moody's in parallel with Malaysia's sovereign credit rating.

The Group has complied with all imposed debt covenants.

No changes were made in the objectives, policies or processes for managing capital during the years ended 31 December 2023 and 2024.

## NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2024

### 5. OPERATING REVENUE

(a) Disaggregation of the Group's and the Company's revenue

(i) Revenue accounted for under MFRS 15 and others, classified by nature of service provided

	The Group		The Company	
	2024 RM	2023 RM Restated	2024 RM	2023 RM
<b>Telecommunications revenue</b>				
<b>Revenue accounted for under MFRS 15</b>				
Internet and multimedia services	4,564.3	4,587.8	–	–
Data services	3,271.8	3,076.2	–	–
Voice services	1,987.9	2,265.1	–	–
Other telecommunications related services	1,387.7	1,200.9	–	–
<b>Leasing revenue and others</b>				
Data services	209.0	297.8	–	–
Other telecommunications related services	18.7	26.9	–	–
<b>Total telecommunications revenue</b>	<b>11,439.4</b>	11,454.7	–	–
<b>Non-telecommunications related revenue accounted for under MFRS 15</b>	<b>273.0</b>	235.5	–	–
<b>Dividends</b>				
Dividend income from subsidiaries	–	–	1,423.7	696.7
Dividend income from equity investments at FVOCI	–	–	10.7	6.9
<b>Total dividend income</b>	–	–	<b>1,434.4</b>	703.6
<b>TOTAL OPERATING REVENUE FROM CONTINUING OPERATIONS</b>	<b>11,712.4</b>	11,690.2	<b>1,434.4</b>	703.6

(ii) Revenue accounted for under MFRS 15, by timing of revenue recognition

	The Group	
	2024 RM	2023 RM
– At a point in time	443.7	367.8
– Over time	11,041.0	10,997.7
<b>TOTAL OPERATING REVENUE</b>	<b>11,484.7</b>	11,365.5

**NOTES TO THE FINANCIAL STATEMENTS**

for the financial year ended 31 December 2024

**5. OPERATING REVENUE (CONTINUED)****(b) Contract assets**

The following table summarises significant changes in contract assets:

	The Group		The Company	
	2024 RM	2023 RM	2024 RM	2023 RM
<b>Contract assets as at 1 January</b>	<b>644.3</b>	702.4	-	579.8
- Revenue recognised for services yet to be invoiced	<b>370.6</b>	397.8	-	37.4
- Amount subsequently invoiced (transferred to trade receivables)	<b>(359.6)</b>	(444.8)	-	(95.3)
- Impairment recognised for contract assets	<b>(11.4)</b>	(11.1)	-	(1.4)
- Internal reorganisation (note 52):				
- transferred from subsidiaries	-	-	-	3.0
- transferred to TM Tech	-	-	-	(523.5)
<b>Contract assets as at 31 December</b>	<b>643.9</b>	644.3	-	-

**Provision for impairment of contract assets**

	The Group		The Company	
	2024 RM	2023 RM	2024 RM	2023 RM
<b>At 1 January</b>	<b>7.9</b>	5.8	-	5.5
- Impairment recognised for contract assets	<b>11.4</b>	11.1	-	1.4
- Netted off against unrecoverable contract assets	<b>(8.6)</b>	(9.0)	-	(1.4)
- Internal reorganisation (note 52):				
- transferred from subsidiaries	-	-	-	2.6
- transferred to TM Tech	-	-	-	(8.1)
<b>At 31 December (note 4(a))</b>	<b>10.7</b>	7.9	-	-

## NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2024

### 5. OPERATING REVENUE (CONTINUED)

#### (c) Contract liabilities

The following table summarises significant changes in contract liabilities:

	The Group		The Company	
	2024 RM	2023 RM	2024 RM	2023 RM
<b>Contract liabilities as at 1 January</b>	<b>1,247.9</b>	839.0	–	857.5
– Amount billed in advance for services yet to be delivered	<b>8,796.9</b>	9,300.5	–	1,807.9
– Revenue realised from receipts in advance of supply goods or services	<b>(8,813.0)</b>	(8,891.6)	–	(1,446.9)
– Internal reorganisation (note 52):				
– transferred from subsidiaries	–	–	–	6.5
– transferred to TM Tech	–	–	–	(1,225.0)
<b>Contract liabilities as at 31 December</b>	<b>1,231.8</b>	1,247.9	–	–

During the financial year, RM903.6 million (2023: RM591.9 million) out of contract liabilities balance of RM1,247.9 million as at 1 January 2024 (1 January 2023: RM839.0 million) of the Group has been recognised as revenue.

#### (d) Unsatisfied Performance Obligations

The following table summarises contract price allocated to unsatisfied performance obligations resulting from contracts with customers:

	The Group	
	2024 RM	2023 RM
– Voice, data and Internet and multimedia contracts with remaining contract period	<b>7,830.7</b>	7,951.5
– Customer projects and others with service to be delivered	<b>2,975.3</b>	2,551.2
<b>TOTAL UNSATISFIED PERFORMANCE OBLIGATIONS</b>	<b>10,806.0</b>	10,502.7

These are expected to be fulfilled or delivered to customers over the next 1 to 36 months.

#### (e) Assets recognised from costs incurred to obtain and fulfil a contract

In addition to the contract balances disclosed above, the Group and the Company have also recognised assets in relation to costs incurred to obtain and fulfil customer contract. This is presented within contract cost assets in the Statement of Financial Position. These are mostly commissions paid to agents in the course of securing a new customer contract, where the amount paid can be directly attributed to the new contract. Further details are disclosed in note 31.

## NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2024

### 6(a). DEPRECIATION, IMPAIRMENT AND AMORTISATION

	The Group		The Company	
	2024 RM	2023 RM Restated	2024 RM	2023 RM
Depreciation of property, plant and equipment (PPE) (note 21)	1,658.8	1,725.1	–	–
Depreciation of right-of-use assets (note 23)	279.5	288.6	–	–
Impairment of PPE (note 21 and 21(a))	3.0	120.6	–	–
Write-off/retirement of PPE (note 21)	1.2	25.1	–	–
Amortisation of intangible assets (note 22)	206.9	253.8	–	–
Impairment of intangible assets (note 22)	–	0.4	–	–
Reversal of impairment in subsidiaries	–	–	–	(1,456.7)
<b>TOTAL DEPRECIATION, IMPAIRMENT AND AMORTISATION</b>	<b>2,149.4</b>	<b>2,413.6</b>	<b>–</b>	<b>(1,456.7)</b>

### 6(b). OTHER OPERATING COSTS

	The Group		The Company	
	2024 RM	2023 RM Restated	2024 RM	2023 RM
Domestic, international outpayment and commission	1,783.5	1,914.3	–	–
Leased lines	69.3	146.4	–	–
Maintenance	553.6	600.4	–	–
Materials/customer equipment and installation	506.1	534.7	–	–
Rental	36.6	62.9	–	–
Rental – short-term leases (note 23(a))	32.8	27.9	–	–
Staff costs	2,831.0	2,602.8	7.9	9.8
Staff costs capitalised into PPE	(94.8)	(85.4)	–	–
Universal Service Provision contribution	344.5	341.0	–	–
Utilities	359.4	354.5	–	–
Others	963.5	756.0	29.4	4.0
<b>TOTAL OTHER OPERATING COSTS</b>	<b>7,385.5</b>	<b>7,255.5</b>	<b>37.3</b>	<b>13.8</b>

## NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2024

### 6(b). OTHER OPERATING COSTS (CONTINUED)

	The Group		The Company	
	2024 RM	2023 RM Restated	2024 RM	2023 RM
Staff costs include:				
– salaries, allowances, overtime and bonus	<b>2,044.0</b>	1,888.7	–	–
– contribution to Employees Provident Fund (EPF)	<b>354.0</b>	304.8	–	–
– termination benefit	<b>68.9</b>	24.2	–	–
– other staff benefits	<b>261.4</b>	274.3	–	–
– Long Term Incentive Plan (LTIP)				
– equity-settled	–	14.5	–	–
– cash-settled	–	0.2	–	–
– remuneration of Executive Director of the Company				
– salaries, allowances and bonus	<b>3.9</b>	4.8	<b>3.9</b>	4.8
– contribution to EPF	<b>0.5</b>	1.1	<b>0.5</b>	1.1
– remuneration of Non-Executive Directors of the Company				
– fees	<b>2.5</b>	2.9	<b>2.5</b>	2.1
– allowances	<b>1.0</b>	1.9	<b>1.0</b>	1.8
Others include:				
– group auditors' remuneration				
– statutory audit fees				
– Ernst & Young PLT	<b>2.9</b>	3.3	<b>0.4</b>	0.4
– member firms of Ernst & Young PLT	<b>0.3</b>	0.3	–	–
– audit related fees	<b>0.8</b>	0.7	–	–
– tax and other non-audit fees	<b>0.9</b>	0.6	–	–

Estimated money value of benefits-in-kind of Directors amounted to RM1.3 million (2023: RM1.0 million) for the Group and the Company.

In ensuring independence of the external auditors, the Board Audit Committee has policies governing the engagement of the external auditors for non-audit services and the related approval process that has to be adhered to before any such non-audit services commence.

## NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2024

### 7. OTHER OPERATING INCOME (net)

	The Group		The Company	
	2024 RM	2023 RM Restated	2024 RM	2023 RM
Dividend income from equity securities – unquoted	10.7	6.9	–	–
Income from sales of scrap	101.7	76.9	–	–
Interest income from subsidiaries (note 40(c))	–	–	1.7	2.4
Insurance claims	–	13.1	–	–
Loss on disposal of staff loans (note 29(i)(a))	–	(2.6)	–	–
Profit on disposal of PPE	1.3	4.5	–	–
Penalty on breach of contract	3.7	1.8	–	–
Rental income from land and buildings	4.2	5.9	–	–
Income from training and related activities	1.0	1.2	–	–
Government grants	46.9	57.9	–	–
Others	22.5	37.9	–	–
<b>TOTAL OTHER OPERATING INCOME (net)</b>	<b>192.0</b>	<b>203.5</b>	<b>1.7</b>	<b>2.4</b>

### 8. OTHER (LOSSES)/GAINS (net)

	The Group and The Company	
	2024 RM	2023 RM
Fair value movement of financial assets at FVTPL		
– equity securities quoted on the Bursa Securities	0.1	0.1
– investment in technology investment fund	(16.8)	8.6
– investment in fixed income unit trust fund	1.4	1.7
Investments at FVOCI		
– reclassification from fair value reserves	(0.3)	#
<b>TOTAL OTHER (LOSSES)/GAINS (net)</b>	<b>(15.6)</b>	<b>10.4</b>

# Amount less than RM0.1 million

## NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2024

### 9. NET FINANCE (COST)/INCOME

The Group	2024				2023			
	Conventional		Islamic Principles RM	Total RM	Conventional		Islamic Principles RM	Total RM
	Foreign RM	Domestic RM			Foreign RM	Domestic RM		
Finance income from								
- short term bank deposits	34.3	11.0	60.7	106.0	31.9	9.0	31.7	72.6
- other deposits	-	15.1	-	15.1	-	19.1	0.1	19.2
- staff loans	-	0.2	5.5	5.7	-	0.1	6.8	6.9
- unwinding of discount on lease receivables	-	0.9	-	0.9	-	2.4	-	2.4
<b>TOTAL FINANCE INCOME</b>	<b>34.3</b>	<b>27.2</b>	<b>66.2</b>	<b>127.7</b>	31.9	30.6	38.6	101.1
Finance cost on								
- borrowings from financial institutions and debentures	(63.7)	-	(0.2)	(63.9)	(82.8)	(0.4)	(1.2)	(84.4)
- Islamic Medium Term Notes	-	-	(141.2)	(141.2)	-	-	(170.2)	(170.2)
- unwinding of discount on other borrowings and payables	-	(1.4)	-	(1.4)	-	(2.1)	-	(2.1)
- interest and finance charges paid/payable for lease liabilities (note 23(a))	-	(96.2)	-	(96.2)	-	(98.6)	-	(98.6)
- amortisation of interest subsidy on staff loan	-	(0.1)	(2.0)	(2.1)	-	-	(0.5)	(0.5)
<b>TOTAL FINANCE COST</b>	<b>(63.7)</b>	<b>(97.7)</b>	<b>(143.4)</b>	<b>(304.8)</b>	(82.8)	(101.1)	(171.9)	(355.8)
Foreign exchange revaluation on borrowings								
- gains/(losses)	50.0	-	-	50.0	(67.7)	-	-	(67.7)
- reclassification of foreign exchange (loss)/gain from other comprehensive income	(13.3)	-	-	(13.3)	19.0	-	-	19.0
<b>TOTAL FOREIGN EXCHANGE GAINS/(LOSSES) ON BORROWINGS</b>	<b>36.7</b>	<b>-</b>	<b>-</b>	<b>36.7</b>	(48.7)	-	-	(48.7)
<b>NET FINANCE COST</b>	<b>7.3</b>	<b>(70.5)</b>	<b>(77.2)</b>	<b>(140.4)</b>	(99.6)	(70.5)	(133.3)	(303.4)

## NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2024

### 9. NET FINANCE (COST)/INCOME (CONTINUED)

The Company	2024				2023			
	Conventional		Islamic Principles RM	Total RM	Conventional		Islamic Principles RM	Total RM
	Foreign RM	Domestic RM			Foreign RM	Domestic RM		
Finance income from								
– short term bank deposits	25.6	1.9	10.2	37.7	23.9	1.3	11.2	36.4
– other deposits	–	9.6	–	9.6	–	8.7	–	8.7
<b>TOTAL FINANCE INCOME</b>	<b>25.6</b>	<b>11.5</b>	<b>10.2</b>	<b>47.3</b>	23.9	10.0	11.2	45.1
Finance cost on								
– borrowings from financial institutions and debentures	(63.7)	–	–	(63.7)	(82.8)	–	–	(82.8)
<b>TOTAL FINANCE COST</b>	<b>(63.7)</b>	<b>–</b>	<b>–</b>	<b>(63.7)</b>	(82.8)	–	–	(82.8)
Foreign exchange revaluation on borrowings								
– gains/(losses)	32.7	–	–	32.7	(51.6)	–	–	(51.6)
– reclassification of foreign exchange (loss)/gain from other comprehensive income	(13.3)	–	–	(13.3)	19.0	–	–	19.0
<b>TOTAL FOREIGN EXCHANGE GAINS/ (LOSSES) ON BORROWINGS</b>	<b>19.4</b>	<b>–</b>	<b>–</b>	<b>19.4</b>	(32.6)	–	–	(32.6)
<b>NET FINANCE INCOME/(COST)</b>	<b>(18.7)</b>	<b>11.5</b>	<b>10.2</b>	<b>3.0</b>	(91.5)	10.0	11.2	(70.3)

## NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2024

### 10. TAX AND ZAKAT

	The Group		The Company	
	2024 RM	2023 RM	2024 RM	2023 RM
The tax charge/(credit) for the Group and the Company comprise:				
<b>Continuing operations</b>				
<b>Malaysia</b>				
<b>Income Tax</b>				
Current year	184.0	160.2	13.9	–
Prior year	140.9	34.8	124.5	–
<b>Deferred Tax (net)</b>	(210.3)	(293.9)	(110.5)	–
	114.6	(98.9)	27.9	–
<b>Overseas</b>				
<b>Income Tax</b>				
Current year	14.6	11.4	–	–
Prior year	(0.3)	0.6	–	–
<b>Deferred Tax (net)</b>	0.4	0.5	–	–
	14.7	12.5	–	–
<b>TOTAL TAX</b>	129.3	(86.4)	27.9	–
<b>Zakat</b>	9.0	9.9	4.7	2.9
<b>TAX AND ZAKAT</b>	138.3	(76.5)	32.6	2.9
<b>Total tax is attributable to profit/(loss) from continuing operations</b>	129.3	(86.4)	27.9	–
<b>Current tax</b>				
Current year	198.6	171.6	13.9	–
Under accrual in prior years (net)	140.6	35.4	124.5	–
<b>Deferred tax</b>				
Origination and reversal of temporary differences	(209.9)	(293.4)	(110.5)	–
	129.3	(86.4)	27.9	–

The relationship between tax and profit before tax and zakat from continuing operations can be explained by the numerical reconciliation between tax expense and the product of accounting profit multiplied by the Malaysian tax rate as follows:

	The Group		The Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Profit Before Tax and Zakat from Continuing Operations	2,177.2	1,808.5	1,386.9	2,089.0
Tax calculated at the applicable Malaysian tax rate of 24%	522.5	434.0	332.9	501.4
Tax effects of:				
– share of results of associate/jointly controlled entity	(1.9)	(3.1)	–	–
– expenses not deductible for taxation purposes	86.0	135.5	9.6	9.6
– income not subject to taxation	(16.9)	(100.9)	(344.3)	(511.0)
– expenses allowed for double deduction	(15.1)	(16.3)	–	–
– utilisation of current year tax losses	–	(41.6)	–	–
– utilisation of previously unrecognised tax losses and unabsorbed capital allowances	(549.8)	(553.0)	–	–
– current year tax losses not recognised	15.7	–	15.7	–
– under accrual of income tax (net)	140.6	35.4	124.5	–
– recognition and reversal of prior years' temporary differences	(51.8)	23.6	(110.5)	–
<b>TOTAL TAX</b>	129.3	(86.4)	27.9	–

**NOTES TO THE FINANCIAL STATEMENTS**

for the financial year ended 31 December 2024

**11. EARNINGS PER SHARE (sen)****(a) Basic earnings per share**

Basic earnings per share of the Group was calculated by dividing the net profit attributable to equity holders by the weighted average number of issued and paid-up ordinary shares of the Company in issue during the financial year.

	The Group	
	2024	2023
Profit attributable to equity holders of the Company (RM million)	<b>2,016.9</b>	1,870.5
Weighted average number of ordinary shares (million)	<b>3,837.7</b>	3,825.9
<b>Basic earnings per share (sen) attributable to equity holders of the Company</b>	<b>52.6</b>	48.9

**(b) Diluted earnings per share**

Diluted earnings per share for the current financial year was calculated by dividing the net profit attributable to equity holders of the Company by the weighted average number of issued and paid-up ordinary shares adjusted for conversion of all dilutive potential ordinary shares granted to employees under a Long Term Incentive Plan (LTIP) (note 14) that is an employee share scheme which will vest subject to certain performance conditions being met.

	The Group	
	2024	2023
Profit attributable to equity holders of the Company (RM million)	<b>2,016.9</b>	1,870.5
Weighted average number of ordinary shares (million)	<b>3,837.7</b>	3,825.9
Adjustment for dilutive effect of LTIP (million)	<b>0.5</b>	12.1
Weighted average number of ordinary shares (million)	<b>3,838.2</b>	3,838.0
<b>Diluted earnings per share (sen) attributable to equity holders of the Company</b>	<b>52.5</b>	48.7

## NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2024

### 12. DIVIDENDS IN RESPECT OF ORDINARY SHARES

Dividends approved and paid in respect of ordinary shares:

The Company	2024		2023	
	Dividend per share Sen	Amount of single-tier dividend RM	Dividend per share Sen	Amount of single-tier dividend RM
Final interim single-tier dividend paid in respect of the financial year ended 31 December 2022	-	-	7.5	286.6
Interim single-tier dividend paid in respect of the financial year ended 31 December 2023	-	-	9.5	363.0
Second interim single-tier dividend paid in respect of the financial year ended 31 December 2023	10.5	402.9	-	-
Final single-tier dividend paid in respect of the financial year ended 31 December 2023	5.0	191.9	-	-
Interim single-tier dividend paid in respect of the financial year ended 31 December 2024	12.5	479.7	-	-
<b>DIVIDENDS RECOGNISED AS DISTRIBUTION TO ORDINARY EQUITY HOLDERS OF THE COMPANY</b>	<b>28.0</b>	<b>1,074.5</b>	17.0	649.6

The Board of Directors has declared second interim single-tier dividend of 12.5 sen per share and special single-tier dividend of 6.0 sen per share for the financial year ended 31 December 2024 on 25 February 2025. Both second interim single-tier and special single-tier dividend have been paid on 28 March 2025 to shareholders whose names appear in the Register of Members and Record of Depositors on 14 March 2025. The financial statements for the current financial year do not reflect these proposed dividends. Such dividends will be accounted for in equity as an appropriation of retained earnings in the financial year ending 31 December 2025.

### 13. SHARE CAPITAL

The Company	2024		2023	
	Number of shares	RM	Number of shares	RM
Issued and fully paid:				
Ordinary shares				
At 1 January	3,837.6	4,070.2	3,821.0	3,986.5
Issuance of Long Term Incentive Plan shares (sub-note (c))	0.1	0.5	16.6	83.7
At 31 December – ordinary shares with no par value	3,837.7	4,070.7	3,837.6	4,070.2
Special Share (sub-note (a))				
At 1 January and 31 December	#	#	#	#
<b>TOTAL ISSUED AND FULLY PAID-UP SHARE CAPITAL</b>	<b>3,837.7</b>	<b>4,070.7</b>	3,837.6	4,070.2

# Amount less than RM0.1 million

## NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2024

### 13. SHARE CAPITAL (CONTINUED)

#### (a) Special Rights Redeemable Preference Share (Special Share)

The Special Share is held by the Special Shareholder, Minister of Finance, a body corporate established under the Minister of Finance (Incorporation) Act 1957 (MOF Inc.). MOF Inc.'s holding would enable the Government through the Minister of Finance to ensure that certain major decisions affecting the operations of the Company are consistent with the Government's policy. The Special Shareholder, which may only be the Government or any representative or person acting on its behalf, is entitled to receive notice of meetings but does not carry any right to vote at such meetings of the Company. However, the Special Shareholder is entitled to attend and speak at such meetings.

Certain matters, in particular, the alteration of the Articles of Association of the Company relating to the rights of the Special Shareholder, the dissolution of the Company, any substantial acquisitions and disposal of assets, amalgamation, merger and takeover, require the prior consent of the Special Shareholder.

The Special Shareholder has the right to require the Company to redeem the Special Share at par at any time. In a distribution of capital in a winding up of the Company, the Special Shareholder is entitled to the repayment of the capital paid-up on the Special Share in priority to any repayment of capital to any other members. The Special Share does not confer any other right to participate in the capital or profits of the Company.

#### (b) Dividend Reinvestment Scheme (DRS)

On 27 March 2014, the Company announced a proposal to undertake a DRS that provides shareholders of the Company (Shareholders) the option to elect to reinvest, in whole or in part, their cash dividend which includes interim, final, special or any other cash dividend, in new ordinary share(s) in the Company (New TM Share).

The DRS received the approval from the Bursa Securities via its letter dated 7 April 2014 and the Shareholders' approval at the Company's Extraordinary General Meeting (EGM) on 8 May 2014.

Whenever the DRS is made applicable to any dividend distributed, shareholders have the following options to reinvest their cash dividend in New TM Shares (Option to Reinvest):

- to elect to participate by reinvesting in whole or in part the portion of such dividend to which the Option to Reinvest applies (Electable Portion), at the issue price for New TM Shares.

In the event that only part of the Electable Portion is reinvested, the Shareholders shall receive the remaining portion of the dividend in cash; or

- to elect not to participate in the Option to Reinvest and thereby receive the entire dividend in cash.

The DRS was not made applicable to any of the dividends distributed during the financial years ended 31 December 2015 to 2024 except for the dividend distributed during the financial year ended 2022.

#### (c) Long Term Incentive Plan (LTIP)

During the financial year, the Company issued 76,400 new ordinary shares amounting to RM0.5 million pursuant to the vesting of shares from the Restricted Shares (RS) and Performance Shares (PS) granted to employees as disclosed in note 14 to the audited financial statements, detailed as follows:

Number of issued ordinary shares	Issue price per share
76,400	RM6.49

Upon completion on listing and quotation of the above New TM Shares on Main Market Bursa Securities, the total issued and paid-up share capital of the Company was RM4,070,678,919.53 comprising of 3,837,704,680 ordinary shares and 1 Special Rights Redeemable Preference Shares.

## NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2024

### 14. EMPLOYEE SHARE SCHEME – LONG TERM INCENTIVE PLAN (LTIP)

On 28 April 2016, shareholders of the Company approved the LTIP and the grants of shares of the Company to eligible employees of the Group and the Company at an EGM. The LTIP is a scheme under which shares may be issued by the Company to employees for no cash consideration.

