axiata
advancing asia

GOVERNANCE & AUDITED FINANCIAL STATEMENTS 2019

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OTHER INFORMATION

Axiata's Integrated Annual Report 2019 Suite is made up of the following:

IAR Integrated Annual Report 2019

GAFS Governance & Audited Financial Statements 2019

SNCR Sustainability & National Contribution Report 2019

Governance

Governance & Compliance Information

Group Corporate Structure* as at 31 March 2020

AXIATA GROUP BERHAD

- Celcom Axiata Berhad *(Malaysia)*
  - Celcom Resources Berhad *(Malaysia)*
  - Celcom Networks Sdn Bhd *(Malaysia)*
  - Celcom Mobile Sdn Bhd *(Malaysia)*
  - Celcom Properties Sdn Bhd *(Malaysia)*
  - Celcom eCommerce Sdn Bhd *(Malaysia)*
  - Celcom Retail Holding Sdn Bhd *(Malaysia)*
    - Celcom Retail Sdn Bhd *(Malaysia)*
  - Celcom Timur (Sabah) Sdn Bhd *(Malaysia)* 80.00%
  - Tune Talk Sdn Bhd *(Malaysia)* 35.00%
  - Merchantrade Asia Sdn Bhd *(Malaysia)* 20.00%
  - Sacofa Sdn Bhd *(Malaysia)* 15.12%
- Axiata SPV1 (Labuan) Limited *(Labuan)*
- Axiata SPV2 Berhad *(Malaysia)*
- Axiata Management Services Sdn Bhd *(Malaysia)*
- Axiata Foundation# *(Malaysia)*
- Axiata Investments (UK) Limited *(United Kingdom)*
  - Reynolds Holdings Limited *(St. Kitts & Nevis)*
    - Ncell Private Limited *(Nepal)* 80.00%
- Axiata Business Services Sdn Bhd *(Malaysia)*
  - Xpand Investments (Labuan) Limited *(Labuan)*
    - Suvitech Co., Ltd *(Thailand)* 65.00%
  - Axiata Global Services Pte Ltd *(Singapore)*
- Axiata Investments (Singapore) Limited *(Labuan)*
- Axiata SPV4 Sdn Bhd *(Malaysia)*
  - Axiata Digital Innovation Fund Sdn Bhd *(Malaysia)* 62.19%
- Axiata Investments 1 (India) Limited *(Mauritius)*
  - Axiata Investments 2 (India) Limited *(Mauritius)*

Legend:

- * Depicting active subsidiaries, associates and affiliates
- ☐ Key Operating Companies
- ▶ Wholly-owned Subsidiaries
- ▶ Non wholly-owned Subsidiaries
- ▷ Associates/Affiliates
- ‡ Listed Companies
- # Company Limited by Guarantee

Note:

The complete list of subsidiaries, associates and joint ventures and their respective principal activities, country of incorporation and the Group's effective interest are shown in notes 44 to 46 to the financial statements on pages 172 to 180 of this Governance & Audited Financial Statements 2019.

Governance & Compliance Information

Group Corporate Structure* as at 31 March 2020

Axiata Digital Services Sdn Bhd (Malaysia) 96.47%

- Axiata Digital Advertising Sdn Bhd (Malaysia) 81.69%
- PT Axiata Digital Analytics Indonesia (Indonesia)
- PT Axiata Digital Services Indonesia (Indonesia)
- Axiata Digital Bangladesh (Private) Limited (Bangladesh)
- Axiata Digital Capital Sdn Bhd (Malaysia)
- PT Axiata Digital Capital Indonesia (Indonesia) 85%
- Axiata Digital eCode Sdn Bhd (Malaysia)
- Apigate Sdn Bhd (Malaysia)
- Apigate India Services Private Limited (India)
- Apigate Inc. (Formerly known as WSO2. Telco, Inc) (USA)
  - Apigate (Private) Limited(Formerly known as WSO2. Telco (Private) Limited) (Sri Lanka)

- ADA Digital Singapore Pte Ltd (Singapore)
- Adknowledge Asia Pacific (India) Private Limited (India)
- ADA Digital Philippines Inc. (Philippines) 99.99%
- ADA Asia Malaysia Sdn Bhd (Malaysia)
- PT ADA Asia Indonesia (Indonesia) 99.00%
- ADA Digital (Thailand) Co Ltd (Thailand) 99.85%

Axiata Investments (Cambodia) Limited (Labuan)

- Axiata (Cambodia) Holdings Limited (Labuan) 72.48%

Smart Axiata Co., Ltd (Cambodia)

- 95% 5% SmartLuy PLC (Cambodia)
- 20% 80% edotco (Cambodia) Co., Ltd (Cambodia)
- SADIF LP (Labuan) 80.00%
- 35.7% 34.3% edotco Bangladesh Co. Ltd (Bangladesh)
- 80% edotco Lao Company Limited (Laos)

edotco Group Sdn Bhd (Malaysia) 63.00%

- edotco Malaysia Sdn Bhd (Malaysia) 0.002% 79.998%
  - Tanjung Digital Sdn Bhd (Malaysia)
  - Yiked Bina Sdn Bhd (Malaysia)
  - 70% On Site Services Sdn Bhd (Malaysia)
- edotco Holdings (Labuan) Limited (Labuan)
- edotco Investments (Labuan) Limited (Labuan)
- edotco Services Lanka (Private) Limited (Sri Lanka)
- edotco Towers (Bangladesh) Limited (Bangladesh)
- edotco Pakistan (Private) Limited (Pakistan)
  - edotco Towers Pakistan (Private) Limited (Pakistan)
- 51% ISOC edotco Towers, Inc. (Philippines)
- edotco Investments Singapore Pte. Ltd. (Singapore) 87.50%
  - 99.00% Asian Towers Holdings Pte. Limited (Singapore)
  - 1.00% edotco Myanmar Limited (Myanmar)

Axiata Investments (Labuan) Limited (Labuan)

Axiata Investments (Indonesia) Sdn Bhd (Malaysia)

PT XL Axiata Tbk ‡ (Indonesia) 66.25%

- PT Princeton Digital Group Data Centres (Indonesia) 30.00%

Robi Axiata Limited (Bangladesh) 68.69%

- RedDot Digital Limited (Bangladesh)

- Axiata Lanka (Private) Limited (Sri Lanka)
- Axiata Digital Labs (Private) Limited (Sri Lanka)

Dialog Axiata PLC ‡ (Sri Lanka) 83.32%

- Telecard (Private) Limited (Sri Lanka)
- Digital Realty (Private) Limited (Sri Lanka) 35%
- Digital Health (Private) Limited (Sri Lanka) 53.20%
- Headstart (Private) Limited (Sri Lanka) 50.59%
- 25% Dialog Axiata Digital Innovation Fund (Private) Limited (Sri Lanka) 25%
- Dialog Broadband Networks (Private) Limited (Sri Lanka)
- Dialog Television (Private) Limited (Sri Lanka)
- Dialog Device Trading (Private) Limited (Sri Lanka)
- Dialog Business Services (Private) Limited (Sri Lanka)
- Dialog Finance PLC ‡ (Sri Lanka) 98.88%
- Digital Holdings Lanka (Private) Limited (Sri Lanka)
  - Dialog Network Services (Private) Limited (Sri Lanka)
  - Firstsource – Dialog Solutions (Private) Limited (Sri Lanka) 26.00%

Governance & Compliance Information
Profile of Directors

TAN SRI GHAZZALI SHEIKH ABDUL KHALID
Chairman
Non-Independent Non-Executive Director

Nationality / Age / Gender:
Malaysian / 74 / Male

Date of Appointment:
24 March 2008

Length of Service:
12 years

Date of Last Re-election:
29 May 2019

Membership of Board Committees:
- Nil

Qualifications:
- Degree in Economics, La Trobe University, Australia

Working Experience and Occupation:
Ghazzali was appointed as Axiata's Chairman on 1 November 2018, following a 10-year stint as Board Member since March 2008. Subsequent to his appointment as Axiata's Chairman, he relinquished his position as the Chairman of Board Nomination and Remuneration Committee of Axiata and Chairman of Robi in January 2019. He was re-designated from Independent Non-Executive Director ("**INED**") to Non-INED effective 24 March 2020.

