This year, we catalysed TM’s #khabarbaik movement, which is our brand promise to always deliver good news to all Malaysians. Through our products, services and technology, we are able to spread positivity and create meaningful moments for everyone. We have aligned this with our commitment to enable digital adoption by delivering a converged lifestyle across all backgrounds and income groups. #khabarbaik allows unifi to better serve Malaysia through enhanced offerings and customer experience.

unifi continues to make life and business easier for all Malaysians through our range of services: basic telephony, broadband connectivity via unifi Home, unifi Biz, unifi Mobile or wifi@unifi; and value-added services such as entertainment via unifi TV and ICT solutions.

We are particularly focused on creating value for SMEs, as reflected by our tagline Let’s Grow Together.

As an enabler of Digital Malaysia, unifi plays an essential role in providing affordable broadband access nationwide. We deliver the best broadband in the market, making unifi the leading broadband service provider in Malaysia. As the country transitions towards a digital and innovative economy, unifi aspires to lead the unlocking of Malaysia’s unlimited growth potential.
## BUSINESS REVIEW

### KEY PRIORITIES & OUTCOMES

<table>
<thead>
<tr>
<th>Key Priorities</th>
<th>Highlights</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>unifi #khabarbaik Series</strong>&lt;br&gt;&lt;br&gt;<strong>Capitals Deployed</strong></td>
<td>Speed mix for unifi, ten (10) times faster broadband for unifi customers.</td>
</tr>
<tr>
<td>#khabarbaik 1.0</td>
<td>&gt;340,000 take-up of postpaid family packages.</td>
</tr>
<tr>
<td>• Rewarded unifi customers with 10x broadband speed upgrade</td>
<td><strong>#khabarbaik 2.0</strong></td>
</tr>
<tr>
<td>• Delivered unifi Mobile Postpaid offerings for the whole family: Adik, Atuk/Nenek, Kakak/Abang from as low as RM19, RM29, RM39, RM59.</td>
<td><strong>#khabarbaik 3.0</strong></td>
</tr>
<tr>
<td>• Speed mix for unifi, ten (10) times faster broadband for unifi customers.</td>
<td><strong>#khabarbaik 4.0</strong></td>
</tr>
<tr>
<td>• &gt;340,000 take-up of postpaid family packages.</td>
<td><strong>#khabarbaik 5.0</strong></td>
</tr>
<tr>
<td><strong>Empowering Digital</strong>&lt;br&gt;&lt;br&gt;<strong>Capital Deployed</strong></td>
<td>1.3 million subscribers, 400% improvement in delivery time from myunifi app.</td>
</tr>
<tr>
<td>• Offered the year-end unifi Pay Nothing campaign (FREE unifi for up to three (3) months for both new and existing customers).</td>
<td><strong>#khabarbaik 5.0</strong>&lt;br&gt;&lt;br&gt;50% improvement in customer churn from unifi Pay Nothing campaign</td>
</tr>
<tr>
<td>• Launched unifi Lite - RM69 for existing and RM89 new for all Streamyx customers (1, 2, 4 &amp; 8Mbps). These are interim measures whilst a new network is being rolled out until 2021 via various fit-for-purpose technologies.</td>
<td><strong>2 out of 3</strong> Malaysians are familiar with the #khabarbaik campaign (Kantar Report)</td>
</tr>
<tr>
<td>• Introduced the nation’s first convergence telco mobile app - myunifi app.</td>
<td>• 1.2 million digital subscribers</td>
</tr>
<tr>
<td>• Enhanced unifi’s digital channel mix via myunifi app and digital onboarding campaigns.</td>
<td>• 78% digital channel mix (compared to 56% in 2018)</td>
</tr>
<tr>
<td>• Conducted online exclusive campaigns and enhanced the transaction journey.</td>
<td>• Three (3) times increase in home online sales</td>
</tr>
<tr>
<td>• Redesigned the digital customer journey and User Interface and User Experience (UIUX) enhancement.</td>
<td>• 194 times increase in mobile online sales</td>
</tr>
</tbody>
</table>
**BUSINESS REVIEW**