The LTIP comprises a Restricted Share (RS) Grant and Performance Share (PS) Grant where for clarification purposes, the main differences in the features of the RS Grant and the PS Grant are the eligibility of the Eligible Employees in terms of their job grades in the Group, the performance metrics to be met which will be determined prior to the grant being made in writing to the Eligible Employees and the vesting periods of the Grant to the Eligible Employees. A committee has been established to administer the LTIP (LTIP Committee) in accordance with the By-Laws governing the LTIP.

#### Features of LTIP

##### (i) Eligibility

All employees other than the non-executive or independent Directors of the Company, who has entered into a full-time or fixed-term employment with, and is on the payroll of the Group or the Company are eligible to participate in the scheme (Eligible Employees) subject to fulfilling any other eligibility criteria which may be determined by the LTIP Committee at its sole discretion from time to time. Eligible Employees may elect not to participate in the scheme.

##### (ii) Maximum number of new ordinary shares of the Company under the LTIP

The total number of new ordinary shares of the Company which may be made available under the LTIP shall not exceed in aggregate ten percent (10%) of the issued and paid-up ordinary share capital of the Company (excluding treasury shares) (Maximum Shares) at any point in time over the duration of the LTIP.

##### (iii) Basis of allocation and maximum allowable allotment

The total number of new ordinary shares of the Company that can be offered and allotted to any Eligible Employees (as defined in the By-Laws in relation to the LTIP shall be at the absolute discretion of the LTIP Committee) after taking into consideration amongst other factors, the performance, his/her potential for future development and contribution to the success and development of the Group and such other criteria as the LTIP Committee may deem relevant.

Further, not more than 10% of the Company's new ordinary shares available under the LTIP will be allocated to any individual Eligible Employee who, either singly or collectively through persons connected with the Eligible Employees, holds 20% or more of the Company's issued and fully paid-up share capital.

The LTIP Committee shall have sole and absolute discretion in determining whether the shares of the Company available for vesting under the Proposed LTIP are to be granted to the Eligible Employees or any group or groups of Eligible Employees via:

- (a) one single Grant (as the case may be) at a time determined by the LTIP Committee; or
- (b) several Grants (as the case may be) where the vesting of the Company's shares comprised in those Grants are staggered or made in several tranches at such times and on terms determined by the LTIP Committee.

In the event the LTIP Committee decides that the Grant or vesting of any number of shares of the Company under LTIP is to be staggered, the number of shares to be granted in each Grant and the timing for the vesting of the same shall be decided by the LTIP Committee at its sole and absolute discretion. Each Grant shall be separate and independent from the others.

##### (iv) Duration of the LTIP

The LTIP shall continue to be in force for a period of ten (10) years commencing from the effective date of implementation of the Proposed LTIP, being the date on which full compliance with the relevant requirements under the By-Laws and the Listing Requirements in relation to the Proposed LTIP, have been obtained and/or met.

On the expiry of the LTIP, any Grants which have yet to be vested (whether fully or partially) shall be deemed terminated and be null and void. Notwithstanding anything set out in the By-Laws and subject to compliance with the Main Market Listing Requirements of Bursa Securities in relation to the LTIP, the LTIP may be terminated at any time during its term.

## NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2024

### 14. EMPLOYEE SHARE SCHEME – LONG TERM INCENTIVE PLAN (LTIP) (CONTINUED)

#### (v) Ranking of the shares issued under the LTIP

The new shares issued under the LTIP shall be subject to the provisions of the memorandum and Articles of Association of the Company. The new shares, shall, upon issuance and allotment, rank equally in all respects with the then existing shares of the Company, except that they shall not be entitled to any dividend, rights, allotment and/or other distribution, the entitlement date of which is prior to the date on which the new shares are allotted to the grantees pursuant to the LTIP.

#### (vi) Restrictions on Transfer

The new shares issued under the LTIP will be subject to such restriction on transfer upon the terms and conditions in accordance with the By-Laws.

The Group and the Company implemented the LTIP with effect from 29 September 2016, after having obtained all required approvals and complied with the requirements pertaining to the LTIP.

#### Restricted Shares (RS)

Under the RS, selected Eligible Employees of the Group and the Company will be vested shares of the Company over the duration of the LTIP Period (as determined by the LTIP Committee for each tranche of RS respectively), subject to individual performance metrics being met and the achievement of certain operational measures, including but not limited to a profit after tax target and/or other financial measures as may be relevant in accordance with terms and conditions stipulated and determined by the LTIP Committee in its sole and absolute discretion.

In the event that the performance metrics are not met over the period set by the LTIP Committee as being applicable to the RS Grantees, the RS Grant will not be vested to them at the end of the said period.

#### Performance Shares (PS)

Under the PS, selected Eligible Employees and Executive Directors of the Group and the Company will be vested shares of the Company over the duration of the LTIP Period (as determined by the LTIP Committee for each tranche of PS respectively), subject to individual performance metrics being met and the achievement of certain market based indicators.

In the event that the performance metrics are not met over the period set by the LTIP Committee as being applicable to the PS Grantees, a roll over feature may extend the performance period and vesting date by one year.

- (a) The total number of the RS and PS granted for the Group and the Company, percentage of shares to be vested and the vesting period are as follow:

#### The Group and the Company

RS/PS	Grant Date	Vesting Date	Entitlement over the Company's Shares	
			Number of Shares Granted	Reference Price per unit (RM) <sup>1</sup>
<b>RS</b>				
Grant 1	1 December 2016	31 July 2019	9,219,500	6.15
Grant 2	1 June 2017	3 August 2020	9,401,200	6.47
Grant 3	17 June 2019	1 June 2022	15,274,100	4.06
Grant 4	17 August 2020	17 August 2023	15,028,100	3.76
<b>PS<sup>2</sup></b>				
Grant 1	1 June 2017	1 June 2020 / 1 June 2021 <sup>3</sup>	1,928,100	6.35
Grant 2	4 December 2017	30 November 2020 / 30 November 2021 <sup>3</sup>	1,854,200	6.26
Grant 3	17 June 2019	1 June 2022 / 1 June 2023	1,001,500	4.06
Grant 4	20 December 2019	15 December 2022 / 15 December 2023	1,117,800	3.85
Grant 5	17 August 2020	17 August 2023 / 16 August 2024	1,436,600	3.76
Grant 6	4 December 2020	30 November 2023 / 29 November 2024	1,127,300	5.10

<sup>1</sup> Refers to the price at reference date for the purpose of granting the number of shares to the employees. For PS, this is based on a volume weighted-average price (VWAP).

<sup>2</sup> In the event that certain performance metrics are not met over the period set by the LTIP Committee as being applicable to the PS Grantees, a roll over feature may extend the performance period and vesting date by one year.

<sup>3</sup> The performance period and vesting date had been extended to 1 June 2021 and 30 November 2021 respectively and subsequently lapsed with no further extension.

## NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2024

### 14. EMPLOYEE SHARE SCHEME – LONG TERM INCENTIVE PLAN (LTIP) (CONTINUED)

- (b) The movement during the financial year in the number of RS and PS shares of the Company, in which the employees of the Group and the Company are entitled to, is as follows:

Attributed to Grantees from the Group:

	Closing Price per unit at Grant Date (RM)	At 1 January	Addition/ Adjustment	Vested	Forfeited	At 31 December	Fair Value at Grant Date (RM)
<b>2023</b>							
<b>RS</b>							
Grant 4	3.76	14,067,000	–	(13,920,600)*	(146,400)	–	3.84
<b>PS</b>							
Grant 4	3.85	850,300	–	(850,300)*	–	–	3.86
Grant 5	3.76	971,300	282,800	(1,221,700)*	(32,400)	–	3.70
Grant 6	5.10	809,300	111,400	(896,500)*	(24,200)	–	5.76

\* Out of the shares vested, 16,617,900 has been issued as shares of the Company, listed in Bursa Securities as at 31 December 2023. Additionally, 76,400 shares were issued during financial year 2024, followed by the issuance of 33,800 shares on 27 March 2025. The remaining 161,000 shares were null and void.

Attributed to Grantees from the Company:

	Closing Price per unit at Grant Date (RM)	At 1 January	Adjustment <sup>^</sup>	Vested	Forfeited	At 31 December	Fair Value at Grant Date (RM)
<b>2023</b>							
<b>RS</b>							
Grant 4	3.76	11,106,000	(11,106,000)	–	–	–	3.84
<b>PS</b>							
Grant 4	3.85	812,500	–	(812,500)	–	–	3.86
Grant 5	3.76	971,300	(971,300)	–	–	–	3.70
Grant 6	5.10	809,300	(809,300)	–	–	–	5.76

<sup>^</sup> The movement of 12,886,600 shares were due to movement of employees from the Company to TM Tech due to internal reorganisation as per disclosed in note 52.

**NOTES TO THE FINANCIAL STATEMENTS**

for the financial year ended 31 December 2024

**14. EMPLOYEE SHARE SCHEME – LONG TERM INCENTIVE PLAN (LTIP) (CONTINUED)**

- (c) The fair value of the RS and PS granted in which MFRS 2 “Share-based Payments” applies, were estimated using the Monte Carlo simulation model. The significant inputs in the model are as follows:

RS	Entitlement Over the Company's Share			
	Reference Price per unit (RM)			
	Grant 1	Grant 2	Grant 3	Grant 4
Reference price	6.15	6.47	4.06	3.76
Grant Date	1 December 2016	1 June 2017	17 June 2019	17 August 2020
Vesting Date	31 July 2019	3 August 2020	1 June 2022	17 August 2023
Closing Share Price at Grant Date	6.15	6.47	4.06	3.76

PS	Entitlement Over the Company's Share					
	Reference Price per unit (RM)					
	Grant 1	Grant 2	Grant 3	Grant 4	Grant 5	Grant 6
Reference price	6.35	6.26	4.06	3.85	3.76	5.10
Grant Date	1 June 2017	4 December 2017	17 June 2019	20 December 2019	17 August 2020	4 December 2020
Vesting Date	1 June 2020/ 1 June 2021	30 November 2020/ 30 November 2021	1 June 2022/ 1 June 2023	15 December 2022/ 15 December 2023	17 August 2023/ 16 August 2024	30 November 2023/ 29 November 2024
Closing Share Price at Grant Date	6.47	5.97	4.06	3.85	3.76	5.10

- (d) The amounts recognised in the Income Statements as disclosed in note 6(b) for all employees arising from the RS and PS are summarised as below:

	The Group
	2023 RM
Restricted Shares	10.7
Performance Shares	3.8

**15. OTHER RESERVES**

	The Group		The Company	
	2024 RM	2023 RM	2024 RM	2023 RM
FVOCI reserve	92.7	89.5	91.0	88.2
Hedging reserve (note 2(i))	(1.3)	(8.5)	(1.3)	(8.5)
Cost of hedging reserve (note 2(i))	3.7	10.9	3.7	10.9
Long term incentive plan reserve	11.8	12.3	11.3	11.8
Currency translation differences arising from translation of:				
– subsidiaries	21.4	35.0	–	–
– associate	7.4	2.7	–	–
<b>TOTAL OTHER RESERVES</b>	<b>135.7</b>	<b>141.9</b>	<b>104.7</b>	<b>102.4</b>

## NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2024

### 16. RETAINED PROFITS

As at 31 December 2024, all of the Company's retained profits is available for tax exempt dividend distribution to shareholders.

### 17. BORROWINGS

The Group	2024				2023			
	Weighted Average Rate of Finance	Non-current RM	Current RM	Total RM	Weighted Average Rate of Finance	Non-current RM	Current RM	Total RM
<b>DOMESTIC</b>								
<b>Unsecured</b>								
Borrowings from financial institutions (note 46)	4.33%	–	3.0	3.0	4.25%	–	4.0	4.0
Borrowings under Islamic principles								
– Islamic Medium Term Notes (sub-note (a))	4.69%	1,549.6	300.0	1,849.6	4.68%	1,849.4	1,200.0	3,049.4
Other borrowings	–	–	–	–	4.46%	–	22.2	22.2
<b>Total Domestic</b>	<b>4.69%</b>	<b>1,549.6</b>	<b>303.0</b>	<b>1,852.6</b>	<b>4.68%</b>	<b>1,849.4</b>	<b>1,226.2</b>	<b>3,075.6</b>
<b>FOREIGN</b>								
<b>Unsecured</b>								
Borrowings under Islamic principles								
– Euro Medium Term Notes (sub-note (b))	3.54%	558.9	–	558.9	3.54%	575.5	–	575.5
Debentures (sub-note (c)) (note 46)	7.88%	–	1,077.8	1,077.8	7.88%	1,110.1	–	1,110.1
Other borrowings (note 46)	–	1.4	0.2	1.6	–	1.8	0.2	2.0
<b>Total Foreign</b>	<b>6.39%</b>	<b>560.3</b>	<b>1,078.0</b>	<b>1,638.3</b>	<b>6.39%</b>	<b>1,687.4</b>	<b>0.2</b>	<b>1,687.6</b>
<b>TOTAL BORROWINGS</b>	<b>5.49%</b>	<b>2,109.9</b>	<b>1,381.0</b>	<b>3,490.9</b>	<b>5.29%</b>	<b>3,536.8</b>	<b>1,226.4</b>	<b>4,763.2</b>

	2024			2023		
	Domestic RM	Foreign RM	Total RM	Domestic RM	Foreign RM	Total RM
The Group's non-current borrowings are repayable as follows:						
After one year and up to five years	1,549.6	559.3	2,108.9	1,849.4	1,686.4	3,535.8
After five years and up to ten years	–	1.0	1.0	–	0.5	0.5
After ten years	–	–	–	–	0.5	0.5
	<b>1,549.6</b>	<b>560.3</b>	<b>2,109.9</b>	<b>1,849.4</b>	<b>1,687.4</b>	<b>3,536.8</b>

**NOTES TO THE FINANCIAL STATEMENTS**

for the financial year ended 31 December 2024

**17. BORROWINGS (CONTINUED)**

The Company	2024				2023			
	Weighted Average Rate of Finance	Non-current RM	Current RM	Total RM	Weighted Average Rate of Finance	Non-current RM	Current RM	Total RM
<b>FOREIGN</b>								
<b>Unsecured</b>								
Debentures (sub-note (c))	7.88%	–	1,077.8	1,077.8	7.88%	1,110.1	–	1,110.1
Other borrowings (note 46)	–	1.4	0.2	1.6	–	1.8	0.2	2.0
<b>Total Foreign</b>	<b>7.86%</b>	<b>1.4</b>	<b>1,078.0</b>	<b>1,079.4</b>	<b>7.86%</b>	<b>1,111.9</b>	<b>0.2</b>	<b>1,112.1</b>
<b>TOTAL BORROWINGS</b>	<b>7.86%</b>	<b>1.4</b>	<b>1,078.0</b>	<b>1,079.4</b>	<b>7.86%</b>	<b>1,111.9</b>	<b>0.2</b>	<b>1,112.1</b>

	2024 Foreign RM	2023 Foreign RM
The Company's non-current borrowings are repayable as follows:		
After one year and up to five years	0.4	1,110.9
After five years and up to ten years	1.0	0.5
After ten years	–	0.5
	<b>1.4</b>	<b>1,111.9</b>

- (a) On 30 August 2013, the Company received approval from the Securities Commission Malaysia for the establishment of an Islamic Commercial Papers (ICP) programme and Islamic Medium Term Notes (IMTN) programme with a total combined limit of up to RM3.0 billion in nominal value, which have respective tenures of 7 and 20 years from the date of first issue. The ICP shall have a tenure of not more than 12 months whilst the IMTN between 1 to 20 years provided that the respective debt securities mature before the expiry of the respective programmes.

On 28 September 2018, the Company received approval from the Securities Commission Malaysia for the establishment of an ICP programme and IMTN programme with a total combined limit of up to RM4.0 billion in nominal value, which have respective tenures of 7 and 30 years from the date of first issue. The ICP shall have a tenure of not more than 12 months whilst the IMTN between 1 to 30 years provided that the respective debt securities mature before the expiry of the respective programmes.

During the current financial year, the Group repaid the following IMTN tranches in full, at its nominal value, upon their maturity dates:

Date of Issue	Nominal Value	Rate per Annum	Maturity Date
21 March 2014	RM300 million	4.820%	21 March 2024
27 June 2014	RM300 million	4.738%	27 June 2024
7 October 2014	RM300 million	4.550%	7 October 2024
22 December 2014	RM300 million	4.550%	20 December 2024

## NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2024

### 17. BORROWINGS (CONTINUED)

- (a) The IMTN in issue as at the financial year end comprise the following (at nominal value):

	The Group	
	2024 RM	2023 RM
<b>IMTN RM3.0 billion issued on 30 August 2013</b>		
IMTN due in 2024 (4.55% – 4.82%)	–	1,200.0
IMTN due in 2025 (4.88%)	300.0	300.0
IMTN due in 2027 (4.58%)	500.0	500.0
IMTN due in 2028 (4.73%)	250.0	250.0
<b>IMTN RM4.0 billion issued on 28 September 2018</b>		
IMTN due in 2028 (4.68%)	800.0	800.0
	<b>1,850.0</b>	<b>3,050.0</b>

There was no outstanding balance for ICP as at the financial year end.

- (b) Multi-Currency Euro Medium Term Notes (EMTN) Sukuk programme

On 3 March 2015, the Company through its wholly-owned subsidiary, Tulip Maple Berhad (Tulip Maple), received approval from the Securities Commission Malaysia for the establishment of an EMTN Sukuk programme of up to USD750.0 million in nominal value (or its equivalent in foreign currencies).

On 25 February 2016, Tulip Maple issued a 10-year USD50.0 million Sukuk due on 25 February 2026. The Sukuk carries a periodic distribution rate of 3.7% per annum payable semi-annually in arrears on 25 August and 25 February of each financial year commencing August 2016.

On 19 August 2016, Tulip Maple issued a 7-year USD50.0 million Sukuk due on 21 August 2023. The Sukuk carries a periodic distribution rate of 1 month London Interbank Offered Rate (LIBOR) plus 1.35% per annum payable monthly in arrears on the 19th of every month commencing September 2016. On 19 August 2022, the Sukuk was redeemed ahead of its maturity and was subsequently cancelled.

**NOTES TO THE FINANCIAL STATEMENTS**

for the financial year ended 31 December 2024

**17. BORROWINGS (CONTINUED)**

- (b) Multi-Currency Euro Medium Term Notes (EMTN) Sukuk programme (continued)

On 15 November 2016, Tulip Maple issued a 10-year USD75.0 million Sukuk due on 15 November 2026. The Sukuk carries a periodic distribution rate of 3.422% per annum payable semi-annually in arrears on 15 May and 15 November of each financial year commencing May 2017.

The carrying value of EMTN in issue comprise the following:

	The Group	
	2024 RM	2023 RM
EMTN due in 2026 (3.70%)	223.4	229.8
EMTN due in 2026 (3.422%)	335.5	345.7
	<b>558.9</b>	575.5

- (c) Debentures consist of the following:

	The Group and the Company	
	2024 RM	2023 RM
USD240.9 million (2023: USD240.9 million) 7.875% Debentures due in 2025	<b>1,077.8</b>	1,110.1

None of the Debentures were redeemed, purchased or cancelled during the current financial year.

**18. LEASE LIABILITIES**

	2024				2023			
	Average Incremental Borrowing Rate	Non- current RM	Current RM	Total RM	Average Incremental Borrowing Rate	Non- current RM	Current RM	Total RM
<b>The Group</b>								
Lease liabilities (note 46)	5.17%	1,441.5	258.4	1,699.9	5.33%	1,634.5	223.1	1,857.6

The Group's maturity profile of lease liabilities is disclosed in note 45.

The Group had total cash outflows for leases of RM429.0 million in 2024 (2023: RM490.2 million).

## NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2024

### 19. DERIVATIVE FINANCIAL INSTRUMENTS AND HEDGING TRANSACTIONS

	Contract or notional amount RM	Fair value Assets RM	Fair value changes during the financial year RM
<b>The Group and the Company</b>			
<b>2024</b>			
<b>Derivatives accounted for under hedge accounting</b>			
Cross currency interest rate swaps - cash flow hedge (sub-note (i))			
– Less than 1 year (sub-note (i)) (note 46)	310.5	136.5	(13.3)
<b>TOTAL</b>	<b>310.5</b>	<b>136.5</b>	<b>(13.3)</b>
<b>2023</b>			
<b>Derivatives accounted for under hedge accounting</b>			
Cross currency interest rate swaps – cash flow hedge (sub-note (i))			
– 1 year to 3 years (sub-note (i))	310.5	149.8	17.8
<b>TOTAL</b>	<b>310.5</b>	<b>149.8</b>	<b>17.8</b>

The cumulative gains or losses on the hedged items attributable to the hedged risk is taken to OCI.

- (i) Hedge accounting has been applied for the above cash flow hedge where the underlying hedged item is the hedged portion of the recurring semi-annual coupon payment and final settlement of the remaining USD240.9 million 7.875% Debentures due in 2025 as disclosed in note 17(c).

Fair values of financial derivative instruments are the present values of their future cash flows. Favourable fair value indicates amount receivable by the Group and the Company if the contracts are terminated or vice versa. The Group and the Company are exposed to credit risk where the fair value of the contract is favourable, where the counterparty is required to pay the Group or the Company in the event of contract termination.

The maximum exposure to credit risk at the reporting date is the carrying amount of the derivative assets as presented on the Statements of Financial Position.

Summarised below is the derivative hedging transaction entered into by the Company:

#### Cross Currency Interest Rate Swap (CCIRS) Contracts

##### Underlying Liability

##### USD240.9 million 7.875% Debentures due in 2025

In 1995, the Company issued USD300.0 million 7.875% Debentures, of which the remaining USD240.9 million is due in 2025.

##### Hedging Instruments

On 17 October 2011, the Company entered into a CCIRS agreement with a notional amount of USD50.0 million that entitles it to receive interest at a fixed rate of 7.875% per annum on USD notional amount and obliges it to pay interest at a fixed rate of 7.875% on the RM notional amount (calculated at a pre-determined exchange rate). The swap will mature on 1 August 2025. On the maturity date, the Company would receive the USD notional amount and pay the counterparty an equivalent RM amount of RM154.0 million.

On 2 December 2011, the Company entered into another CCIRS agreement with a notional amount of USD50.0 million that entitles it to receive interest at a fixed rate of 7.875% per annum on USD notional amount and obliges it to pay interest at a fixed rate of 7.875% on the RM notional amount (calculated at a pre-determined exchange rate). The swap will mature on 1 August 2025. On the maturity date, the Company would receive the USD notional amount and pay the counterparty an equivalent RM amount of RM156.5 million.

The CCIRS contracts effectively convert part of the USD liability into RM liability.

**NOTES TO THE FINANCIAL STATEMENTS**

for the financial year ended 31 December 2024

**20. DEFERRED TAX**

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred taxes relate to the same tax authority. The following amounts, determined after appropriate offsetting, are presented on the Statements of Financial Position:

	The Group		The Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Subject to income tax:				
Deferred tax assets	<b>22.8</b>	19.1	-	-
Deferred tax liabilities	<b>(920.9)</b>	(1,127.0)	-	-
<b>TOTAL DEFERRED TAX</b>	<b>(898.1)</b>	(1,107.9)	-	-
At 1 January	<b>(1,107.9)</b>	(1,401.7)	-	(1,412.6)
Current year (credited)/charged to the Income Statement for continuing operations arising from:				
– property, plant and equipment and intangible assets	<b>112.8</b>	143.5	-	-
– right-of-use assets	<b>(66.2)</b>	90.8	-	-
– lease liabilities	<b>169.7</b>	(88.5)	-	-
– contract liabilities	<b>15.7</b>	87.9	<b>110.5</b>	-
– contract assets and others	<b>(13.6)</b>	49.2	-	-
– tax losses	<b>(9.1)</b>	9.1	-	-
– provisions and others	<b>0.6</b>	1.4	-	(21.2)
	<b>209.9</b>	293.4	<b>110.5</b>	(21.2)
– currency translation differences	<b>(0.1)</b>	0.4	-	-
Effect of internal reorganisation	-	-	<b>(110.5)</b>	1,433.8
<b>At 31 December</b>	<b>(898.1)</b>	(1,107.9)	-	-

## NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2024

### 20. DEFERRED TAX (CONTINUED)

Breakdown of cumulative balances by each type of temporary difference:

	The Group		The Company	
	2024 RM	2023 RM	2024 RM	2023 RM
<b>(a) Deferred tax assets</b>				
Lease liabilities	400.9	231.2	–	–
Tax losses	–	9.1	–	–
Contract liabilities	406.5	390.8	–	–
Provisions and others	388.0	387.4	–	–
	<b>1,195.4</b>	1,018.5	–	–
Currency translation differences	0.5	0.6	–	–
	<b>1,195.9</b>	1,019.1	–	–
Offsetting	(1,173.1)	(1,000.0)	–	–
<b>Total deferred tax assets after offsetting</b>	<b>22.8</b>	19.1	–	–
<b>(b) Deferred tax liabilities</b>				
Property, plant and equipment and intangible assets	1,681.0	1,793.8	–	–
Right-of-use assets	275.2	209.0	–	–
Contract assets and others	137.8	124.2	–	–
	<b>2,094.0</b>	2,127.0	–	–
Offsetting	(1,173.1)	(1,000.0)	–	–
<b>Total deferred tax liabilities after offsetting</b>	<b>920.9</b>	1,127.0	–	–

The unutilised tax losses and unabsorbed capital/other tax allowances of subsidiaries for which no deferred tax asset has been recognised on the Statement of Financial Position are as follows:

	The Group	
	2024 RM	2023 RM
Unutilised tax losses	81.0	398.3
Unabsorbed capital and investment tax allowances	1,041.7	3,015.1
Other temporary differences	–	215.8
	<b>1,122.7</b>	3,629.2

The benefits of these tax losses and credits will only be obtained if the relevant subsidiaries derive future assessable income of a nature and amount sufficient for the benefits to be utilised. Deferred tax assets have not been recognised in respect of these losses as they may not be used to offset taxable profits elsewhere in the Group, they have arisen in subsidiaries that have been loss-making and there are no other tax planning opportunities or other evidence of recoverability in the near future.

## NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2024

### 20. DEFERRED TAX (CONTINUED)

- (a) Under the Malaysian Finance Act 2018 which was gazetted on 27 December 2018, the Group's unutilised tax losses will be imposed with a time limit of utilisation. Effective from year of assessment 2018, unutilised tax losses in a year of assessment can only be carried forward for a maximum period of 7 consecutive years of assessment. The Malaysian Finance Act 2021 has subsequently extended the utilisation period to 10 years. With that, the expiry dates of the Group's tax losses are summarised below:

	The Group	
	2024 RM	2023 RM
Year of assessment 2028	9.1	39.4
Year of assessment 2029	–	102.8
Year of assessment 2030	–	132.8
Year of assessment 2031	15.9	70.8
Year of assessment 2032	8.8	52.5
Year of assessment 2033	38.2	–
Year of assessment 2034	9.0	–
	<b>81.0</b>	398.3

- (b) Unabsorbed investment tax allowances with the following expiry:

	The Group	
	2024 RM	2023 RM
Year of assessment 2025	356.9	356.9

- (c) The Group is within the scope of the Pillar Two model rules. Pillar Two legislation has been enacted in Malaysia and will come into effect from 1 January 2025. At the same time, Pillar Two legislation has been enacted or substantively enacted in other jurisdictions in which the Group operates, namely Australia, Indonesia, Singapore, the United Arab Emirates, and the United Kingdom. The legislation for Australia and the United Kingdom has been effective for the financial years beginning on or after 1 January 2024, whereas the legislation for Indonesia, Singapore, and the United Arab Emirates will be effective for the financial years beginning on or after 1 January 2025.

The Group has performed an assessment of its potential exposure to Pillar Two income taxes based on the relevant Group entities' financial information for the financial year ended 2024. Based on the Transitional Country-by-Country Report (CbCR) Safe Harbour assessment carried out for the financial year ended 2024, all jurisdictions are able to meet at least one out of three tests to qualify for the Transitional CbCR Safe Harbour relief. Therefore, the Group does not expect a material exposure to Pillar Two income taxes in all jurisdictions where it is currently operating. The Group has also applied the exception to recognise and disclose information about the deferred tax assets and liabilities related to Pillar Two income taxes.

## NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2024

### 21. PROPERTY, PLANT AND EQUIPMENT

The Group	Telecom- munications Network RM	Movable Plant and Equipment RM	Computer Support Systems RM	Land (sub- note (c)) RM	Buildings RM	Capital Work-In- Progress RM	Total RM
<b>Net Book Value</b>							
As at 1 January 2024 (restated)	7,559.3	260.4	390.5	912.6	1,614.3	1,059.7	11,796.8
Additions (sub-note (c))	376.0	34.0	4.7	–	12.3	1,047.2	1,474.2
Assetisation	838.9	11.7	92.0	–	77.6	(1,020.2)	–
Disposals	(1.5)	(2.8)	(0.1)	–	(0.1)	–	(4.5)
Charged to Income Statement	–	–	–	–	–	(148.5)	(148.5)
Reversal/(Write-off/Retirement) (note 6(a))	3.3	(0.4)	1.0	–	0.4	(5.5)	(1.2)
Depreciation (note 6(a))	(1,291.3)	(83.8)	(140.6)	(1.1)	(142.0)	–	(1,658.8)
Impairment charge (note 6(a) and sub-note (a))	(3.0)	–	–	–	–	–	(3.0)
Currency translation differences	(5.9)	1.4	3.9	–	(0.8)	(3.1)	(4.5)
Transfer to intangible assets (note 22)	(0.3)	–	(10.3)	–	–	–	(10.6)
Transfer to right-of-use assets (note 23)	(10.6)	–	–	–	–	–	(10.6)
Reclassification	(0.4)	0.8	(1.8)	–	1.4	–	–
<b>At 31 December 2024</b>	<b>7,464.5</b>	<b>221.3</b>	<b>339.3</b>	<b>911.5</b>	<b>1,563.1</b>	<b>929.6</b>	<b>11,429.3</b>
<b>At 31 December 2024</b>							
Cost	41,585.8	1,729.9	4,277.3	938.7	4,854.4	930.6	54,316.7
Accumulated depreciation	(32,960.2)	(1,510.8)	(3,884.1)	(24.5)	(3,187.7)	–	(41,567.3)
Accumulated impairment	(1,161.1)	2.2	(53.9)	(2.7)	(103.6)	(1.0)	(1,320.1)
<b>Net Book Value</b>	<b>7,464.5</b>	<b>221.3</b>	<b>339.3</b>	<b>911.5</b>	<b>1,563.1</b>	<b>929.6</b>	<b>11,429.3</b>
<b>Net Book Value</b>							
As at 1 January 2023	8,799.3	209.3	461.1	889.2	1,832.7	1,355.4	13,547.0
Restatement (note 49)	(1,507.2)	(0.9)	–	–	(25.1)	(21.9)	(1,555.1)
Restated as at 1 January 2023	7,292.1	208.4	461.1	889.2	1,807.6	1,333.5	11,991.9
Additions (sub-note (c))	356.7	47.3	1.2	24.2	30.3	1,336.5	1,796.2
Assetisation	1,077.7	74.3	159.0	0.3	133.4	(1,444.7)	–
Disposals	(0.2)	(2.8)	(1.2)	–	–	–	(4.2)
Charged to Income Statement	–	–	–	–	–	(141.7)	(141.7)
Write-off/Retirement (note 6(a))	(0.2)	–	–	–	(0.8)	(24.1)	(25.1)
Depreciation (note 6(a))	(1,255.4)	(84.3)	(165.8)	(1.1)	(218.5)	–	(1,725.1)
Impairment charge (note 6(a) and sub-note (a))	–	(3.0)	(14.2)	–	(103.4)	–	(120.6)
Currency translation differences	–	0.6	(0.5)	–	1.2	0.2	1.5
Transfer to intangible assets (note 22)	–	–	(3.1)	–	–	–	(3.1)
Transfer (to)/from right-of-use assets (note 23)	(1.9)	–	–	–	28.9	–	27.0
Reclassification	90.5	19.9	(46.0)	–	(64.4)	–	–
<b>At 31 December 2023</b>	<b>7,559.3</b>	<b>260.4</b>	<b>390.5</b>	<b>912.6</b>	<b>1,614.3</b>	<b>1,059.7</b>	<b>11,796.8</b>
<b>At 31 December 2023</b>							
Cost	42,032.9	1,832.8	4,433.4	938.7	5,009.7	1,060.7	55,308.2
Accumulated depreciation	(33,280.6)	(1,569.4)	(3,956.8)	(23.4)	(3,292.5)	–	(42,122.7)
Accumulated impairment	(1,193.0)	(3.0)	(86.1)	(2.7)	(102.9)	(1.0)	(1,388.7)
<b>Net Book Value</b>	<b>7,559.3</b>	<b>260.4</b>	<b>390.5</b>	<b>912.6</b>	<b>1,614.3</b>	<b>1,059.7</b>	<b>11,796.8</b>

## NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2024

### 21. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

The Company	Telecom- munications Network RM	Movable Plant and Equipment RM	Computer Support Systems RM	Land (sub- note (c)) RM	Buildings RM	Capital Work-In- Progress RM	Total RM
<b>Net Book Value</b>							
As at 1 January 2023	8,338.9	200.6	298.0	412.4	1,401.5	1,383.5	12,034.9
Restatement (note 49)	(1,507.2)	(0.9)	–	–	(25.1)	(21.9)	(1,555.1)
Restated as at 1 January 2023	6,831.7	199.7	298.0	412.4	1,376.4	1,361.6	10,479.8
Additions (sub-note (c))	52.9	1.4	0.2	24.2	22.8	227.4	328.9
Assetisation	18.3	11.0	–	–	64.9	(94.2)	–
Disposals	–	(0.6)	–	–	–	–	(0.6)
Charged to Income Statement	–	–	–	–	–	(27.6)	(27.6)
Write-off/Retirement	(0.2)	–	–	–	–	–	(0.2)
Depreciation	(179.1)	(7.8)	(17.4)	(0.2)	(20.4)	–	(224.9)
Reclassification	45.4	0.1	(45.4)	–	(0.1)	–	–
Internal reorganisation (note 52):							
– transferred from subsidiaries	3.3	16.5	45.2	0.9	19.8	68.4	154.1
– transferred to TM Tech	(6,772.3)	(220.3)	(280.6)	(437.3)	(1,463.4)	(1,535.6)	(10,709.5)
At 31 December 2023	–	–	–	–	–	–	–

#### (a) Impairment loss

During the previous financial year, the Group recognised impairment losses of RM120.6 million primarily in relation to certain computer support system and buildings as well as RM0.4 million (note 22) in relation to certain infrastructure software related to the digital infrastructure.

The impairment was made as triggered by the revised strategies and strategic direction of the said assets. The assumptions used for the impairment were as follows:

- The value-in-use was based on a 15-year discounted cash flow projection from 2024 to 2038;
- The cash flows assessed comprised of all related future cash flows reasonably expected from the capacity utilisation of the assets based on contracts, secured contracts and sales funnels;
- No terminal value was applied in view of the finite life of the assets;
- Residual value of land and buildings based on a valuation performed by an independent professional valuer;
- The discount rate used was 10.0%.

#### (b) Review of useful life

The Group reviews the useful life of its property, plant and equipment. On annual basis, which takes into consideration factors such as business plan and strategies, expected level of usage, changes in technology, latest findings in research and development and updated practises of the telecommunication industry. During the previous financial year, the useful lives of certain telecommunications network, movable plant and equipment and computer support systems were revised and the net impact of this change in estimates was RM133.8 million increase in depreciation.

#### (c) Government grants of RM913.6 million (2023: RM1,229.6 million) relating to assets, were deducted before arriving at the carrying amount of property, plant and equipment as at 31 December 2024.

The additions are net of Government grants recognised amounting to RM12.8 million (2023: RM52.4 million).

## NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2024

### 21. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

(d) Details of land are as follows:

The Group	Freehold RM	Leasehold (sub-note (i)) RM	Other Land (sub-note (ii)) RM	Total RM
<b>Net Book Value</b>				
At 1 January 2024	812.6	71.8	28.2	912.6
Depreciation	–	(1.1)	–	(1.1)
<b>At 31 December 2024</b>	<b>812.6</b>	<b>70.7</b>	<b>28.2</b>	<b>911.5</b>
<b>At 31 December 2024</b>				
Cost	815.2	94.9	28.6	938.7
Accumulated depreciation	–	(24.1)	(0.4)	(24.5)
Accumulated impairment	(2.6)	(0.1)	–	(2.7)
<b>Net Book Value</b>	<b>812.6</b>	<b>70.7</b>	<b>28.2</b>	<b>911.5</b>
<b>Net Book Value</b>				
At 1 January 2023	788.1	72.9	28.2	889.2
Addition	24.2	–	–	24.2
Assetisation	0.3	–	–	0.3
Depreciation	–	(1.1)	–	(1.1)
At 31 December 2023	812.6	71.8	28.2	912.6
<b>At 31 December 2023</b>				
Cost	815.2	94.9	28.6	938.7
Accumulated depreciation	–	(23.0)	(0.4)	(23.4)
Accumulated impairment	(2.6)	(0.1)	–	(2.7)
Net Book Value	812.6	71.8	28.2	912.6

The Company	Freehold RM	Leasehold (sub-note (i)) RM	Other Land (sub-note (ii)) RM	Total RM
<b>Net Book Value</b>				
At 1 January 2023	321.0	63.2	28.2	412.4
Addition	24.2	–	–	24.2
Depreciation	–	(0.2)	–	(0.2)
Internal reorganisation (note 52):				
– transferred from subsidiaries	0.5	0.4	–	0.9
– transferred to TM Tech	(345.7)	(63.4)	(28.2)	(437.3)
At 31 December 2023	–	–	–	–

(i) Leasehold land comprise the following:

	The Group	
	2024 RM	2023 RM
Long term leasehold land	51.1	51.1
Short term leasehold land	19.6	20.7
<b>Total</b>	<b>70.7</b>	<b>71.8</b>

Long term leasehold land has remaining unexpired lease period of 50 years and above.

## NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2024

### 21. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

(d) Details of land are as follows: (continued)

- (ii) The title deeds pertaining to other land have not yet been registered in the name of the Group. Pending finalisation with the relevant authorities, these lands have not been classified according to their tenures.

Other land will be reclassified accordingly as and when the title deeds pertaining to these lands have been registered.

### 22. INTANGIBLE ASSETS

The Group	Goodwill RM	Telecom- munication Spectrum RM	Infrastructure Software RM	Application Software RM	Other Intangible Assets* RM	Software Development RM	Total RM
<b>Net Book Value</b>							
At 1 January 2024 (restated)	309.6	262.2	33.2	242.1	46.2	3.0	896.3
Additions (sub-note (b))	-	-	-	8.8	19.0	111.7	139.5
Assetisation	-	-	3.9	100.2	-	(104.1)	-
Amortisation (note 6(a))	-	(69.2)	(9.1)	(107.3)	(21.3)	-	(206.9)
Transfer from property, plant and equipment (note 21)	-	-	0.5	10.1	-	-	10.6
<b>At 31 December 2024</b>	<b>309.6</b>	<b>193.0</b>	<b>28.5</b>	<b>253.9</b>	<b>43.9</b>	<b>10.6</b>	<b>839.5</b>
<b>At 31 December 2024</b>							
Cost	366.7	389.4	103.7	788.8	178.9	10.6	1,838.1
Accumulated amortisation	-	(176.1)	(74.4)	(516.8)	(135.0)	-	(902.3)
Accumulated impairment	(57.1)	(20.3)	(0.8)	(18.1)	-	-	(96.3)
<b>Net Book Value</b>	<b>309.6</b>	<b>193.0</b>	<b>28.5</b>	<b>253.9</b>	<b>43.9</b>	<b>10.6</b>	<b>839.5</b>
<b>Net Book Value</b>							
At 1 January 2023	309.6	116.5	28.3	250.4	40.0	1.0	745.8
Restatement (note 49)	-	-	-	(0.4)	-	-	(0.4)
Restated as at 1 January 2023	309.6	116.5	28.3	250.0	40.0	1.0	745.4
Additions (sub-note (b))	-	214.1	-	1.1	19.7	167.1	402.0
Assetisation	-	-	16.1	144.0	5.0	(165.1)	-
Amortisation (note 6(a))	-	(68.4)	(10.9)	(156.0)	(18.5)	-	(253.8)
Impairment (note 6(a))	-	-	(0.4)	-	-	-	(0.4)
Transfer from property, plant and equipment (note 21)	-	-	0.1	3.0	-	-	3.1
At 31 December 2023	309.6	262.2	33.2	242.1	46.2	3.0	896.3
<b>At 31 December 2023</b>							
Cost	366.7	389.4	99.3	750.1	98.5	3.0	1,707.0
Accumulated amortisation	-	(106.9)	(65.4)	(489.9)	(52.3)	-	(714.5)
Accumulated impairment	(57.1)	(20.3)	(0.7)	(18.1)	-	-	(96.2)
<b>Net Book Value</b>	<b>309.6</b>	<b>262.2</b>	<b>33.2</b>	<b>242.1</b>	<b>46.2</b>	<b>3.0</b>	<b>896.3</b>

\* Other intangible assets comprise the fair value of acquired development expenditure incurred in the design, development and testing of products and services, software and programme rights of subsidiaries.

## NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2024

### 22. INTANGIBLE ASSETS (CONTINUED)

The Company	Infrastructure Software RM	Application Software RM	Other Intangible Assets RM	Software Development RM	Total RM
<b>Net Book Value</b>					
At 1 January 2023	25.8	241.9	–	1.0	268.7
Restatement (note 49)	–	(0.4)	–	–	(0.4)
Restated as at 1 January 2023	25.8	241.5	–	1.0	268.3
Additions (sub-note (b))	–	–	–	6.0	6.0
Assetisation	1.8	3.4	–	(5.2)	–
Amortisation	(1.7)	(23.7)	–	–	(25.4)
Internal reorganisation (note 52):					
– transferred from subsidiaries	–	–	30.7	–	30.7
– transferred to TM Tech	(25.9)	(221.2)	(30.7)	(1.8)	(279.6)
At 31 December 2023	–	–	–	–	–

#### (a) Impairment test for goodwill

The Group undertakes an annual test for impairment of its cash-generating units to which goodwill is allocated as follows:

	2024 RM	2023 RM
Business-to-Business (B2B)	308.4	308.4
Others	1.2	1.2
	<b>309.6</b>	309.6

The recoverable amount of the cash-generating unit is determined based on value-in-use calculation.

The following key assumptions have been applied in the value-in-use calculation:

	2024	2023
Pre-tax discount rate	13.3%	13.8%
Terminal growth rate	1.0%	1.0%

The discount rates applied to the cash flow forecasts are benchmarked against local peers at the date of the assessment of the cash-generating units. Pre-tax discount rates are derived by removing tax cash flows from the post-tax value-in-use, and by iteration, identify the pre-tax discount rate that makes the present value of the adjusted cash flows equal to the value-in-use calculated using the post-tax cash flows.

Terminal growth rate represents the growth rate applied to extrapolate pre-tax cash flow beyond five year financial budget period which takes into consideration the current and projected inflation and average growth rate for the telecommunication industry in Malaysia.

#### Impact of possible change in key assumptions used

The Group's review includes an impact assessment of changes in key assumptions. Based on the sensitivity analysis performed, management has concluded that no reasonably possible change in assumptions would cause the carrying amount of the B2B cash-generating unit to exceed its recoverable amount.

- (b) Government grants of RM0.1 million (2023: RM6.7 million) relating to assets, were deducted before arriving at the carrying amount of intangible assets as at 31 December 2024.

The additions are the net of Government grants recognised amounting to nil (2023: RM7.3 million).

## NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2024

### 23. RIGHT-OF-USE ASSETS

The Group	Telecom- munications Network RM	Movable Plant and Equipment RM	Land RM	Buildings RM	Total RM
<b>Net Book Value</b>					
As at 1 January 2024 (restated)	564.0	63.9	259.8	375.9	1,263.6
Additions (sub-note (b))	89.5	1.3	1.1	130.0	221.9
Modification	15.5	(0.2)	11.0	(18.5)	7.8
Termination	(28.4)	–	(0.1)	(13.0)	(41.5)
Depreciation (note 6(a) and sub-note (a))	(103.5)	(19.4)	(12.9)	(143.7)	(279.5)
Transfer from property, plant and equipment (note 21)	10.6	–	–	–	10.6
<b>At 31 December 2024</b>	<b>547.7</b>	<b>45.6</b>	<b>258.9</b>	<b>330.7</b>	<b>1,182.9</b>
<b>At 31 December 2024</b>					
Cost	1,011.9	115.7	328.1	1,242.3	2,698.0
Accumulated depreciation	(464.2)	(70.1)	(69.2)	(269.2)	(872.7)
Accumulated impairment	–	–	–	(642.4)	(642.4)
<b>Net Book Value</b>	<b>547.7</b>	<b>45.6</b>	<b>258.9</b>	<b>330.7</b>	<b>1,182.9</b>
<b>Net Book Value</b>					
As at 1 January 2023	483.2	63.6	258.5	348.4	1,153.7
Restatement (note 49)	(14.3)	–	(0.1)	(0.2)	(14.6)
Restated as at 1 January 2023	468.9	63.6	258.4	348.2	1,139.1
Additions (sub-note (b))	231.2	63.5	3.1	176.0	473.8
Modification	(54.7)	(11.6)	9.4	69.4	12.5
Termination	(0.4)	(35.3)	–	(10.5)	(46.2)
Depreciation (note 6(a) and sub-note (a))	(82.9)	(16.3)	(11.1)	(178.3)	(288.6)
Transfer from/(to) property, plant and equipment (note 21)	1.9	–	–	(28.9)	(27.0)
At 31 December 2023	564.0	63.9	259.8	375.9	1,263.6
<b>At 31 December 2023</b>					
Cost	914.9	122.1	316.6	1,498.8	2,852.4
Accumulated depreciation	(350.9)	(58.2)	(56.8)	(441.9)	(907.8)
Accumulated impairment	–	–	–	(681.0)	(681.0)
<b>Net Book Value</b>	<b>564.0</b>	<b>63.9</b>	<b>259.8</b>	<b>375.9</b>	<b>1,263.6</b>

(a) The following amounts relating to leases are disclosed in the Income Statement:

	2024 RM	2023 RM
Depreciation of right-of-use assets (note 6(a))	279.5	288.6
Interest expense on lease liabilities (note 9)	96.2	98.6
Expenses relating to short-term leases (note 6(b))	32.8	27.9
Expenses relating to lease of low-value assets that are not shown above as short-term leases	1.3	7.0

## NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2024

### 23. RIGHT-OF-USE ASSETS (CONTINUED)

The Company	Telecom- munications Network RM	Movable Plant and Equipment RM	Land RM	Buildings RM	Total RM
<b>Net Book Value</b>					
As at 1 January 2023	344.7	23.3	251.6	70.4	690.0
Restatement (note 49)	(14.3)	–	(0.1)	(0.2)	(14.6)
Restated as at 1 January 2023	330.4	23.3	251.5	70.2	675.4
Additions (sub-note (b))	1.4	–	0.2	–	1.6
Modification	–	–	#	–	#
Termination	(0.3)	(0.4)	–	(0.3)	(1.0)
Depreciation	(11.3)	(2.2)	(1.8)	(4.3)	(19.6)
Internal reorganisation (note 52):					
– transferred from subsidiaries	40.0	–	–	3.2	43.2
– transferred to TM Tech	(360.2)	(20.7)	(249.9)	(68.8)	(699.6)
At 31 December 2023	–	–	–	–	–

# Amount less than RM0.1 million

(b) Government grants of RM9.7 million (2023: RM11.6 million) relating to right-of-use assets, were deducted before arriving at the carrying amount of right-of-use assets as at 31 December 2024.

The addition are net of Government grants recognised amounting to nil (2023: RM0.2 million).

### 24. SUBSIDIARIES

The Company	2024			2023		
	Malaysia RM	Overseas RM	Total RM	Malaysia RM	Overseas RM	Total RM
Unquoted investments, at cost	<b>8,357.1</b>	<b>22.0</b>	<b>8,379.1</b>	8,355.1	22.0	8,377.1
Accumulated impairment	<b>(7.7)</b>	–	<b>(7.7)</b>	(7.7)	–	(7.7)
	<b>8,349.4</b>	<b>22.0</b>	<b>8,371.4</b>	8,347.4	22.0	8,369.4
Equity contributions						
– Options granted to employees of subsidiaries	<b>13.1</b>	–	<b>13.1</b>	13.1	–	13.1
– LTIP granted to employees of subsidiaries	<b>43.7</b>	–	<b>43.7</b>	43.7	–	43.7
<b>NET INVESTMENTS IN SUBSIDIARIES</b>	<b>8,406.2</b>	<b>22.0</b>	<b>8,428.2</b>	8,404.2	22.0	8,426.2

#### Accumulated impairment of investment in subsidiaries

	The Company	
	2024 RM	2023 RM
<b>At 1 January</b>	<b>7.7</b>	1,869.5
Distribution of assets arising from subsidiaries due to internal reorganisation	–	(405.1)
Reversal of impairment for investment in subsidiaries	–	(1,456.7)
<b>At 31 December</b>	<b>7.7</b>	7.7

## NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2024

### 24. SUBSIDIARIES (CONTINUED)

The Group's effective equity interest in the subsidiaries, their respective principal activities and countries of incorporation are listed in note 50. Other than as disclosed in note 50, the proportion of the Group's voting rights in the subsidiaries held by the Group do not differ from the proportion of ordinary shares held or the Group's effective equity interests in the subsidiaries.