Ghazzali has made his career as a diplomat since 1971 and became the Ambassador of Malaysia to USA in March 1999. Prior to his appointment to Washington, D.C., he served as Deputy Secretary-General at the Ministry of Foreign Affairs, Malaysia. Over the years, his overseas appointments have included postings to Austria, Germany, Hong Kong, Thailand, UK, Zimbabwe and the Permanent Mission of Malaysia to the United Nations in New York, USA. His last position before his retirement in September 2010 was as Ambassador-at-large of the Ministry of Foreign Affairs, Malaysia to which he was appointed in 2006.

Directorships of Public Companies:
Axiata Group
Listed
- Nil

Non-listed
- Axiata Foundation (Chairman)

Others
Listed
- Nil

Non-listed
- Nil

TAN SRI JAMALUDIN IBRAHIM
Managing Director/
President & Group Chief Executive Officer

Nationality / Age / Gender:
Malaysian / 61 / Male

Date of Appointment:
3 March 2008

Length of Service:
12 years

Date of Last Re-election:
29 May 2019

Membership of Board Committees:
- Board Risk and Compliance Committee
- Board Annual Report Committee

Qualifications:
- MBA, Portland State University, USA
- Bachelor of Science in Business Administration (Minor in Mathematics), California State University, USA

Working Experience and Occupation:
Jamaludin is Managing Director/President & Group Chief Executive Officer of Axiata Group Berhad, which he joined in March 2008. He has worked for about 38 years in the ICT industry – 16 years in IT and 22 years in telecommunications.

Jamaludin started his career as a lecturer in Quantitative Methods at California State University, USA in 1980.

He then spent 12 years in IBM (1981-1993), the first five years as Systems Engineer and then in various positions in Sales, Marketing and Management. In 1993, he was appointed Managing Director of Digital Equipment Malaysia (the Malaysian branch of Digital Equipment, then the second largest IT company worldwide).

Four years later, in 1997, Jamaludin joined Maxis Communications Berhad, and was appointed Chief Executive Officer in 1998. In 2006, he was re-designated Group Chief Executive Officer. He retired from Maxis in 2007.

Directorships of Public Companies:
Axiata Group
Listed
- XL
- Dialog (Alternate Director)

Non-listed
- Celcom (Chairman)
- Axiata Foundation

Others
Listed
- Nil

Non-listed
- GSM Association

Other Information:
Jamaludin earned the accolade of Malaysia's 'CEO of the Year 2000' by American Express & Business Times and was inducted into the Hall of Fame for 'Services to the Mobile Telecommunications Industry' by Asian Mobile News in 2004. He was also named 'Asian Mobile Operator CEO of the Year' by Asian Mobile News Awards 2007 and 'Telecommunications CEO of the Year' by Telecom Asia Awards 2010 and Frost & Sullivan Asia Pacific ICT Awards 2010. In 2014, he was named CEO of the Year at the MSWG-Asean Corporate Governance Transparency Index Awards.

He was also the recipient of the 2015 GSMA Chairman's Award which is the GSMA's most prestigious award and recognises outstanding personal contribution to the growth and development of mobile communications around the world.

In March 2020, Jamaludin was appointed as a member of the Economic Action Council established by the Government of Malaysia.

DATO' MOHD IZZADDIN IDRIS
Executive Director/
Deputy Group Chief Executive Officer

Nationality / Age / Gender:
Malaysian / 57 / Male

Date of Appointment:
24 November 2016

Length of Service:
3 years 4 months

Date of Last Re-election:
29 May 2019

Membership of Board Committees:
- Board Risk and Compliance Committee
- Board Annual Report Committee

Qualifications:
- Bachelor of Commerce Degree (First Class Honours in Finance), University of New South Wales, Australia
- Fellow of CPA Australia (FCPA)
- Member of the Malaysian Institute of Accountants (MIA)

Working Experience and Occupation:
Izzaddin was appointed as Executive Director/ Deputy Group Chief Executive Officer of Axiata Group Berhad on 24 January 2020. He joined the Board of Axiata in November 2016 as a Non-Independent Non-Executive Director and was re-designated as Independent Non-Executive Director in March 2019.

Prior to joining Axiata, Izzaddin was the Group Managing Director/Chief Executive Officer of UEM Group Berhad, a position he held since July 2009 until his departure in October 2018. Immediately before his position in UEM Group Berhad, he was the Chief Financial Officer/Senior Vice President (Group Finance) of Tenaga Nasional Berhad, a position he held from September 2004 to June 2009. Izzaddin has over 20 years of experience in the fields of investment banking, financial and general management having served in various senior positions at Malaysian International Merchant Bankers Berhad, Malaysian Resources Corporation Berhad and Southern Bank Berhad.

Directorships of Public Companies:
Axiata Group
Listed
- Dialog

Non-listed
- Celcom
- Robi (Chairman and Chairman of Board Remuneration Committee)

Others
Listed
- Nil

Non-listed
- The Iclif Leadership and Governance Centre

Governance & Compliance Information
Profile of Directors

DAVID LAU NAI PEK
Senior Independent Non-Executive Director

Nationality / Age / Gender:
Malaysian / 67 / Male

Date of Appointment:
23 April 2008

Length of Service:
12 years

Date of Last Re-election:
23 May 2018

Membership of Board Committees:
- Board Audit Committee (Chairman)
- Board Risk and Compliance Committee
- Board Annual Report Committee (Chairman)

Qualifications:
- Bachelor of Commerce, Canterbury University, New Zealand
- Member of the Malaysian Institute of Accountants
- Member of the Chartered Accountants Australia and New Zealand

Working Experience and Occupation:
David has over 35 years professional experience in finance and leading financial organisations in various locations in Australia, Brunei, China, Malaysia, New Zealand, Netherlands and UK. He retired from Shell Malaysia in August 2011 after serving the Shell Group for about 30 years. His major assignments include as the Finance Director for Shell Malaysia, Finance Director for Shell China, Global Controller for the Exploration & Production Division of Royal Dutch Shell and Vice-President, Finance for Shell International Exploration and Production B.V., the Netherlands. He has been appointed as Senior Independent Non-Executive Director since 1 November 2018.

Directorships of Public Companies:
Axiata Group
Listed
- Nil

Non-listed
- Celcom (Chairman of Board Audit Committee)

Others
Listed
- KKB Engineering Berhad

Non-listed
- Malaysia Airlines Berhad

Other Appointment:
Member of Investment Panel of Employees Provident Fund

DATO DR NIK RAMLAH NIK MAHMOOD
Independent Non-Executive Director

Nationality / Age / Gender:
Malaysian / 64 / Female

Date of Appointment:
21 March 2017

Length of Service:
3 years

Date of Last Re-election:
26 May 2017

Membership of Board Committees:
- Board Nomination and Remuneration Committee (Chairman)
- Board Risk and Compliance Committee

Qualifications:
- Bachelor of Law with Honours, University of Malaya
- Masters of Law and PhD in Law, University of London

Working Experience and Occupation:
Dr Nik Ramlah retired as Deputy Chief Executive of Securities Commission Malaysia (“**SC**”) in March 2016, having served the organisation for 23 years. She has extensive experience in policy and regulatory reform, capital market regulation, corporate governance and Islamic finance. Prior to joining the SC, Dr Nik Ramlah was an Associate Professor at the Faculty of Law, University of Malaya.

Dr Nik Ramlah is a member of the Board of Directors of Perbadanan Insurans Deposit Malaysia, the Securities Industry Development Corporation and Institute for Capital Market Research Malaysia. She is also a member of the Board of Directors and the Senate of the International Centre for Education in Islamic Finance (“**INCEIF**”).