**OUR PERFORMANCE**

**FINANCIAL PERFORMANCE**

RM4.74 billion
Revenue

**NON-FINANCIAL PERFORMANCE**

3 million Total Customers Served
: 2.18 million broadband customers
: 0.4 million SMEs (SOHO, small, micro)

54% convergence household penetration

**ACHIEVEMENTS & RECOGNITIONS**

1. Malaysian CMO Awards 2019 for Best Malaysian CMO of the Year
2. Malaysian CMO Awards 2019 for Best Market Trailblazer for Telco
4. The Best Buy Awards for Outstanding Value for unifi Home
5. PC.com Award for Best Fixed Broadband of the Year

**RISKS & MITIGATION**

<table>
<thead>
<tr>
<th>Challenges</th>
<th>Mitigation Strategies</th>
<th>Outcomes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Soft spending sentiment: Consumers are more cautious with their spending, while business confidence fluctuates due to economic uncertainties</td>
<td>• Extend focus beyond product features to include customer value and benefits • Launch more campaigns that provide value-for-money benefits to customers</td>
<td>• Increase in subscriptions to new unifi Mobile postpaid &amp; unifi Fixed</td>
</tr>
<tr>
<td>Competition: More players are competing to provide high-speed broadband and fixed-to-mobile substitution</td>
<td>• Deliver convergence with a complete suite of relevant offerings for customers • Ensure exceptional service and support customers</td>
<td>• Increase in subscriptions to new unifi Mobile postpaid &amp; unifi Fixed • Improvement in unifi NPS Convergence QoQ performance</td>
</tr>
<tr>
<td>Regulatory &amp; Policy Changes: The evolving Government expectations cause changes in pricing and other regulatory requirements</td>
<td>• Proactively engage with the Government and regulators to shape expectations and take lead in strategies</td>
<td>• 100% compliance with regulatory and policy requirements • Strong governmental collaborations</td>
</tr>
</tbody>
</table>

**MOVING FORWARD/OUTLOOK & PROSPECTS**

Looking ahead, unifi will take the lead in catalysing the vision of a ‘Digital Malaysia Powered by TM’. We will continue to bridge the connectivity gap by serving customers with innovative and high-quality products at affordable prices. Despite the immense pressure and fierce competition, we will maintain our position as a leading broadband service provider by offering a seamless convergence experience enabled by digital. This includes the continuous improvement of the end-to-end customer experience through digital convergence and simplification, which leads to enhanced customer loyalty.
“Our 2019 priorities were to Focus on Customer; Optimise Product Portfolio Mix; Heighten Operational Excellence; and Sustain Profitability. In doing so, verticalisation remained a primary business strategy for TM ONE for the year. The 12 original verticals have now been streamlined into seven (7) key verticals, enabling a more focused and intense digital transformation. This strategy has helped us to better understand customer needs based on the operating industry and business environment. We responded by developing several industry-based solutions using IoT, smart services, data analytics, security and cloud-based services, which were introduced at the Smart Industry Summit 2019. Despite the lower revenue this year, tractions from customers resulted in higher sales funnel and more deals closed. Therefore, by executing our 2019 priorities, we have built a strong foundation to leapfrog our growth in 2020.”

ABOUT US

TM ONE serves both the enterprise and government agencies. Powered by an extensive, reliable and secure network infrastructure, we have the capacity and expertise to deliver end-to-end solutions to all industries.