There are no significant restrictions on the ability of the subsidiaries to transfer funds in the form of dividends and other capital distributions or for loans or advances being made or repaid, to (or from) the Group.

Set out below are the summarised financial information for each subsidiary which has non-controlling interests that are material to the Group, before any inter-company eliminations:

	Fiberail Sdn Bhd		Fibrecomm Network (M) Sdn Bhd	
	2024 RM	2023 RM	2024 RM	2023 RM
<b>Summarised Income Statement</b>				
Revenue	173.7	206.7	127.7	112.3
Profit before income tax	32.8	31.8	24.5	13.6
Income tax expense	(8.8)	(7.5)	(5.5)	(5.0)
Profit after tax and total comprehensive income	24.0	24.3	19.0	8.6
Total comprehensive income attributed to non-controlling interests	11.0	11.2	9.3	4.2
Dividends paid to non-controlling interests	12.1	4.7	2.7	2.7
<b>Summarised Statement of Financial Position</b>				
Current assets	199.6	222.1	114.3	76.2
Current liabilities	(132.2)	(167.1)	(51.6)	(32.7)
Total net current assets	67.4	55.0	62.7	43.5
Non-current assets	266.4	289.3	81.4	89.3
Non-current liabilities	(103.3)	(113.5)	(21.9)	(18.7)
Total net non-current assets	163.1	175.8	59.5	70.6
Net assets	230.5	230.8	122.2	114.1
Cumulative non-controlling interests	106.0	106.2	59.9	55.9
<b>Summarised Statement of Cash Flows</b>				
Cash generated from operations	61.6	121.6	27.9	7.7
Interest paid	–	(5.6)	(0.7)	(0.1)
Income tax (paid)/refund	(9.1)	(7.0)	4.4	(1.0)
Cash flows from operating activities	52.5	109.0	31.6	6.6
Cash flows used in investing activities	(16.3)	(18.9)	(5.7)	(5.1)
Cash flows used in financing activities	(46.1)	(21.7)	(11.0)	(10.3)
Net (decrease)/increase in cash and cash equivalents	(9.9)	68.4	14.9	(8.8)
Effect of exchange rate changes	–	–	(1.2)	(0.1)
Cash and cash equivalents at beginning of the financial year	172.4	104.0	13.7	22.6
Cash and cash equivalents at end of the financial year	162.5	172.4	27.4	13.7

## NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2024

### 25. LOANS AND ADVANCES TO SUBSIDIARIES

	The Company	
	2024 RM	2023 RM
Loans and advances to subsidiaries	20.0	32.3
Accumulated impairment	(3.4)	(5.6)
<b>Loans and advances to subsidiaries (net)</b>	<b>16.6</b>	26.7
Current portion	3.4	7.4
Non-current portion	13.2	19.3
<b>Loans and advances to subsidiaries</b>	<b>16.6</b>	26.7

Loans and advances to subsidiaries represent shareholder loans and advances for working capital purposes. These loans and advances are unsecured and bear interest ranging from 4.12% to 6.89% (2023: 4.12% to 7.81%) and will mature between 1 to 4 years (2023: 1 to 5 years).

Movement in balances and provision for impairment of loans and advances to subsidiaries are disclosed below:

	The Company	
	2024 RM	2023 RM
<b>At 1 January</b>	<b>26.7</b>	40.5
Additional loan to subsidiaries (note 38)	5.0	–
Repayments from subsidiaries (note 38)	(15.6)	(14.6)
Reversal of impairment on loans and advances to subsidiaries	1.2	–
Foreign exchange difference	(0.7)	0.8
Interest charged (note 7)	1.7	2.4
Reclassified as other receivables	(1.7)	(2.4)
<b>At 31 December</b>	<b>16.6</b>	26.7

#### Provisions for impairment of loans and advances to subsidiaries

	The Company	
	2024 RM	2023 RM
<b>At 1 January</b>	<b>5.6</b>	14.5
Reversal of impairment on loans and advances to subsidiaries	(1.2)	–
Write-off	(1.0)	(8.9)
<b>At 31 December (note 4(a))</b>	<b>3.4</b>	5.6

## NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2024

### 26. ASSOCIATE/JOINTLY CONTROLLED ENTITY

	The Group	
	2024 RM	2023 RM
Share of net assets of an associate/jointly controlled entity		
Unquoted investments	<b>109.8</b>	100.1
The Group's share of profit of an associate/jointly controlled entity	<b>8.1</b>	13.1
The Group's share of assets and liabilities of an associate is as follows:		
Non-current assets	<b>72.5</b>	74.2
Current assets	<b>38.1</b>	27.9
Non-current liabilities	<b>(0.9)</b>	(1.2)
Current liabilities	<b>(1.1)</b>	(0.8)
Net assets	<b>108.6</b>	100.1
The Group's share of assets and liabilities of the jointly controlled entity is as follows:		
Non-current assets	<b>1.9</b>	–
Current assets	<b>9.2</b>	–
Current liabilities	<b>(9.9)</b>	–
Net assets	<b>1.2</b>	–

The Group's associate and jointly controlled entity are not material to the financial position, financial performance and cash flows of the Group.

The Group's effective equity interest in the associate/jointly controlled entity, which is unquoted, its principal activities and country of incorporation are listed in note 51.

There are no contingent liabilities relating to the Group's interest in the associate/jointly controlled entity, and there are no significant restrictions on the ability of the associate/jointly controlled entity to transfer funds in the form of dividend to the Group.

## NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2024

### 27(a). EQUITY INVESTMENTS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME (FVOCI)

Equity investments at FVOCI comprise of individual unquoted equity investments.

	The Group and the Company	
	2024 RM	2023 RM
<b>At 1 January</b>	<b>136.5</b>	149.1
Fair value changes transferred to OCI	<b>2.3</b>	(12.6)
<b>At 31 December (note 46)</b>	<b>138.8</b>	136.5

The equity investments are represented primarily by the Group's and the Company's investments in Asean Cables Pte Ltd and Labuan Reinsurance (L) Ltd. The dividends received by the Group and the Company during the financial year amounted to RM10.7 million (2023: RM6.9 million).

At initial recognition, the Group and the Company have irrevocably elected to present fair value changes of non-trading equity investments above in OCI. The Group and the Company consider this classification to be more relevant as these instruments are strategic investments of the Group and the Company and not held for trading purpose.

### 27(b). INVESTMENTS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME (FVOCI)

Investments in listed and unlisted bonds are classified as FVOCI, as the Group's and the Company's business model is achieved by collecting contractual cash flows and selling of these assets. The contractual cash flows of these investments are solely payment of principal and interest.

	The Group and the Company	
	2024 RM	2023 RM
<b>At 1 January</b>	<b>70.4</b>	66.5
Additions	<b>26.1</b>	11.6
Fair value changes transferred to OCI	<b>0.2</b>	1.3
Disposals	<b>(24.1)</b>	(8.8)
Accretion of finance income (net)	<b>0.3</b>	(0.2)
<b>At 31 December (note 46)</b>	<b>72.9</b>	70.4

The credit quality of investments in listed and unlisted bonds is as follows:

	The Group and the Company	
	2024 RM	2023 RM
AAA	<b>30.4</b>	28.2
AA	<b>37.5</b>	35.2
A	<b>5.0</b>	7.0
	<b>72.9</b>	70.4

#### Provision for impairment of investments at FVOCI

	The Group and the Company	
	2024 RM	2023 RM
<b>At 1 January/At 31 December (note 4(a))</b>	<b>1.2</b>	1.2

## NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2024

### 27(c). INVESTMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS (FVTPL)

Investment in a technology investment fund, fixed income unit trust fund and certain investments in a rated Corporate Social Responsibility (CSR) sukuk are classified as financial assets at FVTPL. The investments do not meet the MFRS 9 criteria for classification at amortised cost, because their cash flows do not represent solely payments of principal and interest.

	The Group and the Company	
	2024 RM	2023 RM
<b>At 1 January</b>	<b>153.4</b>	166.7
Additional investment	<b>2.8</b>	7.3
Fair value changes through profit or loss (net)	<b>(15.4)</b>	10.3
Disposals	<b>(24.6)</b>	(27.1)
Management fees	<b>-</b>	(0.9)
Foreign exchange difference	<b>(4.9)</b>	(2.9)
<b>At 31 December</b>	<b>111.3</b>	153.4
Current portion	<b>0.2</b>	3.3
Non-current portion	<b>111.1</b>	150.1
<b>TOTAL INVESTMENTS AT FVTPL (note 46)</b>	<b>111.3</b>	153.4

### 28. RECEIVABLES AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME (FVOCI)

	The Group		The Company	
	2024 RM	2023 RM	2024 RM	2023 RM
<b>At 1 January</b>	<b>52.3</b>	155.4	-	155.4
Additions (including interest)	<b>15.7</b>	18.6	-	4.1
Repayments (net of conversion)	<b>(6.5)</b>	(9.8)	-	(3.2)
Disposal (note 29(i)(a))	<b>-</b>	(130.2)	-	(130.2)
Amortisation of prepayment	<b>(1.4)</b>	16.4	-	-
Impairment reclassification to other non-current receivables/ assets	<b>0.6</b>	0.2	-	-
Fair value changes transferred to OCI	<b>0.4</b>	1.7	-	-
Transferred to TM Tech due to internal reorganisation (note 52)	<b>-</b>	-	-	(26.1)
<b>TOTAL RECEIVABLES AT FVOCI (net)</b>	<b>61.1</b>	52.3	-	-
Current portion	<b>3.0</b>	2.6	-	-
Non-current portion	<b>58.1</b>	49.7	-	-
<b>TOTAL RECEIVABLES AT FVOCI (net) (note 46)</b>	<b>61.1</b>	52.3	-	-

Receivables at FVOCI comprises housing loans extended to employees. These loans are disposed to a third party when certain pre-determined conditions are met. Details of the housing loans to employees are as disclosed in note 29(i).

## NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2024

### 28. RECEIVABLES AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME (FVOCI) (CONTINUED)

#### Provision for impairment of receivables at FVOCI

	The Group		The Company	
	2024 RM	2023 RM	2024 RM	2023 RM
<b>As at 1 January</b>	<b>10.8</b>	11.0	–	11.0
Impairment reclassification to other non-current receivables/assets	<b>(0.6)</b>	(0.2)	–	–
Transferred to TM Tech due to internal reorganisation (note 52)	–	–	–	(11.0)
<b>At 31 December (note 4(a))</b>	<b>10.2</b>	10.8	–	–

### 29. OTHER NON-CURRENT RECEIVABLES/ASSETS

	The Group		The Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Staff loans at amortised cost				
– under Islamic principles (note 46)	<b>17.6</b>	16.0	–	–
Total staff loans (sub-note (i))	<b>17.6</b>	16.0	–	–
Other non-current receivables (note 46)				
– other deposits (sub-note (ii))	<b>29.8</b>	288.3	–	261.2
– other receivables	<b>35.4</b>	42.8	–	–
Staff loans and other non-current receivables, representing financial assets at amortised cost	<b>82.8</b>	347.1	–	261.2
Other non-current assets				
– advance payment (sub-note (iii))	–	233.2	–	233.2
– prepayments (sub-note (iii))	<b>241.2</b>	23.8	–	–
Prepaid employee benefits	<b>13.6</b>	11.6	–	–
	<b>337.6</b>	615.7	–	494.4
Staff loans receivable within twelve months included under other receivables (note 32)	<b>(4.9)</b>	(4.8)	–	–
<b>TOTAL OTHER NON-CURRENT RECEIVABLES/ASSETS</b>	<b>332.7</b>	610.9	–	494.4

#### Provision for impairment of other non-current receivables/assets

	The Group		The Company	
	2024 RM	2023 RM	2024 RM	2023 RM
<b>At 1 January</b>	<b>2.3</b>	2.1	–	2.1
Impairment reclassification from impairment of receivables at FVOCI	<b>0.6</b>	0.2	–	–
	<b>2.9</b>	2.3	–	2.1
Transferred to TM Tech due to internal reorganisation	–	–	–	(2.1)
<b>At 31 December (note 4(a))</b>	<b>2.9</b>	2.3	–	–

## NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2024

### 29. OTHER NON-CURRENT RECEIVABLES/ASSETS (CONTINUED)

- (i) Staff loans comprise housing, vehicle, computer and club membership loans offered to employees with contractual financing cost of 4.0% per annum on a reducing balance basis except for club membership loans which are free of financing cost.

Housing loans are classified as receivables at FVOCI as disclosed in note 28 whilst the remaining staff loans are classified as receivables at amortised cost under note 29. There is no single significant credit risk exposure as the amount is mainly receivable from individuals. Staff loans inclusive of financing cost, are repayable in equal monthly instalments as follows:

- Housing loans – maximum tenure is up to employee retirement age (at 60 years of age)
- Vehicle loans – maximum of 9 years for new cars and 7 years for second hand cars
- Computer loans – 3 years

Credit risk arising from staff loans is mitigated by the enforcement of salary deductions as a mode of repayment. In addition, collateral is obtained for the following:

- Housing loans – registered land charges and assignments over the properties financed
- Vehicle loans – ownership claims over the vehicles financed

- (a) During the previous financial year, the Company disposed RM130.2 million of its employees housing loans for a total cash consideration RM127.6 million pursuant to the Sale and Purchase (S&P) Agreement entered on 27 May 2009 with AmMortgage One Berhad (AmMortgage One), a wholly-owned subsidiary of AmBank (M) Berhad (AmBank). In tandem with the S&P Agreement, a Servicing Agreement between the Company, AmMortgage One and AmBank was also executed. The arrangement reflects the outsourcing of the Company's mortgage servicing operations to AmBank.

- (ii) The Company entered into two deposit agreements with financial institutions in 2011 with maturity on 1 August 2025, under which the Company will deposit RM4.1 million and RM4.2 million respectively every six months until the deposits' maturity date. On maturity, the Company will be entitled for deposits repayments of RM154.0 million and RM156.5 million respectively. The deposits are collateralised by Malaysian Government Bonds.

The deposits effectively build up a sinking fund with an assured value of RM154.0 million and RM156.5 million respectively on 1 August 2025 for the repayment of the Company's Debentures. Accordingly, the deposits have been reclassified to current assets for the current financial year.

- (iii) In the previous financial year, the Government of Malaysia (GoM) had on 3 May 2023 announced the implementation of 5G network in 2 phases. In Phase 1, Digital Nasional Berhad (DNB) will continue its rollout of 5G network to meet its target Coverage of Populated Area (CoPA) by end of 2023. In Phase 2, the existing Single Wholesale Network will transition to a Dual Network based on conditions in line with global practices.

In relation to Phase 1 above, the Company, had on 1 December 2023 executed a Share Subscription Agreement (SSA) with Minister of Finance (Incorporated) (MoF Inc.) and DNB. As part of the SSA, the Company had paid RM233.2 million as an advance Access Agreement (AA) prepayment, which will be treated as shareholder advance to DNB subject to the fulfilment of the relevant Shareholder Advance Conditions Precedent (SACP). As at 31 December 2023, the SACP has yet to be met.

The Company had on 18 July 2024 sought an extension of its Longstop Date of 21 August 2024 to fulfil the SACP under the SSA, which was not accepted by DNB. Subsequently, the Company received a termination notice of the SSA via a letter from DNB dated 23 August 2024.

Following the termination of the SSA on 23 August 2024, the Company is entitled to set off the advance AA prepayment of RM233.2 million against any undisputed invoices issued by DNB for services rendered under the AA commencing from 24 August 2024. Accordingly, the advance AA prepayment has been reclassified from advance payment to prepayments during the current financial year.

## NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2024

### 30. INVENTORIES

	The Group	
	2024 RM	2023 RM
Telecommunications equipment	13.7	32.6
Capacity held for resale	147.8	126.7
Land held for sale	39.9	39.9
Others	0.3	5.4
<b>TOTAL INVENTORIES</b>	<b>201.7</b>	204.6

### 31. CONTRACT COST ASSETS

	The Group		The Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Asset recognised from costs incurred to obtain and fulfil a contract at 1 January	357.3	420.7	–	375.2
– Addition from customer contracts with service yet to be delivered as performance obligations are not yet satisfied	259.9	361.3	–	59.6
– Amortisation	(354.6)	(424.7)	–	(63.3)
– Internal reorganisation (note 52):				
– transferred from subsidiaries	–	–	–	66.0
– transferred to TM Tech	–	–	–	(437.5)
<b>Asset recognised from costs incurred to obtain and fulfil a contract at 31 December</b>	<b>262.6</b>	357.3	–	–

**NOTES TO THE FINANCIAL STATEMENTS**

for the financial year ended 31 December 2024

**32. TRADE AND OTHER RECEIVABLES**

	The Group		The Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Receivables from external customers	1,449.6	1,314.8	–	–
Receivables from subsidiaries	–	–	0.7	–
Receivables from associate	–	0.7	–	–
	1,449.6	1,315.5	0.7	–
Impairment				
– external customers	(611.9)	(591.2)	–	–
	837.7	724.3	0.7	–
Accrued earnings*	210.5	129.2	–	–
Total trade receivables (net)	1,048.2	853.5	0.7	–
Other receivables from subsidiaries	–	–	249.0	2.0
Other receivables	803.8	656.2	394.2	407.1
Impairment of other receivables				
– external customers	(135.9)	(141.2)	–	–
– subsidiaries	–	–	(0.5)	(0.3)
Total trade and other receivables, representing financial assets at amortised cost	1,716.1	1,368.5	643.4	408.8
Prepayments	505.8	382.7	1.2	0.6
Grant recoverable	249.1	456.4	–	–
Tax recoverable	42.1	62.6	–	12.0
Staff loans (note 29)	4.9	4.8	–	–
	801.9	906.5	1.2	12.6
<b>TOTAL TRADE AND OTHER RECEIVABLES (net)</b>	<b>2,518.0</b>	<b>2,275.0</b>	<b>644.6</b>	<b>421.4</b>

\* Included in accrued earnings are unbilled amounts for leasing contracts for services rendered in the ordinary course of business.

Certain amounts of trade receivables have been subjected to offsetting with trade payables where these balances are from transactions transacted with the same counterparty and are settled on net basis, summarised as follows:

	2024			2023		
	Gross amount of trade receivables RM	Gross amount of trade payables and accruals set off against trade receivables (note 35) RM	Net amount of trade receivables RM	Gross amount of trade receivables RM	Gross amount of trade payables and accruals set off against trade receivables (note 35) RM	Net amount of trade receivables RM
The Group	1,078.3	(30.1)	1,048.2	920.2	(66.7)	853.5
The Company	0.7	–	0.7	–	–	–

For trade receivables and trade payables subject to netting arrangements above, each agreement between the Group and the counterparties is carried out on net settlement basis, including events of default.

Movement and balance analysis of loss allowance is disclosed under note 4(a)(ii).

## NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2024

### 32. TRADE AND OTHER RECEIVABLES (CONTINUED)

The Group and the Company are not exposed to major concentrations of credit risk due to the diversified customer base. The analysis of trade receivables by business clusters is considered the most appropriate disclosure of credit concentration. In addition, credit risk is mitigated to a certain extent by cash deposits (note 36) and bankers' guarantee obtained from customers amounting to RM39.0 million (2023: RM41.0 million) at the Group. The Group and the Company consider the provision of impairment at the reporting date to be adequate to cover the potential financial loss.

Credit terms of trade receivables range from 30 to 90 days (2023: 30 to 90 days).

The maximum exposure to credit risk at the reporting date is the carrying amount of each class of receivable mentioned above.

The Group's and the Company's recovery of trade and other receivables written off for financial year ended 31 December 2024 is RM8.5 million (2023: RM7.0 million). Correspondingly, the Company's recovery of trade and other receivables written off for financial year ended 31 December 2024 is nil (2023: RM1.1 million).

### 33. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (FVTPL)

	The Group and the Company	
	2024 RM	2023 RM
Equity securities quoted on the Bursa Securities (note 46)	2.5	2.3
<b>TOTAL FINANCIAL ASSETS AT FVTPL</b>	<b>2.5</b>	<b>2.3</b>

### 34. CASH AND BANK BALANCES

	The Group		The Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Deposits with licensed banks (note 46):				
– Conventional	916.0	842.9	488.2	512.9
– Islamic principles	1,611.8	1,371.0	279.3	123.6
Total deposits with licensed banks	2,527.8	2,213.9	767.5	636.5
Cash and bank balances (note 46):				
– Conventional	459.9	648.6	6.6	0.4
– Islamic principles	108.5	92.7	0.5	1.1
<b>TOTAL CASH AND BANK BALANCES</b>	<b>3,096.2</b>	<b>2,955.2</b>	<b>774.6</b>	<b>638.0</b>
Less:				
Money held in trust (sub-note (a))/Deposits pledged	(118.7)	(254.4)	–	–
Deposit with maturity exceeding 3 months	(4.4)	(2.9)	–	–
<b>TOTAL CASH AND CASH EQUIVALENTS</b>	<b>2,973.1</b>	<b>2,697.9</b>	<b>774.6</b>	<b>638.0</b>

(a) Included in money held in trust at the Group are the bank balances amounting USD26.4 million (RM118.0 million) (2023: USD54.9 million (RM253.3 million)) of a consortium of international telecommunications companies investing jointly in an international submarine cable. It is held in trust by one of the subsidiaries as its function as the appointed central billing party to the consortiums.

## NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2024

### 34. CASH AND BANK BALANCES (CONTINUED)

The deposits are placed mainly with a number of creditworthy financial institutions. There is no major concentration of deposits in any single financial institution. The credit quality of the financial institutions in which cash and deposits are placed is as follows:

	The Group		The Company	
	2024 RM	2023 RM	2024 RM	2023 RM
AAA	409.7	1,334.7	3.1	516.0
AA	1,588.7	1,004.8	562.6	121.5
A	834.4	530.3	33.6	0.5
NR (sub-note (b))	263.4	85.4	175.3	–
	<b>3,096.2</b>	2,955.2	<b>774.6</b>	638.0

(b) Mainly comprise deposits placed with foreign financial institutions holding sovereign equivalent ratings.

Deposits have maturities ranging from overnight to 90 days (2023: from overnight to 90 days) for the Group and overnight to 30 days (2023: from overnight to 30 days) for the Company. Bank balances are deposits held at call with banks.

The weighted average interest rate of deposits as at 31 December 2024 was 4.30% (2023: 4.29%) and 4.56% (2023: 5.20%) for the Group and the Company respectively.

### 35. TRADE AND OTHER PAYABLES

	The Group		The Company	
	2024 RM	2023 RM Restated	2024 RM	2023 RM
Trade payables and accruals	1,818.6	1,668.0	4.2	0.3
Money held in trust (note 34(a))/Deposits pledged	118.7	254.4	–	–
Deposits and trust monies	36.9	58.3	–	–
Finance cost payable	50.6	59.5	29.8	30.7
Payables to subsidiaries (sub-note (a))	–	–	119.6	587.9
Other payables and accruals	823.2	663.1	9.1	6.1
Total trade and other payables, representing financial liabilities at amortised cost (note 46)	<b>2,848.0</b>	2,703.3	<b>162.7</b>	625.0
Payable for Universal Service Provision	306.8	164.5	–	–
Deferred revenue	127.6	260.4	–	–
Duties and other taxes payable	80.5	55.1	–	1.0
Provision for voluntary separation programmes (sub-note (b))	15.0	8.1	–	–
Provision for dismantling cost	31.5	34.7	–	–
	<b>3,409.4</b>	3,226.1	<b>162.7</b>	626.0
Current portion	3,270.4	3,033.3	162.7	626.0
Non-current portion	139.0	192.8	–	–
<b>TOTAL TRADE AND OTHER PAYABLES</b>	<b>3,409.4</b>	3,226.1	<b>162.7</b>	626.0

## NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2024

### 35. TRADE AND OTHER PAYABLES (CONTINUED)

- (a) Includes excess funds of subsidiaries managed and invested by the Company, which are interest bearing as disclosed in note 40(b)(ii).
- (b) Provision for voluntary separation programmes for eligible employees

During the financial year, the Group continued to announce a series of offering of the voluntary separation programmes. Eligible employees who accepted the voluntary separation offers were compensated through special incentives and designated benefits over a period of 12 months.