Directorships of Public Companies:
Axiata Group
Listed
- Nil

Non-listed
- Nil

Others
Listed
- United Malacca Berhad

Non-listed
- Permodalan Nasional Berhad
- Amanah Saham Nasional Berhad

DR DAVID ROBERT DEAN
Independent Non-Executive Director

Nationality / Age / Gender:
British / 61 / Male

Date of Appointment:
11 December 2017

Length of Service:
2 years 3 months

Date of Last Re-election:
23 May 2018

Membership of Board Committees:
- Board Audit Committee
- Board Risk and Compliance Committee (Chairman)

Qualifications:
- First Class Honours Degree (BA) in Physics, Oriel College, University of Oxford
- Master of Arts in Physics, Oriel College, University of Oxford
- D.Phil. in Theoretical Nuclear Physics, Oriel and Wolfson Colleges, University of Oxford

Working Experience and Occupation:
Dr Dean is an independent advisor to several start-ups and larger companies. He retired as Senior Partner from The Boston Consulting Group (“**BCG**”) at the end of 2013 after 28 years, where he contributed significantly to the firm’s most innovative thinking in areas of Internet economy, cloud computing and personal data. He has executed projects in over 25 countries and served multinational clients in Europe, the US, Africa, India, China, South East Asia and Japan. For several years Dr Dean led BCG’s Global Technology & Communications Practice, during which time he helped create a leading position in Asia. He has extensive experience in serving leading telecommunication, Internet and technology companies, in particular on strategic, corporate development and other top management issues.

Dr Dean has also contributed to projects at The World Economic Forum and participated in multiple World Economic Forum events. He is a member of the Forum’s Global Future Council on the Digital Economy and Society. He is an active writer with “TMT Value Creators Report” and “The Connected World” just two of his notable publications.

Directorships of Public Companies:
Axiata Group
Listed
- XL

Non-listed
- Nil

Others
Listed
- Nil

Non-listed
- Nil

Governance & Compliance Information
Profile of Directors

KHOO GAIK BEE
Independent Non-Executive Director

Nationality / Age / Gender:
Malaysian / 62 / Female

Date of Appointment:
1 January 2019

Length of Service:
1 year 3 months

Date of Last Re-election:
29 May 2019

Membership of Board Committees:
- Board Nomination and Remuneration Committee

Qualifications:
- Degree in Public Administration majoring in Organisational Behaviour & Development, University of DeMontfort, Leicester, United Kingdom
- Human Resource Management in Asia, INSEAD

Working Experience and Occupation:
Gaik Bee brings a wealth of experience from a progressive 37-year career spanning the entire spectrum of Human Resource Management. She served at several international and Malaysian corporates including Digital Equipment Malaysia, ICI Paints (M) Sdn Bhd, Sunway Group of Companies, and Arthur Young & Co., among others, before retiring as Executive Director/ Human Resource Director of Guinness Anchor Berhad in 2006.

Some of her key achievements include successful merger and acquisition integration initiatives and negotiations with in-house unions. During her tenure in employment, she was a member of the Malaysian Employers Federation (“**MEF**”) Council and a panel member of the Malaysian Industrial Court. She was also a Member of the Accreditation Board of the Women Institute of Management (“**WIM**”) Professional Manager Certification Programme. Post retirement, she engages in executive coaching and strategic leadership for organisations, having also served Axiata in this capacity.

Directorships of Public Companies:
Axiata Group
Listed
- Nil

Non-listed
- Axiata Foundation

Others
Listed
- Nil

Non-listed
- Nil

THAYAPARAN S SANGARAPILLAI
Independent Non-Executive Director

Nationality / Age / Gender:
Malaysian / 65 / Male

Date of Appointment:
18 March 2020

Length of Service:
13 days

Date of Last Re-election:
N/A

Membership of Board Committees:
- Board Audit Committee

Qualifications:
- Fellow of the Institute of Chartered Accountants in England & Wales
- Member of the Malaysian Institute of Certified Public Accountants
- Member of the Malaysian Institute of Accountants

Working Experience and Occupation:
Thaya Sangarapillai was appointed to Axiata Group Berhad’s Board of Directors as well as a member of the Board Audit Committee on 18 March 2020. A retired Senior Partner with over 30 years in PricewaterhouseCoopers Malaysia, Thaya has worked extensively with Audit Committees, senior management and Board members of top tier Public Listed Companies across industries in audit, business advisory, mergers and acquisitions, valuations, IPOs and cross border transactions.

Additionally, Thaya is a Board member and Chairman of the Audit Committees of Sime Darby Berhad, Alliance Bank Malaysia Berhad and AIG (Malaysia) Berhad. Thaya also sits on the Risk Committees of these companies and chairs the Risk Committee of AIG (Malaysia) Berhad.

Directorships of Public Companies:
Axiata Group
Listed
- Nil

Non-listed
- Celcom
- Robi

Others
Listed
- Sime Darby Berhad
- Alliance Bank Malaysia Berhad

Non-listed
- AIG Malaysia Insurance Berhad

TENGKU DATO’ SRI AZMIL ZAHRUDDIN RAJA ABDUL AZIZ
Non-Independent Non-Executive Director
(Representative of Khazanah)

Nationality / Age / Gender:
Malaysian / 49 / Male

Date of Appointment:
12 January 2018

Length of Service:
2 years 2 months

Date of Last Re-election:
23 May 2018

Membership of Board Committees:
- Board Nomination and Remuneration Committee

Qualifications:
- First Class Degree in Economics, University of Cambridge
- Member of the Malaysian Institute of Accountants MIA
- Member of Institute of Chartered Accountants in England and Wales
- Associate of the Association of Corporate Treasurers, United Kingdom

Working Experience and Occupation:
Tengku Azmil joined Khazanah as Executive Director of Investments in October 2011. He is now a Deputy Managing Director, overseeing the Commercial Fund within Khazanah’s investment portfolio.

Prior to joining Khazanah, he was the Managing Director/Chief Executive Officer of Malaysia Airlines Berhad. He joined Malaysia Airlines Berhad as Executive Director/Chief Financial Officer in August 2005 after having served as a Non-Executive Director since August 2004. Before that, he was the Chief Financial Officer and then Managing Director/Chief Executive Officer of Penerbangan Malaysia Berhad. He was also with PricewaterhouseCoopers in their London and Hong Kong offices.

Directorships of Public Companies:
Axiata Group
Listed
- Nil

Non-listed
- Nil

Others
Listed
- Nil

Non-listed
- UEM Group Berhad (Chairman)

Governance & Compliance Information

Profile of Directors

ONG KING HOW
Alternate Director to Tengku Dato' Sri Azmil Zahruddin Bin Raja Abdul Aziz

Nationality / Age / Gender:
Malaysian / 45 / Male

Date of Appointment:
27 November 2019

Length of Service:
4 months

Date of Last Re-election:
N/A

Membership of Board Committees:
- NIL

Qualifications:
- Bachelor of Business (Accountancy) with Distinction from RMIT University, Melbourne, Australia
- Certified Practising Accountant (CPA Australia)

Working Experience and Occupation:
King How is currently Director of Investments at Khazanah where his primary responsibility includes managing investment teams in Telecommunications and Media sectors. He first joined Khazanah's Managing Director's Office in November 2006 and has held various positions in Khazanah's Investments division across multiple sectors including Banking, Telecommunications, Media and Power since February 2008.

Prior to Khazanah, he was with PricewaterhouseCoopers Kuala Lumpur and accumulated more than seven years' experience in financial audit, accounting, advisory and financial due diligence specialising in financial services.

Directorships of Public Companies:
Axiata Group
Listed
- Nil

Non-listed
- Nil

Others
Listed
- Nil

Non-listed
- Nil

Notes:
None of the Directors have:
(i) any family relationship with any Director and/or major shareholder of Axiata.
(ii) any conflict of interest with Axiata.
(iii) any conviction for offences within the past five years and particulars of any public sanction or penalty imposed on them by the relevant regulatory bodies during the financial year ended 31 December 2019 (*other than traffic offences).
(iv) Information on Directors' attendance at Board meetings held during the financial year is disclosed on page 78 of the Integrated Annual Report 2019.