We aspire to become the nation’s leading digital enabler for businesses and public sector. Towards achieving this, we support the digital journey of our business customers, and help them maximise their digital potential to face IR4.0. TM ONE offers a comprehensive suite of integrated digital services that facilitate customers’ transition, such as online connectivity, IoT, data centre, ICT, BPO and Smart Services. Additionally, as we carve a strong niche in the verticals, we take a hybrid approach in optimising assets while increasing its competitive edge.
## BUSINESS REVIEW

### KEY PRIORITIES & OUTCOMES

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</table>
| **Enhanced Customer Centricity** | • 30% increase in sales funnel  
• 20% increase in deals closed |
| **Capital Deployed** | • Streamlined 12 verticals into seven (7) key verticals (verticalisation) for focused digital transformation. The verticals are banking sector, oil and gas, health, real estate, public shared and services, Defense and Security and Education.  
• Developed industry-based digital solutions. |
| **Optimisation of Product Portfolio Mix** | • Lower data centre downtime and faster recovery during emergencies  
• Higher security and efficiency of data centre processing servers and cloud data storage  
• Real-time analytics from Azure for swift business decisions  
• Lower overhead and costs from Azure  
• Reduction in traffic congestion and maintenance costs from STARS |
| **Capitals Deployed** | • Completed the state-of-the-art 90,000 sqft KVDC in Cyberjaya.  
• Received Tier III certification for twin core data centre.  
• Enhanced data centre product portfolio with cloud capability (Azure services).  
• Developed Smart Traffic Analytics Recognition System (STARS) via IoT. |
| **Operational Excellence** | • 10% faster restoration during service failures  
• 1% faster service delivery for digital projects  
• Top 10% of global telco companies scoring for Customer Satisfaction Index (TRiM) |
| **Capitals Deployed** | • Simplified end-to-end processes for faster deliverables. |

### OUR PERFORMANCE

**FINANCIAL PERFORMANCE**

**RM4.24 billion**

Revenue

**NON-FINANCIAL PERFORMANCE**

1. >11,000 Enterprise

2. Ten (10) data centres (including 2 Tier III Data Centres)

3. 5G USE CASES UNDER TM ONE

Deployed three (3) use cases in SS15, Subang Jaya

- Smart Traffic Lights
- Smart Parking
- Smart Safety and Security Solutions

Deployed six (6) use cases in Langkawi

- Smart Traffic Lights
- Smart Parking
- Smart Safety and Security
- Smart Agriculture
- UNESCO 8K VR
- Smart Tourism App
# BUSINESS REVIEW

ACHIEVEMENTS & RECOGNITIONS
TM ONE has always been a leader in implementing the industry standards and compliances in its all offerings. This include in our data centre (DC) and cloud, Integrated Operations Centre (IOC), contact centre, BPO and ICT services.

TM ONE has also been recognised via various awards and certificate of achievements as follows:

1. Certificate of Achievement (Four Star) for Grade Registered: G7 from CIDB Malaysia
2. Certification of ISO 18295 for Contact Centre
3. Software Partner of the Year from Cisco
4. Transformational Deal of the Year from Cisco
5. Public Sector Partner of the Year from Cisco

RISKS & MITIGATION

<table>
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<th>Challenges</th>
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</table>
| Competition: Increasing competition from industry players and changes in Government policies | • Improve offerings with efficient, competitive and frictionless digital enablement  
  - Deliver tailor-made digital solutions targeted at specific verticals  
  - Emphasise on consultative selling | • Increased number of industry-based solutions  
  • Positive tractions from private and public-sector customers |
| Connectivity: Capturing a smaller proportion of the information value chain while content, service, and product deliverers capture more | • Provide beyond connectivity offerings such as cloud, managed Network, cybersecurity and smart/IoT services  
  - Introduce new offerings like SDWAN, Cloud Azure Stack, smart services and etc. | • Gain competitive advantages through partnerships with technology and market leaders |
| Rapid technology: Disruptive technologies require new network architecture and business models to meet evolving customers expectation. | • Invest in emerging technologies to unlock new value and opportunities  
  - Develop employees in-house with the skills required for new technologies  
  - Partner with technology leaders | • Successful 5G demonstration project in collaboration with the MCMC |