The expected financial impact of this scheme which involves compensation payment made in tranches by stage within 12 months of the financial year end during which the acceptance was made, had been recognised in the financial statements based on the number of employees who have accepted the offer at the end of the financial year.

Certain amount of trade payables and accruals have been subjected to offsetting with trade receivables where these balances are from transactions transacted with the same counterparties and are settled on net basis, summarised as follows:

	2024			2023		
	Gross amount of trade payables and accruals RM	Gross amount of trade receivables set off against trade payables and accruals (note 32) RM	Net amount of trade payables and accruals RM	Gross amount of trade payables and accruals RM	Gross amount of trade receivables set off against trade payables and accruals (note 32) RM	Net amount of trade payables and accruals RM
The Group	1,848.7	(30.1)	1,818.6	1,734.7	(66.7)	1,668.0
The Company	4.2	–	4.2	0.3	–	0.3

Credit terms of trade and other payables excluding accruals vary from 30 to 90 days (2023: 30 to 90 days) depending on the terms of the contracts.

### 36. CUSTOMER DEPOSITS

	The Group	
	2024 RM	2023 RM
Telephone services	87.7	127.2
Data services	8.8	8.3
<b>TOTAL CUSTOMER DEPOSITS (note 46)</b>	<b>96.5</b>	<b>135.5</b>

Customer deposits are refundable as and when the customers terminate their services.

## NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2024

### 37. CASH FLOWS FROM OPERATING ACTIVITIES

	The Group		The Company	
	2024 RM	2023 RM	2024 RM	2023 RM
<b>Continuing operations</b>				
Receipts from customers	11,406.3	12,115.2	354.3	–
Payments to suppliers and employees	(6,710.0)	(7,726.0)	(468.3)	–
(Payments to)/Receipts from money held in trust/deposits pledged	(135.7)	20.1	–	–
Payments to suppliers for short-term lease and leases of low-value assets	(34.1)	(34.9)	–	–
Payments of finance cost	(217.5)	(284.2)	(64.4)	(77.3)
Payments of income taxes and zakat (net)	(298.4)	(404.1)	(12.3)	–
Dividends received	–	–	1,383.8	703.6
	<b>4,010.6</b>	<b>3,686.1</b>	<b>1,193.1</b>	<b>626.3</b>
Cash flows used in operating activities of discontinued operations	–	–	–	(59.0)
<b>TOTAL CASH FLOWS FROM OPERATING ACTIVITIES</b>	<b>4,010.6</b>	<b>3,686.1</b>	<b>1,193.1</b>	<b>567.3</b>

### 38. CASH FLOWS (USED IN)/FROM INVESTING ACTIVITIES

	The Group		The Company	
	2024 RM	2023 RM	2024 RM	2023 RM
<b>Continuing operations</b>				
Investment in subsidiaries	–	–	(1.8)	(426.2)
Contribution from Government grants for purchase of property, plant and equipment	265.5	321.7	–	–
Disposal of property, plant and equipment	5.8	6.8	–	–
Purchase of property, plant and equipment and intangible assets	(1,380.9)	(2,193.1)	–	–
Acquisition of jointly controlled entity	(1.8)	–	–	–
Disposal/Maturity of current investments at FVOCI	24.1	8.8	24.1	8.8
Purchase of current investments at FVOCI	(26.1)	(11.6)	(26.1)	(11.6)
Purchase of investments at FVTPL	(2.8)	(7.3)	(2.8)	(7.3)
Disposal of investments at FVTPL	24.6	27.1	24.6	27.1
Long term deposits	(16.6)	(16.6)	(16.6)	(16.6)
Deposits with maturity exceeding 3 months	(1.5)	(2.1)	–	–
Additional loan to subsidiaries	–	–	(5.0)	–
Repayments from subsidiaries – loans and advances	–	–	15.6	14.6
Repayments of loans by employees	14.7	18.6	–	–
Loans to employees	(23.1)	(19.4)	–	–
Disposal of housing loan	–	127.6	–	–
Interest/Profit received	105.9	88.7	24.7	24.8
Dividends received	10.0	6.9	–	–
	<b>(1,002.2)</b>	<b>(1,643.9)</b>	<b>36.7</b>	<b>(386.4)</b>
Cash flows used in investing activities of discontinued operations	–	–	–	(471.9)
<b>TOTAL CASH FLOWS (USED IN)/FROM INVESTING ACTIVITIES</b>	<b>(1,002.2)</b>	<b>(1,643.9)</b>	<b>36.7</b>	<b>(858.3)</b>

## NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2024

### 39. CASH FLOWS USED IN FINANCING ACTIVITIES

	The Group		The Company	
	2024 RM	2023 RM	2024 RM	2023 RM
<b>Continuing operations</b>				
Proceeds from borrowings	–	30.0	–	–
Repayments of borrowings	(1,223.7)	(605.4)	(0.2)	(262.7)
Repayments of lease liabilities	(394.9)	(455.3)	–	–
Dividend paid to shareholders	(1,074.5)	(649.6)	(1,074.5)	(649.6)
Dividend paid to non-controlling interests	(15.4)	(7.5)	–	–
	(2,708.5)	(1,687.8)	(1,074.7)	(912.3)
Cash flows used in financing activities of discontinued operations	–	–	–	(58.7)
<b>TOTAL CASH FLOWS USED IN FINANCING ACTIVITIES</b>	<b>(2,708.5)</b>	<b>(1,687.8)</b>	<b>(1,074.7)</b>	<b>(971.0)</b>

#### Changes in liabilities arising from financing activities:

	At 1 January 2024 RM	Cash Flow RM	Non-cash changes				At 31 December 2024 RM
			Interest Accretion RM	Foreign Exchange Movement RM	New Leases RM	Others RM	
<b>The Group</b>							
Borrowings	(4,763.2)	1,223.7	(1.4)	50.0	–	–	(3,490.9)
Lease liabilities	(1,857.6)	394.9	(96.2)	–	(154.3)	13.3	(1,699.9)
	(6,620.8)	1,618.6	(97.6)	50.0	(154.3)	13.3	(5,190.8)

	At 1 January 2024 RM	Cash Flow RM	Non-cash changes				At 31 December 2024 RM
			Interest Accretion RM	Foreign Exchange Movement RM	New Leases RM	Others RM	
<b>The Company</b>							
Borrowings	(1,112.1)	0.2	(0.2)	32.7	–	–	(1,079.4)

## NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2024

### 39. CASH FLOWS USED IN FINANCING ACTIVITIES (CONTINUED)

#### Changes in liabilities arising from financing activities: (continued)

	At 1 January 2023 RM	Cash Flow RM	Non-cash changes				At 31 December 2023 RM
			Interest Accretion RM	Foreign Exchange Movement RM	New Leases RM	Others RM	
<b>The Group</b>							
Borrowings	(5,269.3)	575.4	(1.6)	(67.7)	-	-	(4,763.2)
Lease liabilities	(1,774.5)	455.3	(98.6)	-	(439.8)	-	(1,857.6)
	(7,043.8)	1,030.7	(100.2)	(67.7)	(439.8)	-	(6,620.8)

	At 1 January 2023 RM	Cash Flow RM	Non-cash changes						At 31 December 2023 RM
			Interest Accretion RM	Foreign Exchange Movement RM	New Leases RM	Others RM	Internal reorganisation (note 52)		
							Transferred from subsidiaries RM	Transferred to TM Tech RM	
<b>The Company</b>									
Borrowings	(4,672.5)	262.7	(0.4)	(44.9)	-	-	(9.6)	3,352.6	(1,112.1)
Lease liabilities	(729.3)	58.7	(6.3)	-	(1.7)	1.2	(45.6)	723.0	-
Payable to a subsidiary	(552.2)	-	(0.1)	(6.7)	-	-	-	559.0	-
	(5,954.0)	321.4	(6.8)	(51.6)	(1.7)	1.2	(55.2)	4,634.6	(1,112.1)

## NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2024

### 40. SIGNIFICANT RELATED PARTY DISCLOSURES

Set out below are the significant related party transactions and balances, in addition to related party transactions and balances mentioned elsewhere in the financial statements:

#### (a) Significant transactions with subsidiaries and associate

The Company has significant related party transactions with its subsidiaries and associate, as listed below:

BlueTel Networks Pte Ltd  
 Fiberail Sdn Bhd  
 Fibrecomm Network (M) Sdn Bhd  
 GITN Sdn Berhad  
 TM Technology Services Sdn Bhd  
 Telekom Malaysia (Australia) Pty Ltd  
 Telekom Malaysia (Hong Kong) Limited  
 Telekom Malaysia (S) Pte Ltd  
 Telekom Malaysia (UK) Limited  
 Telekom Malaysia (USA) Inc  
 Telekom Research & Development Sdn Bhd  
 TM Facilities Sdn Bhd  
 TMF Autolease Sdn Bhd  
 Universiti Telekom Sdn Bhd  
 VADS Business Process Sdn Bhd

	The Group		The Company	
	2024 RM	2023 RM	2024 RM	2023 RM
<b>(i) Sales of goods and rendering of services to an associate</b>				
– telecommunications related services	8.0	7.9	–	–
<b>(ii) Purchases of goods and services from an associate</b>				
– telecommunications related services	44.1	63.6	–	–
<b>(iii) Dividend and interest income from subsidiaries</b>	–	–	1,423.7	696.7

## NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2024

### 40. SIGNIFICANT RELATED PARTY DISCLOSURES (CONTINUED)

(b) Year end balances arising from:

	The Group		The Company	
	2024 RM	2023 RM	2024 RM	2023 RM
<b>(i) Sales/Purchases of goods/services</b>				
– receivables from subsidiaries	–	–	0.7	–
– receivables from associate	–	0.7	–	–
– payables to subsidiaries	–	–	108.8	172.2
– payables to associate	3.3	16.6	–	–
<b>(ii) Other receivables and payables</b>				
– payables to subsidiaries	–	–	10.8	322.9
– receivables from subsidiaries	–	–	248.5	1.7

The above receivables from/payables to related parties arise mainly from sale/purchase transactions with credit terms of 30 to 90 days and payment on behalf. The receivables/payables are unsecured and interest free.

Other payables to subsidiaries mainly comprise of Government grants received on behalf of a subsidiary.

(c) Key management personnel

Key management personnel are the persons who have authority and responsibility for planning, directing and controlling the activities of the Group or the Company either directly or indirectly. Consistent with the previous financial year, key management personnel has been defined as the Directors (executive and non-executive) of the Company and heads or senior management officers who are members of the Management Committee for the Group and the Company respectively.

Whenever exist, related party transactions also include transactions with entities that are controlled, jointly controlled or significantly influenced directly or indirectly by any key management personnel or their close family members.

	The Group		The Company	
	2024 RM	2023 RM	2024 RM	2023 RM
<b>Key management personnel compensation<sup>@</sup></b>				
– fees	2.5	3.1	2.5	2.3
– salaries, allowances and bonus	22.4	25.1	–	–
– LTIP	0.3	6.1	–	–
– contribution to Employees Provident Fund	3.1	3.5	–	–
– estimated monetary value of benefits	0.7	1.6	–	–

<sup>@</sup> Includes the Directors' remuneration (whether executive or otherwise) as disclosed in note 6(b).

In addition, certain key management personnel have family members who are officers of the Group with total remuneration amounting to nil (2023: RM0.2 million).

## NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2024

### 40. SIGNIFICANT RELATED PARTY DISCLOSURES (CONTINUED)

#### (d) Government-related entities

Khazanah Nasional Berhad (Khazanah) is a major shareholder with 20.10% (2023: 20.10%) equity interest and is a related party of the Group and the Company. Khazanah is a wholly-owned entity of MoF Inc., which is in turn owned by the Ministry of Finance, a ministry of the Federal Government of Malaysia. Therefore, the Government of Malaysia and bodies controlled or jointly controlled by the Government of Malaysia are also related parties to the Group.

The individually significant transactions that the Group entered into with identified related parties and their corresponding balances for the provision of telecommunications related services as at the respective reporting dates are as follows:

	Total amount of individually significant transactions		Corresponding outstanding balances	
	2024 RM	2023 RM	2024 RM	2023 RM
<b>The Group</b>				
Sales and Receivables	<b>787.3</b>	720.3	<b>53.9</b>	47.5

The Group also has individually significant contracts with other Government-related entities where the Group was provided funding for projects of which the amortisation of grants to the Income Statement in the current financial year was RM38.0 million (2023: RM49.8 million) with corresponding receivables of RM118.7 million (2023: RM329.6 million).

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

### 41. CAPITAL AND OTHER COMMITMENTS

	The Group	
	2024 RM	2023 RM
<b>(a) Property, plant and equipment</b>		
Commitments in respect of expenditures approved and contracted for	<b>2,249.3</b>	2,355.2
	The Group and the Company	
	2024 RM	2023 RM
<b>(b) Investments at FVTPL</b>		
The Group's remaining capital commitment in a technology investment fund (disclosed as part of the Group's Non-current Investment at FVTPL)	<b>11.6</b>	14.8

## NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2024

### 41. CAPITAL AND OTHER COMMITMENTS (CONTINUED)

	The Group	
	2024 RM	2023 RM
<b>(c) Amount approved and committed</b>		
Donation via Yayasan Telekom Malaysia	<b>24.8</b>	27.0

#### (d) ST Dynamo DC Sdn Bhd (ST Dynamo DC)

- (i) On 18 June 2024, TM DC Educuity Sdn Bhd, an indirect wholly-owned subsidiary of the Company held via TM DC Holdings Sdn Bhd had entered into a conditional joint venture agreement (JVA) with Nxera MY Pte. Ltd and ST Dynamo DC to jointly develop, establish and/or operate greenfield data centre facilities in Johor, Malaysia through the JV Company for purposes of the JVA.
- (ii) On 30 September 2024, the Company announced the execution of the aforesaid JVA. Upon its execution and completion, the Company indirectly holds 51% of the total issued and paid-up capital in ST Dynamo DC, the joint venture company.
- (iii) The Group's remaining committed equity funding in ST Dynamo DC is RM585.9 million.

### 42. SEGMENT REPORTING

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker (CODM), who is responsible for allocating resources and assessing performance of the operating segments including deciding on the overall strategic decisions.

The Group has identified a single reportable segment of providing fixed-mobile convergence services which offers integrated broadband, mobile and data services, digital content as well as other innovative solutions for the purpose of disclosure under MFRS 8 "Operating Segments".

The converged business unit remains supported by Others/Shared Services, which includes shared services divisions, all business enabler divisions such as Group Network and Information Technology, and subsidiaries that do not fall under the above-mentioned business clusters.

## NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2024

### 42. SEGMENT REPORTING (CONTINUED)

#### Revenue from external customer:

	The Group	
	2024 RM	2023 RM Restated
Business-to-Consumer (B2C)	5,633.3	5,664.0
Business-to-Business (B2B)	2,906.2	2,885.4
Carrier-to-Carrier (C2C)	3,061.4	3,073.0
Others/Shared Services	282.6	322.6
Inter-segment	(171.1)	(254.8)
<b>Total</b>	<b>11,712.4</b>	11,690.2

#### By Geographical Location

The Group operates in a few countries as disclosed in note 50. Accordingly, the segmentation of the Group's operations by geographical location is segmented into Malaysia and other countries. The overseas operation is not further segregated as no individual overseas country contributed more than 10.0% of the consolidated operating revenue or assets.

In presenting information for geographical segments of the Group, sales are based on the country in which the customers are located. Total assets and capital expenditure are determined based on where the assets are located.

	Operating Revenue		Capital Expenditure	
	2024 RM	2023 RM Restated	2024 RM	2023 RM Restated
Malaysia	10,530.4	10,246.3	1,619.9	2,498.7
Other countries	1,182.0	1,443.9	215.7	173.3
	<b>11,712.4</b>	11,690.2	<b>1,835.6</b>	2,672.0

## NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2024

### 43. FINANCIAL INSTRUMENTS BY CATEGORY

The Group	At amortised cost RM	At fair value through other comprehensive income RM	At fair value through profit or loss RM	Derivatives at FVTPL accounted for under hedge accounting RM	Other financial liabilities at amortised cost RM	Total RM
<b>2024</b>						
<b>Financial Assets</b>						
Derivative financial instruments (note 19)	-	-	-	136.5	-	136.5
Equity investments at FVOCI (note 27(a))	-	138.8	-	-	-	138.8
Investments at FVTPL (note 27(c))	-	-	111.3	-	-	111.3
Investments at FVOCI (note 27(b))	-	72.9	-	-	-	72.9
Staff loans and other non-current receivables/assets (excluding prepayments and prepaid employee benefits) (note 29)	82.8	-	-	-	-	82.8
Trade and other receivables (excluding prepayments, grant recoverable, tax recoverable and staff loans) (note 32)	1,716.1	-	-	-	-	1,716.1
Receivables at FVOCI (note 28)	-	61.1	-	-	-	61.1
Financial assets at FVTPL (note 33)	-	-	2.5	-	-	2.5
Cash and bank balances (note 34)	3,096.2	-	-	-	-	3,096.2
<b>Total</b>	<b>4,895.1</b>	<b>272.8</b>	<b>113.8</b>	<b>136.5</b>	<b>-</b>	<b>5,418.2</b>
<b>Financial Liabilities</b>						
Borrowings (note 17)	-	-	-	-	3,490.9	3,490.9
Lease liabilities (note 18)	-	-	-	-	1,699.9	1,699.9
Trade and other payables (excluding statutory liabilities, deferred revenue, provision for voluntary separation programmes and provision for dismantling cost) (note 35)	-	-	-	-	2,848.0	2,848.0
Customer deposits (note 36)	-	-	-	-	96.5	96.5
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>8,135.3</b>	<b>8,135.3</b>

## NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2024

### 43. FINANCIAL INSTRUMENTS BY CATEGORY (CONTINUED)

The Group	At amortised cost RM	At fair value through other comprehensive income RM	At fair value through profit or loss RM	Derivatives at FVTPL accounted for under hedge accounting RM	Other financial liabilities at amortised cost RM	Total RM
<b>2023</b>						
<b>Financial Assets</b>						
Derivative financial instruments (note 19)	–	–	–	149.8	–	149.8
Equity investments at FVOCI (note 27(a))	–	136.5	–	–	–	136.5
Investments at FVTPL (note 27(c))	–	–	153.4	–	–	153.4
Investments at FVOCI (note 27(b))	–	70.4	–	–	–	70.4
Staff loans and other non-current receivables/assets (excluding advance payment, prepayments and prepaid employee benefits) (note 29)	347.1	–	–	–	–	347.1
Trade and other receivables (excluding prepayments, grant recoverable, tax recoverable and staff loans) (note 32)	1,368.5	–	–	–	–	1,368.5
Receivables at FVOCI (note 28)	–	52.3	–	–	–	52.3
Financial assets at FVTPL (note 33)	–	–	2.3	–	–	2.3
Cash and bank balances (note 34)	2,955.2	–	–	–	–	2,955.2
<b>Total</b>	<b>4,670.8</b>	<b>259.2</b>	<b>155.7</b>	<b>149.8</b>	<b>–</b>	<b>5,235.5</b>
<b>Financial Liabilities</b>						
Borrowings (note 17)	–	–	–	–	4,763.2	4,763.2
Lease liabilities (note 18)	–	–	–	–	1,857.6	1,857.6
Trade and other payables (excluding statutory liabilities, deferred revenue, provision for voluntary separation programmes and provision for dismantling cost) (note 35)	–	–	–	–	2,703.3	2,703.3
Customer deposits (note 36)	–	–	–	–	135.5	135.5
<b>Total</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>9,459.6</b>	<b>9,459.6</b>

## NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2024

### 43. FINANCIAL INSTRUMENTS BY CATEGORY (CONTINUED)

The Company	At amortised cost RM	At fair value through other comprehensive income RM	At fair value through profit or loss RM	Derivatives at FVTPL accounted for under hedge accounting RM	Other financial liabilities at amortised cost RM	Total RM
<b>2024</b>						
<b>Financial Assets</b>						
Derivative financial instruments (note 19)	-	-	-	136.5	-	136.5
Loans and advances to subsidiaries (note 25)	16.6	-	-	-	-	16.6
Equity investments at FVOCI (note 27(a))	-	138.8	-	-	-	138.8
Investments at FVTPL (note 27(c))	-	-	111.3	-	-	111.3
Investments at FVOCI (note 27(b))	-	72.9	-	-	-	72.9
Trade and other receivables (excluding prepayments) (note 32)	643.4	-	-	-	-	643.4
Financial assets at FVTPL (note 33)	-	-	2.5	-	-	2.5
Cash and bank balances (note 34)	774.6	-	-	-	-	774.6
<b>Total</b>	<b>1,434.6</b>	<b>211.7</b>	<b>113.8</b>	<b>136.5</b>	<b>-</b>	<b>1,896.6</b>
<b>Financial Liabilities</b>						
Borrowings (note 17)	-	-	-	-	1,079.4	1,079.4
Trade and other payables (note 35)	-	-	-	-	162.7	162.7
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,242.1</b>	<b>1,242.1</b>

## NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2024

### 43. FINANCIAL INSTRUMENTS BY CATEGORY (CONTINUED)

The Company	At amortised cost RM	At fair value through other comprehensive income RM	At fair value through profit or loss RM	Derivatives at FVTPL accounted for under hedge accounting RM	Other financial liabilities at amortised cost RM	Total RM
<b>2023</b>						
<b>Financial Assets</b>						
Derivative financial instruments (note 19)	–	–	–	149.8	–	149.8
Loans and advances to subsidiaries (note 25)	26.7	–	–	–	–	26.7
Equity investments at FVOCI (note 27(a))	–	136.5	–	–	–	136.5
Investments at FVTPL (note 27(c))	–	–	153.4	–	–	153.4
Investments at FVOCI (note 27(b))	–	70.4	–	–	–	70.4
Staff loans and other non-current receivables/assets (excluding advance payment) (note 29)	261.2	–	–	–	–	261.2
Trade and other receivables (excluding prepayments and tax recoverable) (note 32)	408.8	–	–	–	–	408.8
Financial assets at FVTPL (note 33)	–	–	2.3	–	–	2.3
Cash and bank balances (note 34)	638.0	–	–	–	–	638.0
<b>Total</b>	<b>1,334.7</b>	<b>206.9</b>	<b>155.7</b>	<b>149.8</b>	<b>–</b>	<b>1,847.1</b>
<b>Financial Liabilities</b>						
Borrowings (note 17)	–	–	–	–	1,112.1	1,112.1
Trade and other payables (excluding statutory liabilities) (note 35)	–	–	–	–	625.0	625.0
<b>Total</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>1,737.1</b>	<b>1,737.1</b>

## NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2024

### 44. FAIR VALUES

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date.

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

The table below analyses financial instruments carried at fair value, by valuation method. The different levels of valuations are:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1).
- Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (Level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (Level 3).

The following table presents the Group's and the Company's financial assets and liabilities that are measured at fair value at 31 December.

	2024				2023			
	Level 1 RM	Level 2 RM	Level 3 RM	Total RM	Level 1 RM	Level 2 RM	Level 3 RM	Total RM
<b>The Group</b>								
<b>Assets</b>								
Financial assets at FVTPL								
– quoted securities	2.5	–	–	2.5	2.3	–	–	2.3
Derivatives accounted for under hedge accounting	–	136.5	–	136.5	–	149.8	–	149.8
Investments at FVOCI	–	72.9	–	72.9	–	70.4	–	70.4
Investments at FVTPL	–	92.4	18.9	111.3	–	93.1	60.3	153.4
Equity investments at FVOCI	–	–	138.8	138.8	–	–	136.5	136.5
Receivables at FVOCI	–	–	61.1	61.1	–	–	52.3	52.3
<b>Total</b>	<b>2.5</b>	<b>301.8</b>	<b>218.8</b>	<b>523.1</b>	<b>2.3</b>	<b>313.3</b>	<b>249.1</b>	<b>564.7</b>
<b>The Company</b>								
<b>Assets</b>								
Financial assets at FVTPL								
– quoted securities	2.5	–	–	2.5	2.3	–	–	2.3
Derivatives accounted for under hedge accounting	–	136.5	–	136.5	–	149.8	–	149.8
Investments at FVOCI	–	72.9	–	72.9	–	70.4	–	70.4
Investments at FVTPL	–	92.4	18.9	111.3	–	93.1	60.3	153.4
Equity investments at FVOCI	–	–	138.8	138.8	–	–	136.5	136.5
<b>Total</b>	<b>2.5</b>	<b>301.8</b>	<b>157.7</b>	<b>462.0</b>	<b>2.3</b>	<b>313.3</b>	<b>196.8</b>	<b>512.4</b>

The fair value of financial instruments traded in active markets is based on quoted market prices at the reporting date. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. The quoted market price used for financial assets held by the Group and the Company is the current bid price. These instruments are included in Level 1. Instruments included in Level 1 comprise of equity securities quoted on the Bursa Securities classified as fair value through profit or loss.