Governance & Compliance Information
Board Remuneration

Breakdown of the aggregated remuneration of NEDs of Axiata into appropriate components including remuneration for services rendered by them to Axiata Group FY19 is set out below:-

	Axiata			Subsidiaries		Total
Name of Director	Fees (RM'000)	Meeting Allowances[a] (RM'000)	Monetary Value of Benefits-in-Kind (RM'000)	Fees (RM'000)	Meeting Allowances (RM'000)	(RM'000)
Tan Sri Ghazzali Sheikh Abdul Khalid[a]	360	90	67	19	0	536
David Lau Nai Pek[b]	288	98	78	156	29	649
Dato' Mohd Izzaddin Idris[c, d]	264	98	17	160	26	565
Dato Dr Nik Ramlah Nik Mahmood[e]	254	72	85	72	7	490
Dr David Robert Dean[f]	264	86	139	401	24	914
Dr Muhamad Chatib Basri[g]	228	62	45	422	15	772
Dr Lisa Lim Poh Lin[h]	240	56	132	0	0	428
Khoo Gaik Bee[i]	249	65	34	0	0	348
Tengku Dato' Sri Azmil Zahruddin Raja Abdul Aziz[j]	250	70	1	0	0	321
Ong King How[k]	0	0	0	0	0	0
Total	**2,397**	**697**	**598**	**1,230**	**101**	**5,023**

a Fees from subsidiaries – Robi and Ncell. Resigned as Director of Robi and Ncell in January 2019.
b Fees and Meeting Allowances from subsidiaries – Celcom, Smart and edotco
c Fees and Meeting Allowances from subsidiaries – Robi
d Fees and Meeting Allowances from subsidiary – Dialog
e Fees and Meeting Allowances from subsidiary – edotco
f Fees and Meeting Allowances from subsidiary – XL and Ncell
g Fees and Meeting Allowances from subsidiary – XL; Resigned on 13 December 2019
h Resigned on 26 February 2020
i Appointed on 1 January 2019
j Fees and Meeting Allowances paid directly to Khazanah
k Appointed as Alternate Director to Tengku Dato' Sri Azmil Zahruddin Raja Abdul Aziz on 27 November 2019

Executive Director
Breakdown of the aggregated remuneration of Tan Sri Jamaludin Ibrahim for FY19 into appropriate components is set out below:-

	(RM'000)
a. Salaries, Allowances and Bonus	6,471
b. Benefits (Contribution to EPF, ESOS and RSA and Monetary Value of Benefits-in-Kind)	3,659

Governance & Compliance Information
Directors' Training List 2019

Director	List of Training/Conference/Seminar/Workshop Attended/Participated in 2019
Tan Sri Ghazzali Sheikh Abdul Khalid	1) Talk on "Opportunity to Change the World via Tech Startups Investment in Emerging Markets/South-South Countries by Mr. Mohd Atasha Alias, CEO of Foxymaju & Co., Ambank Group Kuala Lumpur, 20 June 2019. 2) 33rd Asia-Pacific Roundtable (APR) by Institute of Strategic and International Studies (ISIS) Malaysia, Hilton KL, 25 June 2019. 3) Telco Primer Workshop "Essentials of Telecoms" by Dr Jeffrey Bannister, Senior Consultant & Chief Technology Officer, Orbitage Sdn Bhd, Axiata, Kuala Lumpur, 3 & 4 July 2019. 4) Axiata Mid-Year Board Strategy Retreat "Industry Outlook & Analyst Expectations" by Sachin Salgaonkar, Director-Telcos, Media & Internet Analyst, Bank of America Merrill Lynch, EQ Hotel Kuala Lumpur, 19 July 2019. 5) Axiata Mid-Year Board Strategy Retreat "Enterprise Business Expectations" by Dr Patrick Sim, Senior Vice President, Asia Pacific, Orange Business Services, EQ Hotel Kuala Lumpur, 19 July 2019. 6) Axiata Mid-Year Board Strategy Retreat "New Business Models for Disruptive Digital Telcos" by Ashraf M. Dahod, Altiostar, President & Chief Executive Officer, Altiostar Networks Inc., EQ Hotel Kuala Lumpur, 20 July 2019. 7) Anti-Corruption & Integrity Forum 2019 organised by ARAM Global Sdn Bhd in collaboration with The Malaysian Institute of Integrity, Hotel Istana, Kuala Lumpur, 17 September 2019. 8) The US-China Trade War: Implications & Opportunities for Business Seminar organised by Wong & Partners, The Gardens South Tower, 26 September 2019. 9) Khazanah Megatrends Forum 2019 "From the past to the future, building our collective brain" by Khazanah Nasional Berhad, Mandarin Oriental Hotel, Kuala Lumpur, 7-8 October 2019. 10) ICDM's International Directors Summit 2019: "The Trust Compass, Resetting the Course" organised by Institute of Corporate Directors Malaysia, Shangri-La Hotel, Kuala Lumpur, 14 & 15 October 2019. 11) Budget 2020: Luncheon with YB Tuan Lim Guan Eng by AMCHAM Malaysia, Sheraton Imperial Hotel, Kuala Lumpur, 15 October 2019. 12) Re-Run of Programme: Raising Defences – Section 17A, Malaysian Anti-Corruption Commission Act 2009 ("**MACC**"). organised by Iclif Learning Centre, Grand Millenium Hotel, Kuala Lumpur, 17 October 2019. 13) ISIS Prexis Conference: "Malaysia Beyond 2020", Hilton Kuala Lumpur, 21 & 22 October 2019. 14) PNB Corporate Summit 2019 "Rebooting Corporate Malaysia" organised by PNB Research Institute, Mandarin Oriental Hotel, Kuala Lumpur, 30 October 2019. 15) Culture-Proofing Organisations in the Digital Era: Creating the Right Culture for Sustainable Growth organised by Iclif, Iclif Learning Centre, Kuala Lumpur, 12 November 2019. 16) ASEAN Sustainable Development Summit 2019 "The Future Together: Deepening Partnership for the Sustainable Development Goals" organised by Asian Strategy & Leadership Institute (ASLI), Sunway Resort Hotel & Spa, Petaling Jaya, 18 November 2019. 17) Briefing on Section 17A, MACC by Khoo Guan Huat, Partner, SKRINE, The Iclif Leadership and Governance Centre, EQ Hotel Kuala Lumpur, 27 November 2019.
Tan Sri Jamaludin Ibrahim	1) Mobile World Congress Opening and Keynote 2019, Barcelona, 25 February 2019. 2) Axiata Senior Leadership Conference 2019 "Getting Ahead of the Game – Leveraging Technology Trends in 2019" by Jan Metzger, Head of Asia Pacific Corporate and Investment Banking, Citi, Angsana Laguna Phuket, Thailand, 12 & 13 March 2019. 3) Invest Malaysia Conference by Bursa Malaysia, Shangri-La, Kuala Lumpur, 19 March 2019. 4) Microsoft CEO Summit by Microsoft, Seattle, Washington, 14 – 16 May 2019. 5) Axiata Mid-Year Board Strategy Retreat "Industry Outlook & Analyst Expectations" by Sachin Salgaonkar, Director-Telcos, Media & Internet Analyst, Bank of America Merrill Lynch, EQ Hotel Kuala Lumpur, 19 July 2019. 6) Axiata Mid-Year Board Strategy Retreat "Enterprise Business Expectations" by Dr Patrick Sim, Senior Vice President, Asia Pacific, Orange Business Services, EQ Hotel Kuala Lumpur, 19 July 2019. 7) Axiata Mid-Year Board Strategy Retreat "New Business Models for Disruptive Digital Telcos" by Ashraf M. Dahod, Altiostar, President & Chief Executive Officer, Altiostar Networks Inc., EQ Hotel Kuala Lumpur, 20 July 2019. 8) Axiata Pre-Board Meeting "Norwegian Business Culture" by Boston Consulting Group, Boardroom, Axiata, 5 August 2019. 9) Khazanah Megatrends Forum 2019 "From the past to the future, building our collective brain" by Khazanah Nasional Berhad, Mandarin Oriental Hotel, Kuala Lumpur, 7-8 October 2019. 10) Briefing on Section 17A, MACC by Khoo Guan Huat, Partner, SKRINE, The Iclif Leadership and Governance Centre, EQ Hotel Kuala Lumpur, 27 November 2019.
Dato' Mohd Izzaddin Idris	1) Telco Primer Workshop "Essentials of Telecoms" by Dr Jeffrey Bannister, Senior Consultant & Chief Technology Officer, Orbitage Sdn Bhd, Axiata, Kuala Lumpur, 3 & 4 July 2019. 2) Axiata Mid-Year Board Strategy Retreat "Industry Outlook & Analyst Expectations" by Sachin Salgaonkar, Director-Telcos, Media & Internet Analyst, Bank of America Merrill Lynch, EQ Hotel Kuala Lumpur, 19 July 2019. 3) Axiata Mid-Year Board Strategy Retreat "Enterprise Business Expectations" by Dr Patrick Sim, Senior Vice President, Asia Pacific, Orange Business Services, EQ Hotel Kuala Lumpur, 19 July 2019. 4) Axiata Mid-Year Board Strategy Retreat "New Business Models for Disruptive Digital Telcos" by Ashraf M. Dahod, Altiostar, President & Chief Executive Officer, Altiostar Networks Inc., EQ Hotel Kuala Lumpur, 20 July 2019. 5) The Raising Defences: Section 17A, MACC organised by The Iclif Leadership and Governance Centre (Iclif), Grand Millennium Hotel Kuala Lumpur, 17 October 2019. 6) Briefing on Section 17A, MACC by Khoo Guan Huat, Partner, SKRINE, The Iclif Leadership and Governance Centre, EQ Hotel Kuala Lumpur, 27 November 2019.