MOVING FORWARD/OUTLOOK & PROSPECTS

In 2020, we will elevate our verticalisation strategy to new heights. We will focus on the seven (7) verticals, with identified key accounts and high-value customers, to retain and expand our customer base. This enables TM ONE’s revenue preservation and uplift. Furthermore, cost management will continue to be a top priority in sustaining profitability. We will leverage on internal expertise and capabilities, coupled with more prudent spending. In terms of talent capabilities, we will invest in the upskilling of our people, with emphasis on the digital skills required to support IR4.0. Steadfast in becoming the primary digital enabler of businesses and public organisations, we will persist to defend and grow connectivity offerings, while expanding our footprint in the cloud, managed security, smart services, and industry-based solutions.
“In 2019, TM WHOLESALE continued to deliver sustainable growth in both domestic and global markets. Improvements in our domestic performance is due to TM WHOLESALE’s relentless efforts in delivering efficient network infrastructure solutions and enhanced customer experience. We have also been working to improve TM WHOLESALE’s backhaul offerings in support of a future mobile ecosystem, in line with 5G infrastructure readiness by mobile operators. Similarly, our partnership ecosystem with domestic and regional players continue to provide great opportunities throughout the year. This creates an avenue to connect carriers, hyperscalers and content players across regions while also bridging Malaysia to the rest of the world.”

TM WHOLESALE focuses on domestic and international wholesale business, offering a comprehensive suite of cutting-edge communication solutions in connectivity and beyond.

With technology evolution innovating the market landscape, TM WHOLESALE has been actively exploring new business opportunities through domestic and regional partnerships. This enables a seamless integration of the latest technologies towards digital innovation. With an extensive worldwide network infrastructure supported by well-versed experts, TM WHOLESALE is positioned to be Malaysia’s preferred network enabler for dynamic telecommunication requirements. Likewise, TM WHOLESALE is working towards becoming a regional digital hub by inducing inbound and outbound voice, data and content traffic for Malaysia.

With aspirations to be the #Accelerator of Business Growth, we work to make life easier for customers by connecting carriers, service providers and content players across regions into the digital world.
## BUSINESS REVIEW

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<th>Key Priorities</th>
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<tr>
<td><strong>Global Partnership Ecosystem</strong></td>
<td>• <strong>New revenue</strong> streams creation</td>
</tr>
<tr>
<td><strong>Capital Deployed</strong></td>
<td>• <strong>Enhancements</strong> in submarine cable portfolio</td>
</tr>
<tr>
<td>• Collaborated with Content Delivery Network (CDN), OTT and digital players</td>
<td>• <strong>Improvements</strong> in network latency and customer experience</td>
</tr>
<tr>
<td>to explore business opportunities.</td>
<td></td>
</tr>
<tr>
<td>• Engaged closely with regional cable providers and carriers.</td>
<td></td>
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<tr>
<td>• Established an MoU with Angola Cables in providing a shorter connection</td>
<td></td>
</tr>
<tr>
<td>path between Asia and South America.</td>
<td></td>
</tr>
<tr>
<td><strong>Enhanced Backhaul Services</strong></td>
<td>• <strong>Better position</strong> to support 4G requirements</td>
</tr>
<tr>
<td><strong>Capital Deployed</strong></td>
<td>• Improved small cell and in-building coverage</td>
</tr>
<tr>
<td>• Established long-term collaborations with MNOs in Malaysia.</td>
<td></td>
</tr>
<tr>
<td>• Collaborated with tower service providers.</td>
<td></td>
</tr>
<tr>
<td><strong>Continuous Profitability</strong></td>
<td>• <strong>2%</strong> reduction in operational costs</td>
</tr>
<tr>
<td><strong>Capital Deployed</strong></td>
<td>• Improvements in product composition</td>
</tr>
<tr>
<td>• Prioritised higher-margin services and solutions to sustain business</td>
<td></td>
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<tr>
<td>continuity.</td>
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</table>