The fair value of financial instruments that are not traded in an active market (for example over-the-counter derivatives) is determined by using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in Level 2.

## NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2024

### 44. FAIR VALUES (CONTINUED)

#### (a) Financial Instruments Carried at Fair Value (continued)

If one or more of the significant inputs is not based on observable market data, the instrument is included in Level 3.

Specific valuation techniques used to value financial instruments include:

- Quoted market prices or dealer quotes for similar instruments.
- The fair value of interest rate swaps is calculated as the present value of the estimated future cash flows based on observable yield curves.
- The fair value of forward foreign exchange contracts is determined using forward exchange rates at the reporting date, with the resulting value discounted back present value.
- Fair value of staff loans and long term receivables are determined through discounting future cash flows at market observable borrowing rates reflective of the credit ratings of the individuals from whom the receivables are due.
- Fair value of borrowings and long term payables are based on the expected cost and cash outflows if the borrowings and amount due are to be unwound or settled immediately.
- Other techniques, such as discounted cash flow analysis, are used to determine fair value for the remaining financial instruments.

All of the resulting fair value estimates are included in Level 2 except for staff loans, investments in non-traded equity security and a technology investment fund. There were no transfers of any instruments between Level 1, 2 and 3 of the fair valuation hierarchy during the current financial year.

The following table shows a reconciliation from the opening balance to the closing balance for fair value measurements at Level 3 of the fair value hierarchy:

The Group	Receivables at FVOCI RM	Non-traded Equity Investments at FVOCI (sub-note (i)) RM	Technology investment fund and Corporate Social Responsibility Sukuk RM
<b>Assets</b>			
At 1 January 2023	155.4	149.1	76.4
Addition during the year	18.6	–	6.2
Management fees	–	–	(0.9)
Repayments (net of conversion)	(9.8)	–	–
Disposal	(130.2)	–	(27.1)
Amortisation of prepayment	16.4	–	–
Impairment reclassification to other non-current receivables/assets	0.2	–	–
Foreign exchange difference	–	–	(2.9)
Fair value changes	1.7	(12.6)	8.6
<b>At 31 December 2023</b>	<b>52.3</b>	<b>136.5</b>	<b>60.3</b>
Addition during the year	15.7	–	1.7
Repayments (net of conversion)	(6.5)	–	–
Disposal	–	–	(21.4)
Amortisation of prepayment	(1.4)	–	–
Impairment reclassification to other non-current receivables/assets	0.6	–	–
Foreign exchange difference	–	–	(4.9)
Fair value changes	0.4	2.3	(16.8)
<b>At 31 December 2024</b>	<b>61.1</b>	<b>138.8</b>	<b>18.9</b>

## NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2024

### 44. FAIR VALUES (CONTINUED)

#### (a) Financial Instruments Carried at Fair Value (continued)

The following table shows a reconciliation from the opening balance to the closing balance for fair value measurements at Level 3 of the fair value hierarchy: (continued)

The Company	Receivables at FVOCI RM	Non-traded Equity Investments at FVOCI (sub-note (i)) RM	Technology investment fund and Corporate Social Responsibility Sukuk RM
<b>Assets</b>			
At 1 January 2023	155.4	149.1	76.4
Addition during the year	4.1	–	6.2
Management fees	–	–	(0.9)
Repayments (net of conversion)	(3.2)	–	–
Disposal	(130.2)	–	(27.1)
Foreign exchange difference	–	–	(2.9)
Fair value changes	–	(12.6)	8.6
Transferred to TM Tech due to internal reorganisation (note 52)	(26.1)	–	–
<b>At 31 December 2023</b>	<b>–</b>	<b>136.5</b>	<b>60.3</b>
Addition during the year	–	–	1.7
Disposal	–	–	(21.4)
Foreign exchange difference	–	–	(4.9)
Fair value changes	–	2.3	(16.8)
<b>At 31 December 2024</b>	<b>–</b>	<b>138.8</b>	<b>18.9</b>

(i) The fair valuation of non-traded equity investment is based on discounted future cash flows derived from the budgets and forecasts of the investee entity, duly approved by its Board of Directors. The future cash flows are discounted based on discount factors of comparable entities which are publicly listed whenever available, as well as industry benchmarks, having considered historical ability of the investee in meeting its previous budgets and forecasts. The Group also has Board representation in the investee through which due understanding of actual and forecasted performance are used by the Group in assessing the appropriateness of the estimates and assumptions used in arriving to the valuation.

Although the Group and the Company believe that estimates of fair value are appropriate, the use of different methodologies or assumptions could lead to different measurements of fair value. For fair value measurement in Level 3, if the discount rate used in the discounted cash flow analysis and multiples where applied is to differ by 5.0% from management's estimates, the carrying amount of non-traded equity investments would be approximately RM7.5 million lower or RM7.9 million higher (2023: RM4.9 million lower or RM5.1 million higher). The carrying amount of staff loans at Level 3 at the Group would approximately be RM3.0 million (2023: RM2.5 million) lower or higher if discount rate used in the valuation is to differ by 5.0% from management's estimates. The carrying amount of technology investment fund and Corporate Social Responsibility Sukuk would be an estimated RM0.9 million (2023: RM3.0 million) lower or higher if the discount rate used in the valuation were to differ by 5.0% from management's estimates. The significant unobservable inputs used in the fair value measurement of non-traded equity investments, technology investment fund, Corporate Social Responsibility Sukuk and staff loan are the risk-adjusted discount rates used in the valuation.

## NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2024

### 44. FAIR VALUES (CONTINUED)

#### (b) Financial Instruments Other Than Those Carried at Fair Value

Except for those as disclosed below, the carrying amounts of the financial assets and financial liabilities of the Group and the Company are reasonable approximation of fair values, either due to their short term nature or that they are floating rate instruments that are repriced to market interest rate on or near the reporting date. The following instruments are at Level 3 in the fair value hierarchy, save for borrowings, which are at Level 2.

	The Group				The Company			
	2024		2023		2024		2023	
	Carrying amount RM	Net fair value RM						
<b>Assets</b>								
Staff loans	17.6	12.0	16.0	11.5	-	-	-	-
Other non-current receivables	65.2	65.2	331.0	335.1	-	-	261.2	265.2
<b>Liabilities</b>								
Borrowings	3,490.9	3,555.5	4,763.2	4,883.8	1,079.4	1,094.5	1,112.1	1,151.3

#### Assets

In assessing the fair value of non-traded financial instruments, the Group and the Company use a variety of methods and make assumptions that are based on market conditions existing at each reporting date. Where impairment is made in respect of any investment, the carrying amount net of impairment made is deemed to be a close approximation of its fair value.

The fair values of staff loans and other non-current receivables/assets were estimated by discounting the estimated future cash flows using the prevailing market rates for similar credit risks and remaining period to maturity, respectively.

Collaterals are taken for staff loans and the Directors are of the opinion that the potential losses in the event of default will be covered by the collateral values on individual loan basis.

#### Liabilities

The fair value of quoted bonds was estimated using the respective quoted offer price. For unquoted borrowings with fixed interest rate, the fair values were estimated by discounting the estimated future cash flows using the prevailing market rates for similar credit risks and remaining period to maturity.

The financial liabilities will be realised at their carrying amounts and not at their fair values as the Directors have no intention to settle these liabilities other than in accordance with their contractual obligations.

## NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2024

### 45. LIQUIDITY RISK

The following table analyses the maturity profile of the Group's and the Company's financial liabilities based on contractual undiscounted cash flows:

	Less than 1 year RM	>1 year to 2 years RM	>2 years to 5 years RM	>5 years RM	Total contractual undiscounted cash flow RM	Difference from carrying amount RM	Carrying amount as per Statement of Financial Position RM
<b>The Group</b>							
<b>2024</b>							
Borrowings	(1,595.0)	(643.0)	(1,652.5)	(1.0)	(3,891.5)	400.6	(3,490.9)
Lease liabilities	(346.3)	(327.2)	(577.6)	(1,205.2)	(2,456.3)	756.4	(1,699.9)
Trade and other payables (excluding statutory liabilities, deferred revenue, provision for voluntary separation programmes and provision for dismantling cost)	(2,848.0)	-	-	-	(2,848.0)	-	(2,848.0)
Customer deposits	(96.5)	-	-	-	(96.5)	-	(96.5)
<b>Total</b>	<b>(4,885.8)</b>	<b>(970.2)</b>	<b>(2,230.1)</b>	<b>(1,206.2)</b>	<b>(9,292.3)</b>	<b>(1,157.0)</b>	<b>(8,135.3)</b>
<b>2023</b>							
Borrowings	(1,479.4)	(1,580.0)	(2,320.6)	(0.9)	(5,380.9)	617.7	(4,763.2)
Lease liabilities	(322.2)	(419.7)	(662.1)	(1,282.4)	(2,686.4)	828.8	(1,857.6)
Trade and other payables (excluding statutory liabilities, deferred revenue, provision for voluntary separation programmes and provision for dismantling cost)	(2,703.3)	-	-	-	(2,703.3)	-	(2,703.3)
Customer deposits	(135.5)	-	-	-	(135.5)	-	(135.5)
<b>Total</b>	<b>(4,640.4)</b>	<b>(1,999.7)</b>	<b>(2,982.7)</b>	<b>(1,283.3)</b>	<b>(10,906.1)</b>	<b>(1,446.5)</b>	<b>(9,459.6)</b>
<b>The Company</b>							
<b>2024</b>							
Borrowings	(1,186.5)	(0.1)	(0.2)	(1.0)	(1,187.8)	108.4	(1,079.4)
Trade and other payables	(162.7)	-	-	-	(162.7)	-	(162.7)
<b>Total</b>	<b>(1,349.2)</b>	<b>(0.1)</b>	<b>(0.2)</b>	<b>(1.0)</b>	<b>(1,350.5)</b>	<b>108.4)</b>	<b>(1,242.1)</b>
<b>2023</b>							
Borrowings	(109.1)	(1,173.8)	(0.6)	(0.9)	(1,284.4)	172.3	(1,112.1)
Trade and other payables (excluding statutory liabilities)	(625.0)	-	-	-	(625.0)	-	(625.0)
<b>Total</b>	<b>(734.1)</b>	<b>(1,173.8)</b>	<b>(0.6)</b>	<b>(0.9)</b>	<b>(1,909.4)</b>	<b>172.3)</b>	<b>(1,737.1)</b>

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### 46. INTEREST RATE MATURITY ANALYSIS

The table below summarises the Group's and the Company's interest rate profile. Included in the tables are the Group's and the Company's financial assets and liabilities at their carrying amounts, categorised by the earlier of repricing or contractual maturity dates. As such the spread of balances between the ageing brackets in the table below may not necessarily coincide with those shown in the liquidity risk schedule in note 45 or the repayment schedules in note 17. The Group's sensitivity to interest rates arises from mismatches in the repricing dates, cash flows and other characteristics of assets and their corresponding liability funding.

The Group	WARF*	1 year or less RM	Maturing or repriced (whichever is earlier)				More than 5 years RM	Total interest sensitive RM	Non-interest sensitive RM	Total RM
			>1 - 2 years RM	>2 - 3 years RM	>3 - 4 years RM	>4 - 5 years RM				
<b>2024</b>										
<b>Financial assets</b>										
Derivative financial instruments (note 19)	-	136.5	-	-	-	-	-	136.5	-	136.5
Equity investments at FVOCI (note 27(a))	-	-	-	-	-	-	-	-	138.8	138.8
Investments at FVTPL (note 27(c))										
- non-interest sensitive	-	-	-	-	-	-	-	-	18.9	18.9
- fixed interest rate	2.66%	0.2	92.2	-	-	-	-	92.4	-	92.4
Investments at FVOCI (note 27(b))										
- fixed interest rate	4.19%	72.9	-	-	-	-	-	72.9	-	72.9
Receivables at FVOCI (note 28)										
- balances under Islamic principles	5.99%	0.1	0.7	0.3	0.5	0.4	59.1	61.1	-	61.1
Staff loans and other non-current receivables/assets (excluding prepayments and prepaid employee benefits) (note 29)										
- non-interest sensitive	-	-	-	-	-	-	-	-	65.2	65.2
- fixed interest rate										
- balances under Islamic principles	10.13%	0.5	1.3	2.3	3.3	3.8	6.4	17.6	-	17.6
Trade and other receivables (excluding prepayments, grant recoverable, tax recoverable and staff loans) (note 32)										
- non-interest sensitive	-	-	-	-	-	-	-	-	1,364.4	1,364.4
- fixed interest rate										
- conventional	3.52%	287.4	-	-	-	-	-	287.4	-	287.4
- balances under Islamic principles	3.70%	64.3	-	-	-	-	-	64.3	-	64.3
Financial assets at FVTPL (note 33)	-	-	-	-	-	-	-	-	2.5	2.5
Cash and bank balances (note 34)										
- non-interest sensitive	-	-	-	-	-	-	-	-	568.4	568.4
- fixed interest rate										
- conventional	4.65%	916.0	-	-	-	-	-	916.0	-	916.0
- balances under Islamic principles	4.11%	1,611.8	-	-	-	-	-	1,611.8	-	1,611.8
<b>Total</b>		<b>3,089.7</b>	<b>94.2</b>	<b>2.6</b>	<b>3.8</b>	<b>4.2</b>	<b>65.5</b>	<b>3,260.0</b>	<b>2,158.2</b>	<b>5,418.2</b>
<b>Financial liabilities</b>										
Borrowings (note 17)										
- non-interest sensitive	-	-	-	-	-	-	-	-	1.6	1.6
- floating interest rate	4.31%	3.0	-	-	-	-	-	3.0	-	3.0
- fixed interest rate										
- conventional	7.88%	1,077.8	-	-	-	-	-	1,077.8	-	1,077.8
- balances under Islamic principles	4.42%	300.0	558.9	500.0	1,049.6	-	-	2,408.5	-	2,408.5
Lease liabilities (note 18)	5.17%	258.4	251.0	175.9	122.4	99.2	793.0	1,699.9	-	1,699.9
Trade and other payables (excluding statutory liabilities, deferred revenue, provision for voluntary separation programmes and provision for dismantling cost) (note 35)										
- non-interest sensitive	-	-	-	-	-	-	-	-	2,848.0	2,848.0
Customer deposits (note 36)	-	-	-	-	-	-	-	-	96.5	96.5
<b>Total</b>		<b>1,639.2</b>	<b>809.9</b>	<b>675.9</b>	<b>1,172.0</b>	<b>99.2</b>	<b>793.0</b>	<b>5,189.2</b>	<b>2,946.1</b>	<b>8,135.3</b>
<b>Interest sensitivity gap</b>		<b>1,450.5</b>	<b>(715.7)</b>	<b>(673.3)</b>	<b>(1,168.2)</b>	<b>(95.0)</b>	<b>(727.5)</b>			

\* WARF – Weighted Average Rate of Finance as at 31 December

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### 46. INTEREST RATE MATURITY ANALYSIS (CONTINUED)

The Group	WARF*	1 year or less RM	Maturing or repriced (whichever is earlier)				More than 5 years RM	Total interest sensitive RM	Non-interest sensitive RM	Total RM
			>1 – 2 years RM	>2 – 3 years RM	>3 – 4 years RM	>4 – 5 years RM				
<b>2023</b>										
<b>Financial assets</b>										
Derivative financial instruments (note 19)	-	-	149.8	-	-	-	-	149.8	-	149.8
Equity investments at FVOCI (note 27(a))	-	-	-	-	-	-	-	-	136.5	136.5
Investments at FVTPL (note 27(c))										
- non-interest sensitive	-	-	-	-	-	-	-	-	59.3	59.3
- fixed interest rate	2.56%	3.3	90.8	-	-	-	-	94.1	-	94.1
Investments at FVOCI (note 27(b))										
- fixed interest rate	4.14%	70.4	-	-	-	-	-	70.4	-	70.4
Receivables at FVOCI (note 28)										
- balances under Islamic principles	6.12%	0.1	0.2	0.3	0.3	0.6	50.8	52.3	-	52.3
Staff loans and other non-current receivables/assets (excluding advance payment, prepayments and prepaid employee benefits) (note 29)										
- non-interest sensitive	-	-	-	-	-	-	-	-	69.9	69.9
- fixed interest rate										
- conventional	3.52%	-	261.2	-	-	-	-	261.2	-	261.2
- balances under Islamic principles	9.97%	0.4	1.8	2.5	3.5	3.4	4.4	16.0	-	16.0
Trade and other receivables (excluding prepayments, grant recoverable, tax recoverable and staff loans) (note 32)										
- non-interest sensitive	-	-	-	-	-	-	-	-	1,304.2	1,304.2
- fixed interest rate										
- balances under Islamic principles	3.70%	64.3	-	-	-	-	-	64.3	-	64.3
Financial assets at FVTPL (note 33)	-	-	-	-	-	-	-	-	2.3	2.3
Cash and bank balances (note 34)										
- non-interest sensitive	-	-	-	-	-	-	-	-	741.3	741.3
- fixed interest rate										
- conventional	1.95%	842.9	-	-	-	-	-	842.9	-	842.9
- balances under Islamic principles	2.35%	1,371.0	-	-	-	-	-	1,371.0	-	1,371.0
<b>Total</b>		<b>2,352.4</b>	<b>503.8</b>	<b>2.8</b>	<b>3.8</b>	<b>4.0</b>	<b>55.2</b>	<b>2,922.0</b>	<b>2,313.5</b>	<b>5,235.5</b>
<b>Financial liabilities</b>										
Borrowings (note 17)										
- non-interest sensitive	-	-	-	-	-	-	-	-	1.9	1.9
- floating interest rate	4.37%	4.0	-	-	-	-	-	4.0	-	4.0
- fixed interest rate										
- conventional	7.81%	22.2	1,110.1	-	-	-	-	1,132.3	-	1,132.3
- balances under Islamic principles	4.50%	1,200.0	300.0	575.5	500.0	1,049.5	-	3,625.0	-	3,625.0
Lease liabilities (note 18)	5.33%	223.1	334.9	194.8	156.3	114.3	834.2	1,857.6	-	1,857.6
Trade and other payables (excluding statutory liabilities, deferred revenue, provision for voluntary separation programmes and provision for dismantling cost) (note 35)										
- non-interest sensitive	-	-	-	-	-	-	-	-	2,703.3	2,703.3
Customer deposits (note 36)	-	-	-	-	-	-	-	-	135.5	135.5
<b>Total</b>		<b>1,449.3</b>	<b>1,745.0</b>	<b>770.3</b>	<b>656.3</b>	<b>1,163.8</b>	<b>834.2</b>	<b>6,618.9</b>	<b>2,840.7</b>	<b>9,459.6</b>
Interest sensitivity gap		903.1	(1,241.2)	(767.5)	(652.5)	(1,159.8)	(779.0)			

\* WARF – Weighted Average Rate of Finance as at 31 December

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### 46. INTEREST RATE MATURITY ANALYSIS (CONTINUED)

The table below summarises the Weighted Average Rate of Finance (WARF) as at 31 December by major currencies for each class of financial asset and liability:

The Group	2024		2023	
	USD	RM	USD	RM
<b>Financial assets</b>				
Investments at FVTPL	-	2.66%	-	2.56%
Investments at FVOCI	-	4.19%	-	4.14%
Receivables at FVOCI – fixed interest rate	-	5.99%	-	6.12%
Staff loans and other non-current receivables/assets (excluding advance payment, prepayments and prepaid employee benefits)	-	10.13%	-	3.90%
Trade and other receivables (excluding prepayments, grant recoverable, tax recoverable and staff loans)	-	3.56%	-	3.70%
Cash and bank balances	4.93%	4.12%	5.60%	3.84%
<b>Financial liabilities</b>				
Borrowings	6.39%	4.69%	6.39%	4.68%
Lease liabilities	-	5.17%	-	5.33%

The Company	WARF*	1 year or less RM	Maturing or repriced (whichever is earlier)				More than 5 years RM	Total interest sensitive RM	Non-interest sensitive RM	Total RM
			>1 – 2 years RM	>2 – 3 years RM	>3 – 4 years RM	>4 – 5 years RM				
<b>2024</b>										
<b>Financial assets</b>										
Derivative financial instruments (note 19)	-	136.5	-	-	-	-	-	136.5	-	136.5
Loans and advances to subsidiaries (net) (note 25)										
– floating interest rate	4.95%	3.5	-	5.6	7.5	-	-	16.6	-	16.6
Equity investments at FVOCI (note 27(a))	-	-	-	-	-	-	-	-	138.8	138.8
Investments at FVTPL (note 27(c))										
– non-interest sensitive	-	-	-	-	-	-	-	-	18.9	18.9
– fixed interest rate	2.66%	0.2	92.2	-	-	-	-	92.4	-	92.4
Investments at FVOCI (note 27(b))										
– fixed interest rate	4.19%	72.9	-	-	-	-	-	72.9	-	72.9
Trade and other receivables (excluding prepayments) (note 32)										
– non-interest sensitive	-	-	-	-	-	-	-	-	356.0	356.0
– fixed interest rate										
– conventional	3.52%	287.4	-	-	-	-	-	287.4	-	287.4
Financial assets at FVTPL (note 33)	-	-	-	-	-	-	-	-	2.5	2.5
Cash and bank balances (note 34)										
– non-interest sensitive	-	-	-	-	-	-	-	-	7.1	7.1
– fixed interest rate										
– conventional	4.89%	488.2	-	-	-	-	-	488.2	-	488.2
– balances under Islamic principles	3.98%	279.3	-	-	-	-	-	279.3	-	279.3
<b>Total</b>		<b>1,268.0</b>	<b>92.2</b>	<b>5.6</b>	<b>7.5</b>	<b>-</b>	<b>-</b>	<b>1,373.3</b>	<b>523.3</b>	<b>1,896.6</b>

\* WARF – Weighted Average Rate of Finance as at 31 December

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### 46. INTEREST RATE MATURITY ANALYSIS (CONTINUED)

The Company	WARF*	1 year or less RM	Maturing or repriced (whichever is earlier)				More than 5 years RM	Total interest sensitive RM	Non-interest sensitive RM	Total RM
			>1 – 2 years RM	>2 – 3 years RM	>3 – 4 years RM	>4 – 5 years RM				
<b>2024</b>										
<b>Financial liabilities</b>										
Borrowings (note 17)										
– non-interest sensitive	-	-	-	-	-	-	-	-	1.6	1.6
– fixed interest rate										
– conventional	7.88%	1,077.8	-	-	-	-	-	1,077.8	-	1,077.8
Trade and other payables (note 35)										
– non-interest sensitive	-	-	-	-	-	-	-	-	162.7	162.7
<b>Total</b>		<b>1,077.8</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,077.8</b>	<b>164.3</b>	<b>1,242.1</b>
<b>Interest sensitivity gap</b>		<b>190.2</b>	<b>92.2</b>	<b>5.6</b>	<b>7.5</b>	<b>-</b>	<b>-</b>			

The Company	WARF*	1 year or less RM	Maturing or repriced (whichever is earlier)				More than 5 years RM	Total interest sensitive RM	Non-interest sensitive RM	Total RM
			>1 – 2 years RM	>2 – 3 years RM	>3 – 4 years RM	>4 – 5 years RM				
<b>2023</b>										
<b>Financial assets</b>										
Derivative financial instruments (note 19)	-	-	149.8	-	-	-	-	149.8	-	149.8
Loans and advances to subsidiaries (note 25)										
– floating interest rate	5.73%	7.4	2.9	-	7.1	9.3	-	26.7	-	26.7
Equity investments at FVOCI (note (27(a)))	-	-	-	-	-	-	-	-	136.5	136.5
Investments at FVTPL (note (27(c)))										
– non-interest sensitive	-	-	-	-	-	-	-	-	59.3	59.3
– fixed interest rate	2.56%	3.3	90.8	-	-	-	-	94.1	-	94.1
Investments at FVOCI (note 27(b))										
– fixed interest rate	4.14%	70.4	-	-	-	-	-	70.4	-	70.4
Staff loans and other non-current receivables/assets (excluding advance payment) (note 29)										
– fixed interest rate										
– conventional	3.52%	-	261.2	-	-	-	-	261.2	-	261.2
Trade and other receivables (excluding prepayments and tax recoverable) (note 32)										
– non-interest sensitive	-	-	-	-	-	-	-	-	408.8	408.8
Financial assets at FVTPL (note 33)	-	-	-	-	-	-	-	-	2.3	2.3
Cash and bank balances (note 34)										
– non-interest sensitive	-	-	-	-	-	-	-	-	1.5	1.5
– fixed interest rate										
– conventional	4.45%	512.9	-	-	-	-	-	512.9	-	512.9
– balances under Islamic principles	0.75%	123.6	-	-	-	-	-	123.6	-	123.6
<b>Total</b>		<b>717.6</b>	<b>504.7</b>	<b>-</b>	<b>7.1</b>	<b>9.3</b>	<b>-</b>	<b>1,238.7</b>	<b>608.4</b>	<b>1,847.1</b>

\* WARF – Weighted Average Rate of Finance as at 31 December

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### 46. INTEREST RATE MATURITY ANALYSIS (CONTINUED)

The Company	WARF*	1 year or less RM	Maturing or repriced (whichever is earlier)				More than 5 years RM	Total interest sensitive RM	Non-interest sensitive RM	Total RM
			>1 – 2 years RM	>2 – 3 years RM	>3 – 4 years RM	>4 – 5 years RM				
<b>2023</b>										
<b>Financial liabilities</b>										
Borrowings (note 17)										
- non-interest sensitive	-	-	-	-	-	-	-	-	1.9	1.9
- fixed interest rate										
- conventional	7.88%	-	1,110.2	-	-	-	-	1,110.2	-	1,110.2
Trade and other payables (excluding statutory liabilities) (note 35)										
- non-interest sensitive	-	-	-	-	-	-	-	-	625.0	625.0
Total		-	1,110.2	-	-	-	-	1,110.2	626.9	1,737.1
Interest sensitivity gap		717.6	(605.5)	-	7.1	9.3	-			

\* WARF – Weighted Average Rate of Finance as at 31 December

The table below summarises the Weighted Average Rate of Finance (WARF) as at 31 December by major currencies for each class of financial asset and liability:

The Company	2024			2023		
	IDR	USD	RM	IDR	USD	RM
<b>Financial assets</b>						
Loans and advances to subsidiaries	6.89%	-	4.44%	7.81%	7.81%	4.44%
Investments at FVOCI	-	-	2.66%	-	-	4.14%
Investments at FVTPL	-	-	4.19%	-	-	2.56%
Staff loans and other non-current receivables/assets (excluding prepayments and tax recoverable)	-	-	-	-	-	3.52%
Trade and other receivables (excluding prepayments and tax recoverable)	-	-	3.52%	-	-	-
Cash and bank balances	-	4.93%	3.94%	-	5.60%	3.86%
<b>Financial liabilities</b>						
Borrowings	-	7.86%	-	-	7.86%	-

### 47. CONTINGENT LIABILITIES (UNSECURED)

#### (a) In the Matter of Arbitration between Vodoke Pte Ltd (VPL) and TM Technology Services Sdn Bhd (TM Tech) [Substitution of Telekom Malaysia Berhad (TM)]

On 18 July 2024, TM submitted its Proof of Debt to the Liquidators. The Proof of Debt amounts to USD3,086,383.98, along with other costs awarded by the Singapore International Arbitration Centre in Awards dated 6 July 2022, and 3 February 2023. This was followed by an order from the High Court of Singapore on 8 September 2023, permitting the winding up of VPL and appointing liquidators to assess VPL's assets.