Governance & Compliance Information
Directors' Training List 2019

Director	List of Training/Conference/Seminar/Workshop Attended/Participated in 2019
David Lau Nai Pek	1) Telco Primer Workshop "Essentials of Telecoms" by Dr Jeffrey Bannister, Senior Consultant & Chief Technology Officer, Orbitage Sdn Bhd, Axiata, Kuala Lumpur, 3 & 4 July 2019. 2) Axiata Mid-Year Board Strategy Retreat "Industry Outlook & Analyst Expectations" by Sachin Salgaonkar, Director-Telcos, Media & Internet Analyst, Bank of America Merrill Lynch, EQ Hotel Kuala Lumpur, 19 July 2019. 3) Axiata Mid-Year Board Strategy Retreat "Enterprise Business Expectations" by Dr Patrick Sim, Senior Vice President, Asia Pacific, Orange Business Services, EQ Hotel Kuala Lumpur, 19 July 2019. 4) Axiata Mid-Year Board Strategy Retreat "New Business Models for Disruptive Digital Telcos" by Ashraf M. Dahod, Altiostar, President & Chief Executive Officer, Altiostar Networks Inc., EQ Hotel Kuala Lumpur, 20 July 2019. 5) Briefing on Section 17A, MACC by Khoo Guan Huat, Partner, SKRINE, The Iclif Leadership and Governance Centre, EQ Hotel Kuala Lumpur, 27 November 2019.
Dato Dr Nik Ramlah Nik Mahmood	1) CEO Forum "Accelerating IR 4.0 for Malaysia" by Perdana Leadership Forum, Berjaya Times Square Hotel, 4 April 2019. 2) Future Business Ideas "Business Innovation Re-Imagined" by SIDC, Securities Commission Malaysia, 24 April 2019. 3) Fintech Lanscape in Malaysia by PIDM, Axiata Tower, 29 March 2019. 4) CG Watch - How Does Malaysia Rank? by ICLIF, Lanai Kijang, 3 May 2019. 5) Shifting Tides, The Future of Finance, Malaysian Tech Week by Bank Negara Malaysia, Sasana Kijang, on 17-18 June 2019. 6) Telco Primer Workshop "Essentials of Telecoms" by Dr Jeffrey Bannister, Senior Consultant & Chief Technology Officer, Orbitage Sdn Bhd, Axiata, Kuala Lumpur, 3 & 4 July 2019. 7) Axiata Cybersecurity Forum, Aloft Hotel, Kuala Lumpur, 10 July 2019. 8) Axiata Mid-Year Board Strategy Retreat "Industry Outlook & Analyst Expectations" by Sachin Salgaonkar, Director-Telcos, Media & Internet Analyst, Bank of America Merrill Lynch, EQ Hotel Kuala Lumpur, 19 July 2019. 9) Axiata Mid-Year Board Strategy Retreat "Enterprise Business Expectations" by Dr Patrick Sim, Senior Vice President, Asia Pacific, Orange Business Services, EQ Hotel Kuala Lumpur, 19 July 2019. 10) Axiata Mid-Year Board Strategy Retreat "New Business Models for Disruptive Digital Telcos" by Ashraf M. Dahod, Altiostar, President & Chief Executive Officer, Altiostar Networks Inc., EQ Hotel Kuala Lumpur, 20 July 2019. 11) ASEAN Business Council Dialogue - Indonesia's Political Economy and Outlook in ASEAN, Kuala Lumpur, 3 October 2019. 12) Khazanah Megatrends Forum 2019 "From the past to the future, building our collective brain" by Khazanah Nasional Berhad, Mandarin Oriental Hotel, Kuala Lumpur, 7-8 October 2019. 13) PNB Corporate Summit - Rebooting Corporate Malaysia, Kuala Lumpur, 30 October 2019. 14) SC Fintech Conference, Kuala Lumpur, 22-23 October 2019. 15) YTI Memorial Lecture - The Diverse Facets of Leadership, Kuala Lumpur, 19 November 2019. 16) Briefing on Section 17A, MACC by Khoo Guan Huat, Partner, SKRINE, The Iclif Leadership and Governance Centre, EQ Hotel Kuala Lumpur, 27 November 2019.
Dr David Robert Dean	1) TMT Forum's Telecom Transformation conference by TM Forum USA, Nice Acropolis, France, 13-16 May 2019. 2) Axiata Mid-Year Board Strategy Retreat "Industry Outlook & Analyst Expectations" by Sachin Salgaonkar, Director-Telcos, Media & Internet Analyst, Bank of America Merrill Lynch, EQ Hotel Kuala Lumpur, 19 July 2019. 3) Axiata Mid-Year Board Strategy Retreat "Enterprise Business Expectations" by Dr Patrick Sim, Senior Vice President, Asia Pacific, Orange Business Services, EQ Hotel Kuala Lumpur, 19 July 2019. 4) Axiata Mid-Year Board Strategy Retreat "New Business Models for Disruptive Digital Telcos" by Ashraf M. Dahod, Altiostar, President & Chief Executive Officer, Altiostar Networks Inc., EQ Hotel Kuala Lumpur, 20 July 2019. 5) Briefing on Section 17A, MACC by Khoo Guan Huat, Partner, SKRINE, The Iclif Leadership and Governance Centre, EQ Hotel Kuala Lumpur, 27 November 2019.
Tengku Dato' Sri Azmil Zahruddin Raja Abdul Aziz	1) A Boardroom Colloquium on Innovation Governance by MeLearn Global, Royale Chulan, Kuala Lumpur, 13 February 2019. 2) Invest Malaysia 2019 by Bursa Malaysia, , Kuala Lumpur, 19 March 2019. 3) BattleFin New York - Alternative Data Discovery Day by BattleFin & Jefferies, New York ,19 June 2019. 4) Investment Management Workshop by Harvard Business School, 23 June 2019. 5) Axiata Mid-Year Board Strategy Retreat "Industry Outlook & Analyst Expectations" by Sachin Salgaonkar, Director-Telcos, Media & Internet Analyst, Bank of America Merrill Lynch, Kuala Lumpur, 19 July 2019. 6) Axiata Mid-Year Board Strategy Retreat "Enterprise Business Expectations" by Dr Patrick Sim, Senior Vice President, Asia Pacific, Orange Business Services, Kuala Lumpur, 19 July 2019. 7) Axiata Mid-Year Board Strategy Retreat "New Business Models for Disruptive Digital Telcos" by Ashraf M. Dahod, Altiostar, President & Chief Executive Officer, Altiostar Networks Inc., Kuala Lumpur, 20 July 2019. 8) Alumni Alliance Conference "The future of work", Sasana Kijang, Kuala Lumpur, 6 July 2019. 9) SuperReturn Asia, Hong Kong, 24 – 26 September 2019. 10) Khazanah Megatrends Forum 2019 "From the past to the future, building our collective brain" by Khazanah Nasional Berhad, Kuala Lumpur, 7-8 October 2019. 11) Malaysia Post Budget 2020 Forum, Kuala Lumpur, 14 October 2019. 12) Briefing on Section 17A, MACC by Khoo Guan Huat, Partner, SKRINE, Kuala Lumpur, 27 November 2019.