### OUR PERFORMANCE

#### FINANCIAL PERFORMANCE

RM2.67 billion Revenue

#### NON-FINANCIAL PERFORMANCE

- **>190,000km** of submarine cable providing connectivity to
- **>500** customers worldwide

**Operational Efficiency**

Digital adoption in day to day activities to better serve end customer

- Simplified Ordering Process: **10 Steps to 4 Steps**
- Reduce Order Cycle Time: **3 Days to 1 Day**
- Reduce Customer Waiting Time: **7 Days to 1 Day**
- Man Hours Savings on Processing & Report: **Saved 82 Hours/Month**
# BUSINESS REVIEW

## ACHIEVEMENTS & RECOGNITIONS

1. Amar Huzaimi Md Deris, Executive Vice President of TM WHOLESALE, was named amongst the top 100 Most Influential People in wholesale telecommunication industry.

2. Best Asian Telecom Carrier (Finalist) from Telecom Asia Awards 2019.

## RISKS & MITIGATION

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<tr>
<th>Challenges</th>
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<th>Outcomes</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Competition:</strong> Market competition due to price erosion and dynamic customer requirements</td>
<td>• Strengthen market position via collaborations with other global players&lt;br&gt; • Leverage on affiliate companies to capture regional opportunities with minimal investments</td>
<td>• Strong collaboration model based on Malaysia’s strategic location as a regional hub</td>
</tr>
<tr>
<td><strong>International Politics:</strong> Fluctuations in international politics and regulatory guidelines may disrupt business continuity</td>
<td>• Monitor geopolitical changes in countries with TM investments&lt;br&gt; • Establish a resiliency planning mechanism that protects investments and improve business continuity</td>
<td>• A comprehensive report on geopolitical, regulatory, Government and policy changes&lt;br&gt; • Effective risk assessments prior to engagement with international partners</td>
</tr>
<tr>
<td><strong>Pricing Pressures:</strong> The domestic pricing structure is changing alongside customer expectations and regulatory requirements</td>
<td>• Leverage on TM’s internal strengths, affiliate and subsidiary companies to improve product offerings&lt;br&gt; • Efficiently manage costs to enable attractive and competitive products</td>
<td>• Comprehensive offerings customised to customers’ business requirements</td>
</tr>
<tr>
<td><strong>Technology:</strong> Consumer demands are rapidly evolving in line with the national and global digital evolution</td>
<td>• Actively monitor and research new technologies in the market&lt;br&gt; • Establish collaboration models with technology partners to expedite development of new digital solutions</td>
<td>• Enhanced product portfolio in capturing Connectivity Plus and adjacent business potentials</td>
</tr>
</tbody>
</table>

## MOVING FORWARD/OUTLOOK & PROSPECTS

In 2020, TM WHOLESALE’s growth strategies will centre around four (4) key themes: growing Core Business; fortifying Partnership Ecosystem; enhancing Connectivity Plus business; and exploring Adjacent Business opportunities. By focusing on these themes, we expect TM WHOLESALE to make great strides towards its vision to be the #Accelerator of Business Growth.

On the domestic front, TM WHOLESALE will work on strengthening its position as the industry’s preferred fixed and wireless network enabler. As the largest fixed and mobile backhaul provider in Malaysia, TM WHOLESALE will continue extending its market reach towards becoming the country’s key 5G network enabler. At the same time, TM WHOLESALE subsidiaries will focus on innovating both existing offerings and new digital services to further drive business growth.

In the international market, the division is geared towards establishing Malaysia as the region’s preferred digital hub by inducing inbound and outbound voice, data and content traffic to and from Malaysia. This will be improved through the enrichment of data centre solutions and strengthening of partnership ecosystem with carriers, content players, and digital service providers. In its commitment to becoming a digital business enabler, TM WHOLESALE will also venture into media delivery solutions, IoT offerings and blockchain technology.