On 10 September 2024, the Liquidators held a Creditor's Meeting and passed a resolution stating that VPL does not possess sufficient funds to satisfy its debt to the creditors. The Liquidators will submit the resolution to the Official Receiver and request to draw down the remaining balance of SGD9,510.74 from VPL's Liquidation Account to cover the Liquidators' fees and disbursements of SGD35,428.49. The Liquidators will thereafter apply for their discharge, and VPL will subsequently be dissolved.

Based on the said development, this matter has effectively come to an end.

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### 47. CONTINGENT LIABILITIES (UNSECURED) (CONTINUED)

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

Dispute is related to a Service Agreement between TM and MYTV on 14 November 2016. Pursuant to the Service Agreement, TM shall provide Digital Terrestrial Television Broadcast (DTT) infrastructure, network facilities and other related services to MYTV based on the charges set out therein.

On 27 June 2024, both TM and MYTV had entered into a Settlement Agreement (Agreement).

On 4 July 2024, both counsels for MYTV and TM jointly informed the Arbitral Tribunal that the parties had entered into a Settlement Agreement and requested the Arbitral Tribunal to record an order for the termination of the arbitration proceedings.

On 29 August 2024, the Arbitral Tribunal has ordered the termination of the arbitral proceedings pursuant to Section 34(2)(b) of the Arbitration Act 2005 and Article 36 of the applicable rules of arbitration.

Pursuant to the said order for termination of the arbitration proceedings, the claims brought by MYTV against TM and the counterclaims brought by TM against MYTV are brought to an end.

### 48. MATURITY ANALYSIS OF UNDISCOUNTED OPERATING LEASE INCOME

The Group leases out their investment property, buildings and equipment. The Group classified these leases as operating lease, because they do not transfer substantially all of the risks and rewards incidental to the ownership of the assets. The following table sets out the maturity analysis of lease payments, showing the undiscounted lease payments to be received after the reporting date:

	The Group	
	2024 RM	2023 RM
Within 1 year	4.2	3.5
In the 2 <sup>nd</sup> year	1.9	1.9
In the 3 <sup>rd</sup> year	0.2	0.8
In the 4 <sup>th</sup> year	-	#
<b>Total undiscounted operating lease income</b>	<b>6.3</b>	<b>6.2</b>

# Amount less than RM0.1 million

### 49. RESTATEMENT OF COMPARATIVES

The Group is entitled for Government funding for Universal Service Provision (USP), High Speed Broadband (HSBB), High Speed Broadband 2 (HSBB2), Sub-Urban Broadband (SUBB), USP Broadband Fiberisation (BBF), Point of Presence (POP), Broadband to the General Population (BBGP) and Sistem Kabel Rangkaian 1Malaysia (SKR1M) projects respectively.

During the financial year, the Group and the Company changed their accounting policy by revising the presentation of Government grants. Government grants, which were previously deferred and recognised in the Income Statement over the financial period necessary to match them with the costs they were intended to compensate, are now deducted from the corresponding costs in the Income Statement over the financial period. Government grants related to the purchase of assets, which were previously included as deferred income and credited to the Income Statement on a straight-line basis over the estimated useful lives of the related assets, are now deducted from the cost of the related assets and recognised in the Income Statement over the useful lives of the depreciable assets by way of reduced depreciation charges.

The change is to align the presentation of Government grants with the related expenses they are intended to offset, reflecting the true economic benefit and enhancing the transparency of the Group's financial position and financial performance that is consistent with the core business of the Group.

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### 49. RESTATEMENT OF COMPARATIVES (CONTINUED)

The effects of such change in the accounting policy choice, which have been reflected on a retrospective basis in accordance with MFRS 108 "Accounting Policies, Changes in Accounting Estimates and Errors", are as follows:

The Group	Gross amount RM	Effect of the changes RM	Net amount RM
<b>Income Statement</b>			
<b>31 December 2024</b>			
Operating revenue	12,243.1	(530.7)	11,712.4
Operating costs			
– depreciation, impairment and amortisation	(2,486.1)	336.7	(2,149.4)
– other operating costs	(7,532.6)	147.1	(7,385.5)
Other operating income (net)	145.1	46.9	192.0
<b>Statement of Financial Position</b>			
<b>As at 31 December 2024</b>			
Non-current liabilities	5,534.7	(923.4)	4,611.3
Deferred income	1,036.5	(1,036.5)	–
Trade and other payables	25.9	113.1	139.0
Non-current assets	15,148.4	(923.4)	14,225.0
Property, plant and equipment	12,342.9	(913.6)	11,429.3
Intangible assets	839.6	(0.1)	839.5
Right-of-use assets	1,192.6	(9.7)	1,182.9

The Group	As previously reported RM	Effect of the changes RM	As restated RM
<b>Income Statement</b>			
<b>31 December 2023</b>			
Operating revenue	12,255.6	(565.4)	11,690.2
Operating costs			
– depreciation, impairment and amortisation	(2,795.7)	382.1	(2,413.6)
– other operating costs	(7,380.9)	125.4	(7,255.5)
Other operating income (net)	145.6	57.9	203.5
<b>Statement of Financial Position</b>			
<b>As at 31 December 2023</b>			
Non-current liabilities	7,739.0	(1,247.9)	6,491.1
Deferred income	1,414.8	(1,414.8)	–
Trade and other payables	25.9	166.9	192.8
Non-current assets	16,420.8	(1,247.9)	15,172.9
Property, plant and equipment	13,026.4	(1,229.6)	11,796.8
Intangible assets	903.0	(6.7)	896.3
Right-of-use assets	1,275.2	(11.6)	1,263.6
<b>As at 1 January 2023</b>			
Non-current liabilities	9,584.9	(1,570.1)	8,014.8
Deferred income	1,630.7	(1,630.7)	–
Trade and other payables	24.6	60.6	85.2
Non-current assets	16,731.9	(1,570.1)	15,161.8
Property, plant and equipment	13,547.0	(1,555.1)	11,991.9
Intangible assets	745.8	(0.4)	745.4
Right-of-use assets	1,153.7	(14.6)	1,139.1

There were no changes to the basic and diluted earnings per share to current and previous financial years as there were no impact to the net profit attributable to equity holders.

## NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2024

### 49. RESTATEMENT OF COMPARATIVES (CONTINUED)

The effects of such change in the accounting policy choice, which have been reflected on a retrospective basis in accordance with MFRS 108 "Accounting Policies, Changes in Accounting Estimates and Errors", are as follows: (continued)

The Company	As previously reported RM	Effect of the changes RM	As restated RM (note 52)
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#### Income Statement

##### 31 December 2023

Operating revenue	1,720.5	(112.1)	1,608.4
Operating costs			
– depreciation, impairment and amortisation	(332.9)	62.5	(270.4)
– other operating costs	(1,034.1)	49.6	(984.5)

The Company	As previously reported RM	Effect of the changes RM	As restated RM
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#### Statement of Financial Position

##### As at 1 January 2023

Non-current liabilities	8,632.7	(1,570.1)	7,062.6
Deferred income	1,615.6	(1,615.6)	–
Trade and other payables	–	45.5	45.5
Non-current assets	16,292.6	(1,570.1)	14,722.5
Property, plant and equipment	12,034.9	(1,555.1)	10,479.8
Intangible assets	268.7	(0.4)	268.3
Right-of-use assets	690.0	(14.6)	675.4

Other than the effect of changes as disclosed above, no other line items in the Statement of Financial Position and Statement of Cash Flow as at 1 January 2023 were affected.

### 50. LIST OF SUBSIDIARIES AS AT 31 DECEMBER 2024

The subsidiaries are as follows:

Name of Company	Group's Effective Interest		Paid-up Capital		Principal Activities
	2024 %	2023 %	2024 Million	2023 Million	
Fiberail Sdn Bhd	54	54	RM15.8	RM15.8	Provision of network connectivity and bandwidth services in Malaysia and project management services in relation to telecommunications
Fibrecomm Network (M) Sdn Bhd	51	51	RM75.0	RM75.0	Provision of fibre optic transmission network services
GITN Sdn Berhad	100	100	RM50.0	RM50.0	Provision of managed network services and enhanced value added telecommunication and information technology services
TM DC Holdings Sdn Bhd (formerly known as Intelsec Sdn Bhd)	100	100	RM12.5	RM10.7	Provision of information and communications technology (ICT) services and cloud consumption by designing and leveraging the network and exchange platforms
Parkside Properties Sdn Bhd	100	100	RM0.1	RM0.1	Dormant
Telekom Malaysia (Australia) Pty Ltd**	100	100	AUD#	AUD#	Provision of international telecommunications services

## NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2024

### 50. LIST OF SUBSIDIARIES AS AT 31 DECEMBER 2024 (CONTINUED)

The subsidiaries are as follows: (continued)

Name of Company	Group's Effective Interest		Paid-up Capital		Principal Activities
	2024 %	2023 %	2024 Million	2023 Million	
Telekom Malaysia (Hong Kong) Limited*	100	100	HKD18.5	HKD18.5	Provision of international telecommunications services
Telekom Malaysia DMCC*	100	100	AED0.05	AED0.05	Provision of international telecommunications services
Telekom Malaysia (S) Pte Ltd*	100	100	SGD#	SGD#	Provision of international telecommunications services
Telekom Malaysia (UK) Limited*	100	100	GBP#	GBP#	Provision of international telecommunications services
Telekom Malaysia (USA) Inc*	100	100	USD#	USD#	Provision of international telecommunications services
TM Digital Innovation Sdn Bhd	100	100	RM5.0	RM5.0	Provision of digital solution comprising services and/or software including but not limited to cloud, software as a services (SaaS), consulting, analytics, cloud security, application services, automation, mobility, industry specific solutions covering advisory, migration, development and operations (DevOps) and managed services as well as training/digital upskilling
TM Facilities Sdn Bhd	100	100	RM2.3	RM2.3	Provision of property development activities
TM Global Incorporated (In Liquidation)	100	100	USD#	USD#	Investment holding
TM Technology Services Sdn Bhd	100	100	RM5,034.0	RM5,034.0	Provision of network infrastructure facilities, network services and last mile services for fixed and wireless consisting of broadband, messaging and voice
Tulip Maple Berhad	100	100	RM#	RM#	Special purpose entity
Universiti Telekom Sdn Bhd	100	100	RM705.6	RM705.6	Managing and administering a private university known as Multimedia University
VADS Berhad	100	100	RM6.1	RM6.1	Provision of managed network services, network system integration services and network centric services. Investment holding upon internal reorganisation
<b>Subsidiaries held through TM DC Holdings Sdn Bhd (formerly known as Intelsec Sdn Bhd)</b>					
Inneonusa Sdn Bhd (In Liquidation)	51	51	RM15.0	RM15.0	Provision of ICT system security and smart building services including smart tenant services for building owners, operators, residents and visitors
Lyfe Medini Sdn Bhd (In Liquidation)	51	51	RM2.0	RM2.0	Provision of innovative and best value smart products and services
TM DC Educuity Sdn Bhd	100	–	RM1.8	–	Investment holding company focusing on provision of infrastructure for hosting, data processing services and related activities

## NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2024

### 50. LIST OF SUBSIDIARIES AS AT 31 DECEMBER 2024 (CONTINUED)

The subsidiaries are as follows: (continued)

Name of Company	Group's Effective Interest		Paid-up Capital		Principal Activities
	2024 %	2023 %	2024 Million	2023 Million	
<b>Subsidiaries held through TM Technology Services Sdn Bhd</b>					
Millercom Sdn Bhd (In Liquidation)	100	100	RM0.3	RM0.3	Dormant
Packet One (L) Ltd (In Liquidation)	100	100	RM#	RM#	Investment holding
<b>Subsidiary held through TM Facilities Sdn Bhd</b>					
TMF Autolease Sdn Bhd	100	100	RM1.0	RM1.0	Provision of fleet management services
<b>Subsidiaries held through Universiti Telekom Sdn Bhd</b>					
Unitele Multimedia Sdn Bhd	100	100	RM1.0	RM1.0	Provision of training and related services
Telekom Research & Development Sdn Bhd	100	100	RM20.0	RM20.0	Provision of research and development activities in the areas of communications, hi-tech applications and products and services in related business
Multimedia College Sdn Bhd (In Liquidation)	100	100	RM2.0	RM2.0	Ceased operation
<b>Subsidiary held through Unitele Multimedia Sdn Bhd</b>					
MMU Creativista Sdn Bhd	100	100	RM#	RM#	Provision of digital video and film production and post production
<b>Subsidiaries held through VADS Berhad</b>					
Meganet Communications Sdn Bhd (In Liquidation)	100	100	RM11.0	RM11.0	Dormant
VADS Business Process Sdn Bhd	100	100	RM10.0	RM10.0	Provision of managed contact centre services
VADS e-Services Sdn Bhd (In Liquidation)	100	100	RM1.0	RM1.0	Ceased operation
VADS Professional Services Sdn Bhd (In Liquidation)	100	100	RM#	RM#	Dormant
VADS Solutions Sdn Bhd (In Liquidation)	100	100	RM1.5	RM1.5	Provision of system integration services

## NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2024

### 50. LIST OF SUBSIDIARIES AS AT 31 DECEMBER 2024 (CONTINUED)

The subsidiaries are as follows: (continued)

Name of Company	Group's Effective Interest		Paid-up Capital		Principal Activities
	2024 %	2023 %	2024 Million	2023 Million	
<b>Subsidiary held through VADS Business Process Sdn Bhd</b>					
PT VADS Indonesia (collectively with VADS Berhad) <sup>^*</sup>	100	100	IDR17,052.8	IDR17,052.8	Provision of managed contact centre services
<b>Subsidiary consolidated through effective control as defined by MFRS 10</b>					
Yayasan Telekom Malaysia <sup>^^</sup>	-	-	-	-	- A trust established under the provision of Trustees (Incorporation) Act, 1952, for promotion and advancement of education, research and dissemination of knowledge

All subsidiaries are incorporated and have place of business in Malaysia except the following:

Name of Company	Place of Incorporation and Place of Business
PT VADS Indonesia	- Indonesia
Telekom Malaysia (Australia) Pty Ltd	- Australia
Telekom Malaysia DMCC	- United Arab Emirates
Telekom Malaysia (Hong Kong) Limited	- Hong Kong
Telekom Malaysia (S) Pte Ltd	- Singapore
Telekom Malaysia (UK) Limited	- United Kingdom
Telekom Malaysia (USA) Inc	- United States of America

AUD	Australian Dollar	SGD	Singapore Dollar
AED	United Arab Emirates Dirham	GBP	Pound Sterling
IDR	Indonesian Rupiah	USD	US Dollar
HKD	Hong Kong Dollar		

# Amount less than 0.1 million in their respective currencies

\* Audited by a member firm of Ernst & Young Global Limited which is a separate and independent legal entity from Ernst & Young PLT.

\*\* Local legislations and regulations do not require the preparation of audited financial statements for this entity.

<sup>^</sup> VADS Berhad and VADS Business Process Sdn Bhd hold a direct interest of 10.0% and 90.0% respectively in PT VADS Indonesia.

<sup>^^</sup> As an entity established under the Trustees (Incorporation) Act, 1952, this entity has an initial contribution of RM13.0 million instead of paid-up capital. The Group has de facto control over Yayasan Telekom Malaysia due to a combination of facts including source of funding and right to appoint the Board of Trustees.

## NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2024

### 51. ASSOCIATE/JOINTLY CONTROLLED ENTITY AS AT 31 DECEMBER 2024

Name of Company	Group's Effective Interest		Principal Activities
	2024 %	2023 %	
<b>Associate held through Telekom Malaysia (S) Pte Ltd</b>			
BlueTel Networks Pte Ltd	<b>29</b>	29	Provision of telecommunications and network solutions
BlueTel Networks Pte Ltd is incorporated in Singapore and its financial year end is co-terminous with the Company.			
<b>Jointly controlled entity held through TM DC Educity Sdn Bhd</b>			
ST Dynamo DC Sdn Bhd	<b>51</b>	-	Development and operation of data centre campus in Johor, Malaysia

ST Dynamo DC Sdn Bhd is incorporated in Malaysia and its financial year end is co-terminous with the Company.

### 52. INTERNAL REORGANISATION OF TM GROUP IN PRIOR YEAR

The Group internal reorganisation was undertaken to streamline the businesses of the Company and its subsidiaries primarily to enable the Company to become an investment holding with TM Tech as the main operating entity to carry on the Group's telecommunications businesses based in Malaysia. The Group is of the view that the resultant corporate structure from the Group's internal reorganisation is the catalyst for the next phase of its continuous transformation journey.

On 13 December 2022, the Company and the following wholly-owned subsidiaries (each transferor and collectively, the Transferors), entered into a conditional merger agreement (Merger Agreement) with TM Tech (as the Transferee) for purposes of implementation of the Group internal reorganisation:

- (i) Cybermall Sdn Bhd;
- (ii) Mobikom Sdn Bhd;
- (iii) Telekom Applied Business Sdn Bhd;
- (iv) Telekom Enterprise Sdn Bhd;
- (v) Telekom Multi-Media Sdn Bhd;
- (vi) Telekom Sales & Services Sdn Bhd;
- (vii) Telekom Technology Sdn Bhd;
- (viii) TM Info-Media Sdn Bhd;
- (ix) TM Net Sdn Bhd;
- (x) VADS Berhad (VADS); and
- (xi) VADS Lyfe Sdn Bhd.

On 21 February 2023, the High Court granted a vesting order approving the scheme of arrangement and amalgamation between the Transferors and the Transferee under the Act (Vesting Order). Pursuant to the Vesting Order, the High Court has approved, inter alia, the following:

- (i) the transfer and vesting of the Identified Assets and Liabilities from the Transferors to the Transferee according to the terms of the Merger Agreement, with effect on and from 1 March 2023; and
- (ii) the dissolution of the Selected Transferors according to the terms of the Merger Agreement, with effect on and from 31 December 2023.

On 1 March 2023, the Group carried through the transfer and vesting of the Identified Assets and Liabilities from the Transferor entities (the Company and the identified 11 wholly-owned subsidiaries of the Company) to the Transferee (TM Tech) in exchange of issuance and exchange of new TM Tech shares amounting to 4,993,959,454 Consideration Shares by the Transferee to the Company, at an issue price of RM1.00 each, credited as fully paid up.

## NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2024

### 52. INTERNAL REORGANISATION OF TM GROUP IN PRIOR YEAR (CONTINUED)

Following this, the Group's Malaysian based telecommunications business and operations have effectively been amalgamated and are operating through TM Tech.

The reorganisation has no impact to the Group, however, the telecommunications businesses previously operated through the Company became a discontinued operation for the purpose of disclosure in the previous year financial statements. The disclosures required for discontinued operation for prior year in the financial statements are re-presented. The financial information relating to this discontinued operation of the Company were as follows:

	2023 RM Restated
Operating revenue	1,608.4
Operating costs	
– depreciation, impairment and amortisation	(270.4)
– net impairment gain on financial and contract assets	8.5
– other operating costs	(984.5)
Other operating income (net)	20.1
Operating profit before finance cost	382.1
Finance income	8.1
Finance cost	(42.7)
Net finance cost	(34.6)
Profit before tax and zakat	347.5
Tax and zakat	(183.1)
Profit for the financial year from discontinued operations	164.4

## NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2024

### 52. INTERNAL REORGANISATION OF TM GROUP IN PRIOR YEAR (CONTINUED)

- (i) The carrying value of net assets and reserve transferred from the identified 11 wholly-owned subsidiaries to the Company and from the Company to TM Tech were as follows:

	Note	Transferred from Subsidiaries RM	Transferred to TM Tech RM Restated
<b>Non-current Assets</b>			
Property, plant and equipment	21	154.1	10,709.5
Investment property		–	97.6
Intangible assets	22	30.7	279.6
Right-of-use assets	23	43.2	699.6
Other non-current receivables/assets		32.9	72.1
Receivables at FVOCI	28	–	23.6
<b>Current Assets</b>			
Inventories		3.1	235.6
Trade and other receivables		424.3	3,515.9
Contract assets	5(b)	3.0	523.5
Contract cost assets	31	66.0	437.5
Cash and bank balances		18.4	444.6
Receivables at FVOCI	28	–	2.5
<b>Total Assets</b>		<b>775.7</b>	<b>17,041.6</b>
<b>Non-current Liabilities</b>			
Lease liabilities		5.1	606.7
Borrowings		6.7	3,077.4
Deferred tax liabilities	20	1.9	1,435.7
Payable to a subsidiary		–	559.0
Trade and other payables		–	164.2
<b>Current Liabilities</b>			
Trade and other payables		267.2	4,292.5
Customer deposits		1.7	175.9
Contract liabilities	5(c)	6.5	1,225.0
Lease liabilities		40.5	116.3
Borrowings		2.9	275.2
Tax and zakat		–	169.7
<b>Total Liabilities</b>		<b>332.5</b>	<b>12,097.6</b>
<b>Net Assets as at 1 March 2023</b>		<b>443.2</b>	<b>4,944.0</b>
<b>Other Reserve as at 1 March 2023</b>		<b>–</b>	<b>0.4</b>

## NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2024

### 52. INTERNAL REORGANISATION OF TM GROUP IN PRIOR YEAR (CONTINUED)

(ii) The net cash flow attributable to the operating, investing and financing activities of discontinued operations as shown below:

	2023 RM
Net cash flows used in operating activities	(59.0)
Net cash flows used in investing activities	(471.9)
Net cash flows used in financing activities	(58.7)
<b>Net decrease in cash and cash equivalents from discontinued operations</b>	<b>(589.6)</b>

### 53. CURRENCY

All amounts are expressed in Ringgit Malaysia (RM) unless otherwise stated.