Governance & Compliance Information
Directors' Training List 2019

Director	List of Training/Conference/Seminar/Workshop Attended/Participated in 2019
Khoo Gaik Bee	1) Boardroom 4.0 organised by Marcus Evans Conference, Grand Millennium Hotel, Kuala Lumpur, 18 & 19 February 2019. 2) Mandatory Accreditation Programme for Directors of Public Listed Companies by Iclif, Kuala Lumpur, 28 February - 1 March 2019. 3) "Revisiting the Misconception of Board Remuneration" by Mark Reid, Global Head of Reward, Willis Tower Watson, UK. Organised by Institute of Corporate Directors Malaysia (ICDM), Sasana Kijang, 13 March 2019. 4) Axiata New Board Members Induction, Level 7, Axiata HQ, 20 and 29 March 2019. 5) GSMA Mobile World Congress, Shanghai, 26 – 28 June 2019. 6) Telco Primer Workshop "Essentials of Telecoms" by Dr Jeffrey Bannister, Senior Consultant & Chief Technology Officer, Orbitage Sdn Bhd, Axiata, Kuala Lumpur, 3 & 4 July 2019. 7) Axiata Mid-Year Board Strategy Retreat "Industry Outlook & Analyst Expectations" by Sachin Salgaonkar, Director-Telcos, Media & Internet Analyst, Bank of America Merrill Lynch, EQ Hotel Kuala Lumpur, 19 July 2019. 8) Axiata Mid-Year Board Strategy Retreat "Enterprise Business Expectations" by Dr Patrick Sim, Senior Vice President, Asia Pacific, Orange Business Services, EQ Hotel Kuala Lumpur, 19 July 2019. 9) Axiata Mid-Year Board Strategy Retreat "New Business Models for Disruptive Digital Telcos" by Ashraf M. Dahod, Altiostar, President & Chief Executive Officer, Altiostar Networks Inc., EQ Hotel Kuala Lumpur, 20 July 2019. 10) Briefing on Section 17A, MACC by Khoo Guan Huat, Partner, SKRINE, The Iclif Leadership and Governance Centre, EQ Hotel Kuala Lumpur, 27 November 2019.
Ong King How [Alternate Director to Tengku Dato' Sri Azmil Zahruddin Raja Abdul Aziz]	1) Firms in Transformation by Yves Morieux, Senior Partner & Managing Director of BCG Dubai, Mercu UEM Kuala Lumpur, 14 June 2019. 2) M365 Microsoft PowerApps Training – Build your own Apps! by Khazanah Nasional Berhad Kuala Lumpur, 19 June 2019. 3) Axiata Mid-Year Board Strategy Retreat "Industry Outlook & Analyst Expectations" by Sachin Salgaonkar, Director-Telcos, Media & Internet Analyst, Bank of America Merrill Lynch, EQ Hotel Kuala Lumpur, 19 July 2019. 4) Axiata Mid-Year Board Strategy Retreat "Enterprise Business Expectations" by Dr Patrick Sim, Senior Vice President, Asia Pacific, Orange Business Services, EQ Hotel Kuala Lumpur, 19 July 2019. 5) Axiata Mid-Year Board Strategy Retreat "New Business Models for Disruptive Digital Telcos" by Ashraf M. Dahod, Altiostar, President & Chief Executive Officer, Altiostar Networks Inc., EQ Hotel Kuala Lumpur, 20 July 2019. 6) Khazanah Integrity Event – An Integrity Journey by Firdaus Ramlan CJ Global Ventures, Mercu UEM Kuala Lumpur, 5 September 2019. 7) Private Equity Teach-In Series 1: by Tim Dattels, Managing Partner, Zubin Irani, Partner Head of Asia Operations Group and Ganen Sarvanathan, Co-Managing Partner of TPG Asia, Khazanah Nasional Berhad Kuala Lumpur, 17 September 2019. 8) Khazanah Megatrends Forum 2019 by Khazanah Nasional Berhad, Mandarin Oriental Kuala Lumpur, 7 – 8 October 2019. 9) Briefing on Section 17A, MACC by Khoo Guan Huat, Partner, SKRINE, The Iclif Leadership and Governance Centre, EQ Hotel Kuala Lumpur, 27 November 2019.

Governance & Compliance Information
Profile of Group Senior Leadership Team

TAN SRI JAMALUDIN IBRAHIM
Managing Director/
President & Group Chief Executive Officer

Please refer to page 4

DATO' MOHD IZZADDIN IDRIS
Executive Director/
Deputy Group Chief Executive Officer

Please refer to page 4

DR HANS WIJAYASURIYA
Chief Executive Officer – Telecommunications Business/Group Executive Vice President

Nationality / Age / Gender:
Sri Lankan / 51 / Male

Date of Appointment to Current Position:
24 January 2020

Length of Service at Axiata:
26 years 2 months

Portfolio:
- Telecommunications Business – ASEAN & South Asia Regions

Academic/Professional Qualification(s):
- Degree in Electrical and Electronic Engineering, University of Cambridge
- MBA, University of Warwick, UK
- PhD in Digital Mobile Communications, University of Bristol
- Chartered Engineer and Fellow of the Institute of Engineering Technology UK

Working Experience:
In line with Axiata's regional expansion in the South Asia region, Hans was appointed as Corporate Executive Vice President & Regional Chief Executive Officer, South Asia Operations in January 2016. Up to the end of 2016, Hans also functioned as the Group CEO of Dialog Axiata PLC ("Dialog"), Sri Lanka. He joined Dialog's founding management team in 1994 and took on the role of CEO in 1997. From 2012 till 2014, Hans was also the founding CEO of Axiata Digital Services Sdn Bhd.

Directorships of Public Companies:
Axiata Group
Listed
- Dialog

Non-listed
- Robi

Others
Listed
- John Keells Holdings PLC

Governance & Compliance Information
Profile of Group Senior Leadership Team

THOMAS HUNDT
Group Executive Vice President – Technology/ Chief Executive Officer Smart Axiata Co., Ltd.

Nationality / Age / Gender:
German / 42 / Male

Date of Appointment to Current Position:
24 January 2020

Date of Appointment as CEO, Smart Axiata Co., Ltd.:
19 February 2013

Length of Service at Axiata:
11 years 8 months

Department/Portfolio:
Group Technology

Academic/Professional Qualification(s):
- Siemens AG "Stammhauslehre", Siemens Zweigniederlassung Leipzig, Germany
- IHK Industrial Business Administration

Working Experience:
Thomas was appointed Axiata Group Berhad's Group Executive Vice President for Technology in January 2020. He also serves as CEO of Smart Axiata in Cambodia, a role which he continues to hold in addition to his new portfolio. Thomas has gained vast experience in the telecommunications industry during his tenure in key management positions with Siemens AG's Communication Division and Nokia Siemens Networks. Thomas was also a member of the Supervisory Board of Azerfon in Azerbaijan. Since mid-2008, he has been the CEO of Smart Mobile, now known as Smart Axiata, which he grew from Greenfield, number eight position in the market to market leader position, including through the acquisition of Star-Cell in 2011 and the merger with Hello Axiata in 2013. Since then, Thomas has been instrumental in Smart's strong leadership in Cambodia.

