

Chair of the Board's Statement

Dear Shareholders,

CelcomDigi was established with the purpose of 'Advancing and Inspiring Society', and the aspiration to power the country's digital economy as a trusted partner to consumers, businesses and the nation. As Malaysia's largest mobile operator and one of its leading corporates, the company faces high expectations to uphold the highest standards in customer experience, governance, sustainability, and shareholder value.

Over the last two years, the company has laid a foundation for future growth as the nation's most trusted connectivity partner. The Board is pleased with the company's progress and is also confident that our continued commitment to focused execution and strong corporate governance will ensure CelcomDigi's continued success in the dynamic and hypercompetitive telecommunications sector.

TRANSFORMING TO DELIVER A BETTER EXPERIENCE FOR OUR 20 MILLION CUSTOMERS

We are on an integration and transformation journey which we expect will continue over the next three years. Our efforts in the year have been focused on delivering the most superior experience for our 20 million consumer and business customers. We have progressed ahead of plan in programmes across network, IT, retail, customer experience, and key business model changes. We are confident that these changes will continue to drive enterprise growth, catalyse innovation for our operations and for customers, and lead Malaysia's digital ecosystem towards a more connected future. Importantly, we believe we are well set up for long-term profitable growth and have created efficiencies of scale that strengthen our position to attract local and global

YM Tengku Dato' Sri Azmil Zahrudin bin Raja Abdul Aziz

Chair of the Board,
Non-Independent
Non-Executive Director

technology partners to invest in Malaysia's digital ecosystem.

A detailed account of the company's integration and transformation programme for the year is available in the Chief Executive Officer's Review on pages 12 to 15 of this report.

MAXIMISING SHAREHOLDER VALUE THROUGH STRATEGIC GROWTH

In 2024, the company delivered respectable and stable financial and operational performance while advancing our integration efforts in our second year as a merged company. Despite a challenging market, we closed the year with a solid balance sheet demonstrating our operational capability and financial flexibility to continue funding our investments and operations. For FY2024, the Board declared a total dividend of 14.3 sen per share, exceeding the 80% minimum payout ratio, with RM1.65 billion distributed. The progress we have made

in our integration and transformation programme has laid a strong foundation for long-term profitable growth. Through these efforts, we achieved RM1.6 billion in net synergies for the year and are on track to realise annual cost savings of RM700-800 million post-2027.

Our financial stability is affirmed by an AAA credit rating on our debt programmes from both RAM and MARC. We were also recognised in *The Edge* Billion Ringgit Club (BRC) 2024 rankings for achieving the highest return on equity over three years in both the Super Big Cap Companies and Telecommunications & Media categories. These acknowledgements underscore our ability to remain a high investment-grade company for the long-term.

I am pleased to share that we are also on track to realise the full benefits of the merger as expected by shareholders. A detailed account of the company's business performance for the year is in the Chief

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Executive Officer's review on pages 12 to 15 of this report. We will continue raising the bar in delivering shareholder value in 2025 and beyond.

ACHIEVING OUR PURPOSE WITH RESPONSIBLE CORPORATE CITIZENSHIP

The Board remains steadfast in advancing Environmental, Social and Governance (ESG) standards within our operations and in corporate Malaysia and aim to be recognised as one of the nation's most trusted brands and top-performing companies in this area.

We strengthened our ESG strategy in 2024, driving our efforts in delivering safe and inclusive internet access, nurturing a sustainable value chain, instituting a governance and performance culture, and driving environmental impact and action. A detailed account of these efforts is in the Sustainability Statement section on pages 45 to 51 of this report. Apart from their own merits, I am proud that our efforts have also earned continued recognition. CelcomDigi achieved a 4-star rating in the FTSE4Good Bursa Malaysia Index and a medium-risk rating score of 23.7 under Sustainalytics, outperforming our peers. We were also honoured with the Best Corporate Responsibility Initiatives award in *The Edge* BRC and ranked in the top 20 in Overall Excellence at the National Corporate Governance and Sustainability Awards.

STRONG LEADERSHIP THROUGH CORPORATE GOVERNANCE

As a leading corporation, we are committed to the highest standards of governance, ethics and integrity, especially critical in today's digital world where trust and transparency are crucial. In 2024, we achieved 100% completion across the company for key training in cybersecurity, safety, compliance and ethics. We are also advancing inclusivity

and representation, with women now holding 37% of leadership roles with a goal of reaching 40% by 2028, reinforcing our commitment to creating a diverse and equitable workplace.

We regularly benchmark our corporate governance practices to uphold the highest industry standards, ensuring transparency and accountability across the organisation. A full disclosure of our initiatives is detailed in the Performance Review section on pages 64 to 111 of this report.

A PROMISING FUTURE AS MARKET LEADER

Malaysia's economic outlook for 2025 is cautiously optimistic, with the Malaysian government and central bank setting a growth target of between 4.5% and 5.5%, supported by resilient domestic spending, robust investment activities, increased exports and manageable inflation rates. The 5G landscape in Malaysia also continues to evolve. We acknowledge the government's decision on the second 5G network and continue to work with all stakeholders to make 5G adoption successful and drive the nation's transformation into a 5G-AI-powered society.

Looking ahead, we anticipate that the telecommunications industry will continue its current trajectory of rapid evolution, with the hypergrowth of AI driving new opportunities across all industry sectors and society. At the same time, we are cognizant of the risk of AI exponentially widening the digital divide, possibly even more than ever before. The responsibility for our industry is clear: AI growth must be balanced and inclusive, ensuring every citizen can continue to participate in the nation's digital future.

In closing, I take this opportunity to thank my esteemed colleagues on the Board, and former board members Deputy Chair

Haakon Bruaset Kjoel and Dr Shridhir Sariputta Hansa Wijayasuriya for their invaluable contributions during the year. We welcome to the Board our new Deputy Chair Jon Omund Revhaug and Nik Rizal Kamil Nik Ibrahim Kamil and look forward to learning and benefiting from their leadership and deep market experience. We were deeply saddened by the passing of our colleague and friend Jorgen Rostrup, the previous Deputy Chair, and remain grateful for his invaluable contributions during his time with us.

On behalf of the Board, I would like to express sincere gratitude to our customers, the government, regulators and all shareholders for your continued trust in CelcomDigi. I also wish to extend my heartfelt thanks to the Management team and all CDzens for their tireless dedication and contributions in 2024.

CelcomDigi stands at a pivotal moment in an evolving digital landscape. With strong leadership, a clear vision and a dedicated team, the Board is confident that we are poised to remain at the forefront of driving Malaysia's digital economy and delivering sustainable growth and value for all our stakeholders.

We look forward to engaging with our shareholders at our 28th Annual General Meeting (AGM), which will be held on 22 May 2025. Please see the details outlined in our Notice of AGM on pages 278 to 284.