### 54. APPROVAL OF FINANCIAL STATEMENTS

The financial statements have been approved for issuance in accordance with a resolution of the Board of Directors on 8 April 2025.

## STATEMENT BY DIRECTORS

pursuant to Section 251(2) of the Companies Act 2016

We, Dato' Zainal Abidin Putih and Amar Huzaimi Md Deris, two of the Directors of Telekom Malaysia Berhad, state that, in the opinion of the Directors, the financial statements on pages 27 to 133 are drawn up so as to exhibit a true and fair view of the state of affairs of the Group and the Company as at 31 December 2024 and of the results and cash flows of the Group and the Company for the financial year ended on that date in accordance with MFRS Accounting Standards, IFRS Accounting Standards and the requirements of the Companies Act 2016 in Malaysia.

In accordance with a resolution of the Directors dated 8 April 2025.

**DATO' ZAINAL ABIDIN PUTIH**  
Director

**AMAR HUZAIMI MD DERIS**  
Director

Kuala Lumpur

## STATUTORY DECLARATION

pursuant to Section 251(1)(b) of the Companies Act 2016

I, Ahmad Fairus Rahim, the officer primarily responsible for the financial management of Telekom Malaysia Berhad, do solemnly and sincerely declare the financial statements set out on pages 27 to 133 are, in my opinion, correct and I make this solemn declaration conscientiously believing the same to be true, and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly )  
declared at Kuala Lumpur )  
this 8 April 2025. )

**AHMAD FAIRUS RAHIM**  
MIA No. CA 54384

Before me:

Commissioner for Oaths  
Kuala Lumpur



No. 59, Jalan Telawi  
Bangsar Baru  
59100 Kuala Lumpur

## INDEPENDENT AUDITORS' REPORT

to the members of Telekom Malaysia Berhad  
Registration No: 198401016183 [128740-P] (Incorporated in Malaysia)

### Report on the audit of the financial statements

#### *Opinion*

We have audited the financial statements of Telekom Malaysia Berhad, which comprise the statements of financial position as at 31 December 2024 of the Group and of the Company, and income statements and statements of comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the year then ended, and notes to the financial statements, including material accounting policy information, as set out on pages 27 to 133.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 31 December 2024, and of their financial performance and their cash flows for the year then ended in accordance with MFRS Accounting Standards, IFRS Accounting Standards and the requirements of the Companies Act 2016 in Malaysia.

#### *Basis for opinion*

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the *Auditors' responsibilities for the audit of the financial statements* section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### *Independence and other ethical responsibilities*

We are independent of the Group and of the Company in accordance with the By-Laws (on Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants ("By-Laws") and the International Code of Ethics for Professional Accountants (including International Independence Standards) ("IESBA Code") as applicable to audits of financial statements of public interest entities and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

#### *Key audit matters*

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the Group and of the Company for the current year. We have determined that there are no key audit matters to communicate in our report on the financial statements of the Company. The key audit matter for the audit of the financial statements of the Group is described below. This matter was addressed in the context of our audit of the financial statements of the Group as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on this matter. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the *Auditors' responsibilities for the audit of the financial statements* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matter below, provide the basis of our audit opinion on the accompanying financial statements.

#### Revenue recognition due to complex information technology systems and revenue from customised contracts arising from Business-to-Business ("B2B") and Carrier-to-Carrier ("C2C")

(Refer to Note 5 – Operating revenue, Note 2(q)(i) – Material accounting policies: Revenue from contracts with customers under MFRS 15 and Note 3(a) – Critical accounting estimates and judgements: Accounting for contracts with customers)

The Group recognised revenue of RM11,712.4 million for the financial year ended 31 December 2024.

We focused on this area as there is an inherent risk over the accuracy of revenue recognised given the complexity of the information technology system and the interfacing between multiple systems and modules that process voluminous data which consists of individually low value transactions with a combination of different product mix, prices and rates (including customer discounts and incentive arrangements). It also involves key judgements and estimates in applying the revenue recognition policy.

Included in the revenue are customised contracts arising from B2B and C2C which require management to identify the multiple performance obligations and determine the progress for performance obligations identified to be satisfied over time such as installation works and services. Additional judgements and estimates were made to determine the contract costs incurred and whether contractual rights and obligations are properly recognised.

## **INDEPENDENT AUDITORS' REPORT**

to the members of Telekom Malaysia Berhad

Registration No: 198401016183 [128740-P] (Incorporated in Malaysia)

### *Key audit matters (continued)*

Revenue recognition due to complex information technology systems and revenue from customised contracts arising from Business-to-Business ("B2B") and Carrier-to-Carrier ("C2C") (continued)

### *Our audit response*

In addressing this area of audit focus, we performed, amongst others, the following procedures:

- We obtained an understanding of, evaluated the design and tested the operating effectiveness of key controls over the Group's revenue recognition process, which includes involving our information technology specialists to test the operating effectiveness of automated controls over the billing systems. We also tested the accuracy of the data interface between the billing systems and general ledger and tested the non-automated controls which include timely updating of approved rate changes in the billing systems;
- We evaluated management's application of the Group's accounting policies including key judgements and estimates made and where relevant, the methodology used by management to determine the standalone selling prices;
- We performed a three-way correlation between receivables, revenue and cash and bank balances using data analytics, including cash anchor testing to determine if cash received relates to revenue;
- For customised contracts arising from B2B and C2C, we focused on material contracts which had multiple performance obligations and those which are satisfied over time. Our procedures included testing the operating effectiveness of controls over revenue recognition of customised projects which include identification of performance obligations, estimation of relative standalone selling price for each performance obligation and the satisfaction of performance obligations identified. We also read the contract terms to ascertain that contractual terms were properly applied and traced revenue recognition to supporting evidence, such as delivery orders or certificate of acceptance for samples selected; and
- We also assessed the adequacy of the Group's disclosures in respect to the accounting policies on revenue recognition.

### *Information other than the financial statements and auditors' report thereon*

The Directors of the Company are responsible for the other information. The other information comprises the Directors' Report and annual report, but does not include the financial statements of the Group and of the Company and our auditors' report thereon.

Our opinion on the financial statements of the Group and of the Company does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Group and of the Company, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Group and of the Company or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### *Responsibilities of the Directors for the financial statements*

The Directors of the Company are responsible for the preparation of financial statements of the Group and of the Company that give a true and fair view in accordance with MFRS Accounting Standards, IFRS Accounting Standards and the requirements of the Companies Act 2016 in Malaysia. The Directors are also responsible for such internal control as the Directors determine is necessary to enable the preparation of financial statements of the Group and of the Company that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Group and of the Company, the Directors are responsible for assessing the Group's and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or the Company or to cease operations, or have no realistic alternative but to do so.

## INDEPENDENT AUDITORS' REPORT

to the members of Telekom Malaysia Berhad  
Registration No: 198401016183 [128740-P] (Incorporated in Malaysia)

### *Auditors' responsibilities for the audit of the financial statements*

Our objectives are to obtain reasonable assurance about whether the financial statements of the Group and of the Company as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's or the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group as a basis for forming an opinion on the financial statements of the Group. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Directors, we determine those matters that were of most significance in the audit of the financial statements of the Group and of the Company for the current year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

## INDEPENDENT AUDITORS' REPORT

to the members of Telekom Malaysia Berhad

Registration No: 198401016183 [128740-P] (Incorporated in Malaysia)

### Report on other legal and regulatory requirements

In accordance with the requirements of the Companies Act 2016 in Malaysia, we report that the subsidiaries of which we have not acted as auditors, are disclosed in Note 50 to the audited financial statements.

### Other matters

This report is made solely to the members of the Company, as a body, in accordance with Section 266 of the Companies Act 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.



**Ernst & Young PLT**

202006000003 (LLP0022760-LCA) & AF 0039

Chartered Accountants

Kuala Lumpur, Malaysia

8 April 2025



**Ahmad Zahirudin Bin Abdul Rahim**

02607/12/2026 J

Chartered Accountant

## STATISTICS ON SHAREHOLDINGS

as at 14 March 2025

### ANALYSIS OF SHAREHOLDING

**Issued Shares** : 3,837,704,681

**Class of Shares** : 3,837,704,680 ordinary shares  
One (1) Special Rights Redeemable Preference Share (Special Share)

**Number of Shareholders** : 32,765

**Voting Rights** : • One (1) vote of each ordinary share  
• Special Share has no voting right other than those referred to in notes 13(a) to the audited financial statements.

### DISTRIBUTION OF ORDINARY SHARES

Size of Shareholdings	Shareholders				Holdings			
	Malaysian		Foreign		Malaysian		Foreign	
	No.	%	No.	%	No.	%	No.	%
Less than 100	2,126	6.49	35	0.11	37,504	0.00	759	0.00
100 – 1,000	10,669	32.56	139	0.42	6,839,157	0.18	93,775	0.00
1,001 – 10,000	16,591	50.64	268	0.82	50,008,594	1.30	1,128,862	0.03
10,001 – 100,000	1,608	4.91	388	1.18	37,889,841	0.99	17,654,356	0.46
100,001 – 191,885,233*	446	1.36	491	1.50	1,727,137,063	45.00	540,665,622	14.09
191,885,234 and above**	3	0.01	0	0.00	1,456,249,147	37.95	0	0.00
<b>Total</b>	<b>31,443</b>	<b>95.97</b>	<b>1,321</b>	<b>4.03</b>	<b>3,278,161,306</b>	<b>85.42</b>	<b>559,543,374</b>	<b>14.58</b>

Notes:

\* Less than 5% of issued holdings

\*\* 5% and above of issued holdings

### CLASSIFICATION OF SHAREHOLDERS HOLDING ORDINARY SHARES

Category	No. of Shareholders		No. of Shares Held		% of Issued Shares	
	Malaysian	Foreign	Malaysian	Foreign	Malaysian	Foreign
<b>INDIVIDUAL</b>						
a. Bumiputera	10,581	0	26,240,711	0	0.68	0.00
b. Chinese	15,187	0	51,822,018	0	1.35	0.00
c. Indian	1,222	0	3,293,240	0	0.09	0.00
d. Others	132	275	443,653	1,409,196	0.01	0.04
<b>BODY CORPORATE</b>						
a. Banks/Finance Companies	107	1	1,023,760,474	5,000	26.68	0.00
b. Investment Trusts/Foundation/Charities	18	0	728,906	0	0.02	0.00
c. Industrial and Commercial Companies	224	7	25,226,103	9,789,067	0.66	0.25
<b>GOVERNMENT AGENCIES/INSTITUTION</b>						
	11	0	765,780,070	0	19.95	0.00
<b>NOMINEES</b>						
	3,959	1,038	1,380,862,928	548,340,111	35.98	14.29
<b>OTHERS</b>						
	2	0	3,203	0	0.00	0.00
<b>TOTAL</b>	<b>31,443</b>	<b>1,321</b>	<b>3,278,161,306</b>	<b>559,543,374</b>	<b>85.42</b>	<b>14.58</b>

## STATISTICS ON SHAREHOLDINGS

as at 14 March 2025

### SUBSTANTIAL SHAREHOLDERS

No.	Shareholders	AS PER REGISTER OF DEPOSITORS			
		No. of Ordinary Shares Held		Percentage (%)	
		Direct	Indirect	Direct	Indirect
1	KHAZANAH NASIONAL BERHAD	771,347,766	0	20.10	0.00
2	CITIGROUP NOMINEES (TEMPATAN) SDN BHD – EMPLOYEES PROVIDENT FUND BOARD	661,960,357	0	17.25	0.00
3	KUMPULAN WANG PERSARAAN (DIPERBADANKAN)	339,138,498	43,391,987	8.84	1.13
	<b>Total</b>	<b>1,772,446,621</b>	<b>43,391,987</b>	<b>46.19</b>	<b>1.13</b>

No.	Shareholders	AS PER REGISTER OF SUBSTANTIAL SHAREHOLDERS			
		No. of Ordinary Shares Held		Percentage (%)	
		Direct	Indirect	Direct	Indirect
1	KHAZANAH NASIONAL BERHAD	771,347,766	0	20.10	0.00
2	CITIGROUP NOMINEES (TEMPATAN) SDN BHD – EMPLOYEES PROVIDENT FUND BOARD	657,319,657	0	17.13	0.00
3	KUMPULAN WANG PERSARAAN (DIPERBADANKAN)	339,138,498	43,572,287	8.84	1.14
	<b>Total</b>	<b>1,767,805,921</b>	<b>43,572,287</b>	<b>46.07</b>	<b>1.14</b>

### DIRECTORS' DIRECT AND DEEMED INTEREST IN THE COMPANY

as per Register of Directors' Shareholdings

No.	Interest in Company	No. of Shares Held		
		Direct	Deemed Interest	%
1	Amar Huzaimi Md Deris	319,010	0	0.01
2	Datuk Bazlan Osman	10,000	0	0.00
	<b>TOTAL</b>	<b>329,010</b>	<b>0</b>	<b>0.01</b>

## 30 LARGEST SHAREHOLDERS

as at 14 March 2025

### LIST OF TOP 30 SHAREHOLDERS

as per the Register of Members and Record of Depositors

No.	Name of Shareholders	No. of Shares	%
1	KHAZANAH NASIONAL BERHAD	753,926,166	19.65
2	CITIGROUP NOMINEES (TEMPATAN) SDN BHD – EMPLOYEES PROVIDENT FUND BOARD	363,184,483	9.46
3	KUMPULAN WANG PERSARAAN (DIPERBADANKAN)	339,138,498	8.84
4	AMANAHRAYA TRUSTEES BERHAD – AMANAH SAHAM BUMIPUTERA	169,000,000	4.40
5	CITIGROUP NOMINEES (TEMPATAN) SDN BHD – EMPLOYEES PROVIDENT FUND BOARD (ISLAMIC)	144,540,218	3.77
6	CITIGROUP NOMINEES (TEMPATAN) SDN BHD – EXEMPT AN FOR AIA BHD	76,513,269	1.99
7	MAYBANK NOMINEES (TEMPATAN) SDN BHD – MAYBANK TRUSTEES BERHAD FOR PUBLIC ITTIKAL FUND (N14011970240)	63,000,000	1.64
8	AMANAHRAYA TRUSTEES BERHAD – AMANAH SAHAM MALAYSIA 2 - WAWASAN	52,270,200	1.36
9	AMANAHRAYA TRUSTEES BERHAD – PUBLIC ITTIKAL SEQUEL FUND	50,285,800	1.31
10	AMANAHRAYA TRUSTEES BERHAD – AMANAH SAHAM MALAYSIA 3	47,671,458	1.24
11	CITIGROUP NOMINEES (TEMPATAN) SDN BHD – EMPLOYEES PROVIDENT FUND BOARD (NOMURA)	34,616,800	0.90
12	LEMBAGA TABUNG HAJI	32,048,109	0.84
13	CARTABAN NOMINEES (TEMPATAN) SDN BHD – PAMB FOR PRULINK EQUITY FUND	31,222,263	0.81
14	AMANAHRAYA TRUSTEES BERHAD – AMANAH SAHAM BUMIPUTERA 2	31,000,000	0.81
15	PERMODALAN NASIONAL BERHAD	30,000,000	0.78
16	AMANAHRAYA TRUSTEES BERHAD – PUBLIC ISLAMIC DIVIDEND FUND	28,123,639	0.73
17	CITIGROUP NOMINEES (TEMPATAN) SDN BHD – GREAT EASTERN LIFE ASSURANCE (MALAYSIA) BERHAD (PAR 1)	28,094,689	0.73
18	CARTABAN NOMINEES (TEMPATAN) SDN BHD – PRUDENTIAL ASSURANCE MALAYSIA BERHAD FOR PRULINK STRATEGIC FUND	27,663,892	0.72
19	CITIGROUP NOMINEES (TEMPATAN) SDN BHD – URUSHARTA JAMAAH SDN BHD (1)	27,293,800	0.71
20	DB (MALAYSIA) NOMINEE (ASING) SDN BHD – EXEMPT AN FOR STATE STREET BANK & TRUST COMPANY (WEST CLT OD67)	25,813,200	0.67
21	AMANAHRAYA TRUSTEES BERHAD – PUBLIC ISLAMIC EQUITY FUND	24,000,000	0.63
22	MAYBANK NOMINEES (TEMPATAN) SDN BHD – MAYBANK TRUSTEES BERHAD FOR PUBLIC REGULAR SAVINGS FUND (N14011940100)	23,100,041	0.60
23	CARTABAN NOMINEES (TEMPATAN) SDN BHD – PBTB FOR TAKAFULINK DANA EKUITI	22,958,329	0.60
24	AMANAHRAYA TRUSTEES BERHAD – AMANAH SAHAM MALAYSIA	22,000,000	0.57
25	CITIGROUP NOMINEES (TEMPATAN) SDN BHD – EMPLOYEES PROVIDENT FUND BOARD (AHAM AM)	21,295,056	0.56
26	CITIGROUP NOMINEES (ASING) SDN BHD – EXEMPT AN FOR CITIBANK NEW YORK (NORGES BANK 19)	19,196,000	0.50
27	CITIGROUP NOMINEES (TEMPATAN) SDN BHD – EMPLOYEES PROVIDENT FUND BOARD (CGS CIMB)	19,188,000	0.50
28	DB (MALAYSIA) NOMINEE (TEMPATAN) SENDIRIAN BERHAD – DEUTSCHE TRUSTEES MALAYSIA BERHAD FOR HONG LEONG VALUE FUND	19,130,000	0.50
29	HSBC NOMINEES (ASING) SDN BHD – JPMCB NA FOR VANGUARD TOTAL INTERNATIONAL STOCK INDEX FUND	16,046,498	0.42
30	AMANAHRAYA TRUSTEES BERHAD – AMANAH SAHAM BUMIPUTERA 3 – DIDIK	16,000,000	0.42
<b>TOTAL</b>		<b>2,558,320,408</b>	<b>66.66</b>

## LIST OF TOP TEN PROPERTIES

For the financial year ended 31 December 2024

No	Location	Description & Existing Use	Year of Acquisition or Revaluation	Tenure (Freehold or Leasehold)	Land Area/ Built-Up Area (Sq. M)	Age of Building (Years)	Total NBV Dec 2024 (RM Million)
1	TM Complex Cyberjaya Lingkar Teknokrat Timur 63000 Cyberjaya Selangor	Land with Building/ Office & Data Centre	2012	Freehold	114,549/ 71,047	22 Years	293.0
2	TM One Iskandar Putri Data Centre (IPDC) 2, Lingkar Teknologi 1 Taman Teknologi Nusajaya 79250 Nusajaya Johor	Land with Building/ Data Centre	2019	Freehold	32,132/ 29,375	6 Years	144.7
3	TM Annexe 2 Lengkok Pantai Baharu 59100 Kuala Lumpur	Office Tower	2007	Leasehold	876/ 26,875	18 Years	48.8
4	TM Pekeliling Sek 63, Lorong Kuda Off Jalan Tun Razak 50450 Kuala Lumpur	Land with Building/ Exchange (Telecommunications Building)	2012	Freehold	3,275/ 6,781	21 Years	41.0
5	TM Bukit Mahkamah Jalan Raja Chulan Bukit Bintang 50200 Kuala Lumpur	Land with Building/ Office	2018	Freehold	4,237/ 14,066	27 Years	37.4
6	TM Annexe 1 Lengkok Pantai Baharu 59100 Kuala Lumpur	Office Tower	2005	Leasehold	909/ 18,562	19 Years	34.5
7	Menara TM Melaka (MITC) 2, Jalan Wisma Negeri 75450 Ayer Keroh Melaka	Office Tower	2004	Leasehold 99 Years (7 Mar 2103)	18,290/ 22,956	16 Years	31.1
8	TM TTDI Ibusawat Telekom Taman Tun Dr. Ismail Wilayah Persekutuan 60000 Kuala Lumpur	Land with Building/ Exchange (Telecommunications Building)	2012	Freehold	6,632/ 11,648	35 Years	24.8
9	Lot 1290 Seksyen 57 2, Jalan Punchak Off Jalan P. Ramlee 50250 Kuala Lumpur	Land	2012	Freehold	3,571	–	23.1
10	TM Kelana Jaya Jalan SS6/3 47301 Petaling Jaya Selangor	Land with Building/ Exchange (Telecommunications Building)	2012	Freehold	8,596/ 14,240	21 Years	21.8

## NET BOOK VALUE OF LAND & BUILDINGS

as at 31 December 2024

No	Location	Freehold		Leasehold		Other Land*		Excepted Land**		Net Book Value of Land*** (RM Million)	Net Book Value of Buildings (RM Million)
		No. of Lots	Area ('000 sq ft)	No. of Lots	Area ('000 sq ft)	No. of Lots	Area ('000 sq ft)	No. of Lots	Area ('000 sq ft)		
1.	Federal Territory										
	a. Kuala Lumpur	26	1,528	7	714	1	114	-	-	237.9	198.9
	b. Labuan	-	-	7	511	-	-	-	-	0.5	11.7
2.	Selangor	11	10,144	22	1,378	1	100	69	6,073	549.0	591.6
3.	Perlis	-	-	3	36	-	-	9	678	0.1	3.8
4.	Perak	4	17	22	1,075	2	149	83	5,040	4.1	51.8
5.	Pulau Pinang	3	5,015	16	929	-	-	24	5,826	4.6	40.4
6.	Kedah	20	646	13	922	-	-	45	2,866	22.0	48.5
7.	Johor	7	731	34	1,860	6	155	91	6,270	55.2	193.4
8.	Melaka	2	3	23	2,049	-	-	20	3,588	14.3	114.0
9.	Negeri Sembilan	4	160	18	465	2	155	47	1,840	36.7	21.1
10.	Terengganu	-	-	17	829	-	-	41	5,648	0.5	27.7
11.	Kelantan	-	-	16	701	-	-	35	2,050	0.5	17.4
12.	Pahang	2	66	29	2,118	5	429	60	5,887	3.7	50.8
13.	Sabah	-	-	14	184	4	162	35	2,634	3.7	66.5
14.	Sarawak	4	46	29	986	10	400	75	7,769	18.6	61.4
15.	Hong Kong	-	-	-	-	-	-	-	-	-	63.7
16.	Singapore	-	-	-	-	-	-	-	-	-	0.4
	<b>Total</b>	<b>83</b>	<b>18,356</b>	<b>270</b>	<b>14,757</b>	<b>31</b>	<b>1,664</b>	<b>634</b>	<b>56,169</b>	<b>951.4</b>	<b>1,563.1</b>

\* The title deeds pertaining to other land have not yet been registered in the name of the Company. Pending finalisation with the relevant authorities, the lands have not been classified according to their tenure and land areas are based on estimation.

\*\* Excepted land are lands situated outside the Federal Territory which are either alienated land, reserved land owned by the Federal Government or land occupied, used, controlled and managed by the Federal Government for federal purposes (in Melaka, Pulau Pinang, Sabah and Sarawak) as set out in Section 3(2) of the Telecommunication Services (Successor Company) Act, 1985. The Government has agreed to lease these lands to Telekom Malaysia Berhad for a term of 60 years with an option to renew, under article 85 and 86 of the Federal Constitution.

\*\*\* Includes land held for property development and land held for sale of a wholly-owned subsidiary.





This cover design reflects TM's transformation into a digitally-powered organisation and our commitment to empowering the future with next gen technologies. The AI-generated human adorned with tech symbols represents the fusion of human and digital innovation, a synergy that TM actively fosters as a key driver of Malaysia's digital transformation.

As emerging technologies reshape industries and accelerate progress, we are enabling smarter productivity tools, intelligent solutions and connected services that ensure accessibility, inclusivity and meaningful impact for all. Along the way, we continue advancing our AI capabilities and solutions to ensure technology delivers sustainable value to all stakeholders, while supporting the national digital agenda – aligned with our aspiration to become a Digital Powerhouse by 2030.

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