DARKE M SANI
Group Chief Human Resources Officer

Nationality / Age / Gender:
Singaporean / 64 / Male

Date of Appointment to Executive Position:
1 June 2011

Length of Service at Axiata:
8 years 9 months

Department/Portfolio:
- Human Resources
- Organisational Development
- Facility Management

Academic/Professional Qualification(s):
- Bachelor's Degree in Civil Engineering from the National University of Singapore

Working Experience:
Darke has had over 30 years' experience both in Malaysia and in the South Asia region, having held several senior positions in multinational companies and large local companies. These include Managing Director of South East Asia and India of Apple Inc, Managing Director (Singapore) of Digital Equipment Corporation (later became part of Hewlett-Packard) and Managing Director of Enterprise Business of Maxis Communications at Malaysia. Prior to joining Axiata in 2011, he was a director of a leadership development and management consulting company.

VIVEK SOOD
Group Chief Financial Officer

Nationality / Age / Gender:
Indian / 55 / Male

Date of Appointment to Current Position:
3 April 2017

Length of Service at Axiata:
2 years 11 months

Department/Portfolio:
- Strategic Finance, Financial Planning & Analysis
- Investor Relation
- Treasury & Corporate Finance
- Tax
- Accounts Operation
- Financial System
- Strategic Cost Management
- Procurement

Academic/Professional Qualification(s):
- Bachelor in Commerce and Qualified Chartered Accountant India
- Accountancy and Audit Training in PricewaterhouseCoopers PLT

Working Experience:
Vivek was the Executive Vice President and Group Chief Marketing Officer of Telenor Group Inc. Prior to this he has held positions as CFO and subsequently CEO of Telenor India, CEO of Grameenphone (Bangladesh) and COO and CFO of Tata AIA Life Insurance.

Directorships of Public Companies:
Axiata Group
Listed
- XL
- Dialog

Non-listed
- Robi

Governance & Compliance Information
Profile of Group Senior Leadership Team

AZWAN KHAN OSMAN KHAN
Deputy Group Chief Financial Officer

Nationality / Age / Gender:
Malaysian / 50 / Male

Date of Appointment to Executive Position:
1 November 2018

Length of Service at Axiata:
14 years 9 months

Department/Portfolio:
- Group Finance

Academic/Professional Qualification(s):
- Degree in Engineering, Imperial College London

Working Experience:
Azwan was appointed as Deputy CEO in November 2018, after serving two years as Deputy CEO in Celcom Axiata Bhd. He was previously Group Chief Operating Officer in Axiata's Sri Lankan operating company, Dialog, and prior to that he has served as Axiata's Group Chief Strategy Officer, and Celcom's Chief Strategy Officer. Before joining the Group, he has also worked in Boston Consulting Group and Shell Malaysia.

* *Resigned as Deputy Group Chief Financial Officer with effect from 15 April 2020*

DATIN SRI BADRUNNISA MOHD YASIN KHAN
Group Chief, Axiata Learning

Nationality / Age / Gender:
Malaysian / 60 / Female

Date of Appointment to Executive Position:
10 June 2019

Length of Service at Axiata:
11 years 11 months

Department/Portfolio:
- Organisational Development
- Talent Management
- Learning & Development
- Corporate Responsibility

Academic/Professional Qualification(s):
- Bachelor of Science (Honours) in Biochemistry and Pharmacology, University of Aston, Birmingham, UK

Working Experience:
Badrunnisa has had over 31 years of working experience. Her career has predominantly been with Shell in Malaysia with the first half focusing on IT software application and the second half in Human Resources, where her last stint was in a global position reporting to Shell Group HR. Before Axiata, she was with Telekom Malaysia Berhad where she was General Manager, Leadership & Talent Management, Group HR. She was also the Head of Group Human Resources in Axiata before the function was split to allow her to focus on Talent Management across the Group.

* *Retired as Group Chief, Axiata Learning with effect from 1 April 2020*

ANNIS SHEIKH MOHAMED
Group Chief Corporate Development Officer

Nationality / Age / Gender:
Malaysian / 48 / Male

Date of Appointment to Executive Position:
1 July 2011

Length of Service at Axiata:
8 years 8 months

Department/Portfolio:
- Corporate Development

Academic/Professional Qualification(s):
- Bachelor's in Business Administration (Hons), majoring in Finance, Investment and Banking, University of Wisconsin-Madison, USA

Working Experience:
Annis has close to 18 years' experience in the banking industry with extensive knowledge and experience in the areas of financial advisory, structured finance, acquisition finance and project finance. He started his career at Citibank Berhad and later joined Macquarie Malaysia and RHB Sakura Merchant Bankers Bhd. His last position before joining Axiata was Chief Officer & Head of Investment Banking in Kuwait Finance House (Malaysia) Berhad (KFHMB).

Governance & Compliance Information
Profile of Group Senior Leadership Team

ANTHONY RODRIGO
Group Chief Information Officer

Nationality / Age / Gender:
Sri Lankan / 52 / Male

Date of Appointment to Executive Position:
1 August 2017

Length of Service at Axiata:
9 years 6 months

Department/Portfolio:
- Information Technology

Academic/Professional Qualification(s):
- B.Eng from Kings College London
- MBA from Regis University Denver, CO. USA

Working Experience:
Anthony has been with Axiata Group of companies since 2010 as Chief Information Officer (CIO) of Dialog Axiata. Anthony was appointed Axiata Group Berhad's Group CIO in 2017. He also continues to serve Dialog Axiata in Sri Lanka as Chief Innovation Officer and Chief Architect. Anthony has gained vast experience in the telecommunications and software industries with Nokia, Nokia Siemens Networks, & British Telecom. Prior to joining Dialog, Anthony was the Head of the North America Systems Integration Business for Nokia Siemens Networks. He holds several European and United States Patents in the area of Charging and Speech Recognition technology.

DOMINIC P ARENA
Group Chief Strategy & Marketing Officer

Nationality / Age / Gender:
Australian / 43 / Male

Date of Appointment to Executive Position:
1 March 2016

Length of Service at Axiata:
4 years

Department/Portfolio:
- Group Corporate Strategy
- Marketing & Brand Development
- Strategic Projects
- Product Innovation & Partnerships

Academic/Professional Qualification(s):
- Bachelor of Engineering in Telecommunications (Honours) and a Graduate Diploma in engineering Management (Dip. Eng. Prac., Honours), University of Technology Sydney, Australia
- Member, Australian Institute of Company Directors (MAICD)

Working Experience:
Dominic has over 25 years' experience in the telecoms, media and technology sectors having held executive roles with global telecom operators including Vodafone, Orange and British Telecom as well as for leading strategic advisory firms. Prior to joining Axiata, Dominic was the Group Managing Director of AEC Advisory, a regional strategic and corporate advisory firm headquartered in Singapore. Preceding this, he has held several senior corporate advisory roles as a global equity Partner of Value Partners Management Consulting, as Regional Director APAC for BT Global Services consulting group, as a Director of KPMG Australia and a Director with KPMG Consulting in SE Asia in charge of Telecom & Media advisory.

Directorships of Public Companies:
Axiata Group
Listed
- Dialog

ASRI HASSAN SABRI
Group Chief Corporate Officer

Nationality / Age / Gender:
Malaysian / 53 / Male

Date of Appointment to Executive Position:
1 September 2018

Length of Service at Axiata:
4 years 2 months

Department/Portfolio:
- Group Programme Office
- GCEO Office Support
- Government Relations
- Corporate Communications & Sustainability
- Regulatory Affairs

Academic/Professional Qualification(s):
- Bachelor of Commerce, University of Newcastle, Australia

Working Experience:
Asri has 31 years of experience in various management, consulting and entrepreneur engagements in the IT and telecom industries. He is a former country President for Motorola Malaysia, a position he held from 2006 till 2008. He was also a strategic partner with Provident Capital Partners, an established South Asia private equity company. Besides Motorola, Asri has also worked with other multinational corporations (MNCs) such as Nokia.

