

Chair of the Board's Statement

Dear Shareholders,

The establishment of CelcomDigi through the merger of Celcom and Digi was a major milestone not just for us, but also for Malaysia's digitalisation journey. Today, we are the nation's largest telecommunications operator and are proud to be among the top 10 largest companies by market capitalisation on Bursa Malaysia. We have the scale, experience, and resources to be the most trusted partner to consumers, businesses, and government by playing a significant part in driving the digitalisation growth that will propel Malaysia's economic competitiveness.

I am honoured and fully committed to being a part of this exciting journey with CelcomDigi Berhad, serving as the Chair of the Board of a genuinely unique and truly Malaysian market leader. Together with the backing of two global telecommunications giants, Axiata and Telenor, I am confident that we have what it takes to become a world-class digital telco. As a leading business institution, we also have a duty to drive the highest standards in sustainability and corporate governance, and to deliver healthy shareholder returns through focused and sustainable investment decisions. These are the priorities that I believe will enable CelcomDigi to deliver on its purpose of Advancing and Inspiring Society.

YM Tengku Dato' Sri Azmil Zahrudin
Raja Abdul Aziz

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



Chair of the Board's Statement

Developing CelcomDigi into a Top Telco-Tech Company

We are now ready to drive cutting-edge solutions, catalyse new growth opportunities for large enterprises and SMEs, and attract and partner with global digital giants in support of the JENDELA and MyDIGITAL aspirations. Through the establishment of CelcomDigi's Innovation Centre, we will play an active and vital role in providing world-class connectivity and customer platforms, while partnering with entrepreneurs and digital talents to develop innovations in automation, IoT, AI, and cyber resilience, among others. We believe this will position Malaysia for growth in the digital economy and establish us as a trusted ally in driving the nation's ambitions.

Sustaining Financial Strength to Deliver Healthy Shareholder Returns

For the financial year 2022, our focused execution of strategic priorities, solid balance sheet, and prudent financial management have led the Board to declare a net dividend per share of 12.2 sen, returning a total payout of RM1,071 million to shareholders and sustaining a near 100% dividend payout ratio.

Moving forward, we will endeavour to deliver strong and sustainable returns to shareholders, supported by significant synergies of our targeted RM8 billion in net present value over the next five years. We can also expect improvements in EBITDA and cash flow margins that will further strengthen our promise to provide sustainable shareholder returns.

Delivering on Business Commitments Responsibly

CelcomDigi is built on a solid reputation of responsible business leadership and has embedded sound ESG practices throughout our operations. We recorded several notable achievements in 2022, including ranking in the top 25 percentile of the FTSE4Good Bursa Malaysia Index;



maintaining an 'AA' rating in the MSCI ESG Ratings and a low-to-medium risk rating in Sustainalytics' ESG Risk Rating; attaining the gold standard at The Edge Malaysia's ESG Awards; and being listed in the Bloomberg Gender-Equality Index 2022. We have also been part of the CDP's (formerly known as Carbon Disclosure Project) voluntary environmental disclosure of carbon reporting since 2009.

The Board remains steadfast in maintaining our responsible business leadership in Malaysia and in continuing to raise ESG standards. This is reflected in our commitment to addressing ESG issues such as digital inclusion, privacy and data protection, human rights, and health and safety, as well as the impacts of climate change on our business and society. The Board also strives to utilise our breadth of expertise and resources to instil excellent ESG practices not only for ourselves, but also for the sector and beyond.

Committed to Upholding Good Corporate Governance

The Board members of CelcomDigi Berhad bring together a diversity of knowledge and skills, as well as a wealth of industry experience and independence, to drive our agenda and govern effectively. We acknowledge that CelcomDigi, as one of Malaysia's largest corporates, is expected to have strong and robust corporate governance and the highest standards of ethics and integrity.

Today, we have established a clear governance structure and framework, which serve as guidelines for all Directors in fulfilling our fiduciary obligations while responding strategically to economic and ESG matters. Additionally, through strong governance stewardship, the Board is fully aware of the duty it bears in ensuring that we continue to deliver on CelcomDigi's vision over the long term, as well as accelerating our growth trajectory and value creation for all stakeholders.

On behalf of the Board, I wish to express my appreciation to the government, regulators, and shareholders for your trust in the vision and formation of CelcomDigi. We also extend our deepest gratitude to the past Boards and Management teams of Celcom and Digi, as well as all CDzens, for your collective contribution to the companies' resilient performance and for seeing through the integration planning and completion of the merger in 2022.

We look forward to engaging with our shareholders on our future business plans at our 26th Annual General Meeting (AGM), which will be held virtually on 23 May 2023. Please see the details outlined in our Notice of AGM on pages 241 to 248.