Governance & Compliance Information
Profile of Group Senior Leadership Team

HADI HELMI ZAINI SOORIA
Group Chief Internal Auditor

Nationality / Age / Gender:
Malaysia / 50 / Male

Date of Appointment to Executive Position:
15 October 2018

Length of Service at Axiata:
22 years 8 months

Department/Portfolio:
- Internal Audit
- Compliance Investigation

Academic/Professional Qualification(s):
- Associate Member of CIMA and the Association of International Certified Professional Accountants (AICPA)
- MBA, Multimedia University, Malaysia

Working Experience:
Hadi has been with Axiata Group for over 20 years, and has held various management positions across the Group including Senior Vice President in Celcom, Managing Director of edotco Malaysia, and Chief Financial Officer of Ncell, a position he held for more than two years. He was among Ncell's new management team after its acquisition and has been instrumental in the company's successful integration into the Axiata Group.

ABID ABDUL ADAM
Group Chief Risk and Compliance Officer

Nationality / Age / Gender:
South African / 38 / Male

Date of Appointment to Executive Position:
2 March 2020

Length of Service at Axiata:
2 years 4 months

Department/Portfolio:
- Cyber Security and Privacy
- Enterprise Risk Management
- Compliance/Ethics/Integrity
- Compliance in Regulatory

Academic/Professional Qualification(s):
- BSc in Computer Science, [University of South Africa], [South Africa]
- Practitioner Certified Information Risk Management (PCIRM)
- Certified Information Systems Security Professional (CISSP)
- Member Business Continuity Institute (MBCI)

Working Experience:
Abid has over 16 years of industry experience in Risk Management, Cyber Security and Privacy, having worked across multiple continents and leading diverse teams in a matrix structured organisation. Prior to his appointment as Group Chief Risk and Compliance Officer in March 2020, he was the Group Chief Information Security Officer (CISO) and the Head of Privacy at Axiata Group. He continues leading the Cyber Security and Privacy function, as well as heading Enterprise Risk Management, Compliance/ Ethics/ Integrity, and maintaining oversight over Compliance in the Regulatory function. Before joining Axiata, Abid held senior roles in various financial service institutions in South Africa.

SURYANI HUSSEIN
Group Company Secretary

Nationality / Age / Gender:
Malaysian / 54 / Female

Date of Appointment to Executive Position:
1 April 2008

Length of Service at Axiata:
17 years 3 months

Department/Portfolio:
- Company Secretarial

Academic/Professional Qualification(s):
- LLB (Hons) Bachelor of Laws, International Islamic University, Malaysia
- Advocate and Solicitor of the High Court of Malaya and Licensed Company Secretary

Working Experience:
Suryani, a qualified Advocate and Solicitor of the High Court of Malaya and licenced Company Secretary, spent the early years of her career in legal practice. She subsequently joined the corporate sector doing both legal and company secretarial work and was appointed Head of Legal and Secretarial, Celcom in 2002. Suryani joined Axiata upon its listing in 2008 and until June 2011 retained her leadership role as Head of Legal in Celcom.

Governance & Compliance Information
Profile of Group Senior Leadership Team

TAN GIM BOON
Group General Counsel

Nationality / Age / Gender:
Malaysian / 47 / Male

Date of Appointment to Executive Position:
1 April 2008 (Heading Group Risk from 2014 until 1 March 2020)

Length of Service at Axiata:
15 years 5 months

Department/Portfolio:
- Group Legal

Academic/Professional Qualification(s):
- Bachelor of Commerce and Bachelor of Laws, University of Adelaide, Australia
- Advocate and Solicitor of the High Court of Malaya and as a solicitor in New South Wales, Australia
- Masters of Law, University of New South Wales, Australia

Working Experience:
Gim joined TM International Berhad (now Axiata) in 2004. Prior to joining Axiata, he was working as a lawyer in Malaysia and Australia. His areas of practice were predominantly in the fields of mergers and acquisitions, equity capital markets and corporate finance. Gim's last post before joining Axiata was with Malaysia's largest law firm, Zaid Ibrahim & Co.

Notes:
1. None of the Group Senior Leadership Team have:
   - Any family relationship with any Director and/or major shareholder of Axiata
   - Any conflict of interest with Axiata
   - Any conviction for offences within the past five years and particulars of any public sanctions or penalties imposed on them by any regulatory bodies during the financial year ended 31 December 2019 (other than traffic offences)
2. Unless otherwise indicated, these individuals do not hold directorships in public listed and non-listed companies.
3. Years of Service at Axiata refers to tenure within Axiata and its group of companies.

Governance & Compliance Information
Profile of Operating Companies' Management Team

IDHAM NAWAWI
Chief Executive Officer
Celcom

Nationality / Age / Gender:
Malaysian / 52 / Male

Date of Appointment to Current Position:
1 September 2018

Length of Service at Axiata:
7 years

Academic/Professional Qualification(s):
- Bachelor of Science in Mechanical Engineering, University of Rochester, New York, USA
- Master's in Communications Management (MBA in Telecommunications), University of Strathclyde, Glasgow, Scotland

Working Experience:
Idham was appointed as the CEO of Celcom on 1 September 2018. Prior to this, Idham served as the Group Chief Corporate Officer in Axiata. At Axiata, Idham's responsibility included building relationships and advocacy programmes with the Government, regulators and other stakeholders at the highest level across the Group's markets. Additionally, he led the Axiata Transformation Programme 2.0 from 2012 to 2015, and was instrumental in establishing the RM100 million Axiata Digital Innovation Fund. Idham has more than 20 years' experience in regional telecommunications and IT industries.

Directorships of Public Companies:
Axiata Group
Non-listed
- Celcom

DIAN SISWARINI
President Director
XL

Nationality / Age / Gender:
Indonesian / 51 / Female

Date of Appointment to Current Position:
1 April 2015

Length of Service at Axiata:
23 years

Academic/Professional Qualification(s):
- Bandung Institute of Technology, majoring in Telecommunications
- Harvard Advance Management Programme, Harvard Business School

Working Experience:
Dian has more than 20 years of working experience in the telecommunications industry and she began her career in XL in 1996 holding various key positions at the Department of Network and Engineering. In 2007, Dian was appointed as Director of Network Services. Along with the change of XL strategy, in 2011 she was entrusted to lead the Department of Content and New Business as Chief Digital Services Officer until 2013. In June 2014, she was appointed as Group Chief of Marketing and Operations Officer to assist the growth of all Axiata subsidiaries. Dian rejoined XL as Vice President on 7 January 2015 and was subsequently appointed as President Director in April 2015.

SUPUN WEERASINGHE
Group Chief Executive
Dialog

Nationality / Age / Gender:
Sri Lankan / 44 / Male

Date of Appointment to Current Position:
1 January 2017

Length of Service at Axiata:
20 years

Academic/Professional Qualification(s):
- Bachelor of Science (First Class Honours) in Accountancy and Financial Management, University of Jayewardenepura, Sri Lanka
- MBA, University of Western Sydney, Australia
- Fellow Chartered Management Accountant, UK (FCMA)
- Harvard Advance Management Programme, Harvard Business School

Working Experience:
Since January 2017, Supun has been the Group Chief Executive of Dialog. Supun was the CEO and Managing Director of Robi in Bangladesh from 2014 to 2016. Prior to joining Robi, Supun served as the Group Chief Strategy Officer of Axiata in Malaysia. At Axiata, he also served as the Head of Network Transformation, Strategic Business Unit under which he led the Group Technology, Carrier Collaboration and Axiata Intelligence Unit. Prior to his assignment to Axiata Group in 2013, Supun was the Group Chief Operating Officer of Dialog. He started his career in telecommunications at Dialog in 1999 and held multiple roles such as Head of Strategy and CEO of the Mobile Business.

Directorships of Public Companies:
Axiata Group
Listed
- Dialog

Governance & Compliance Information

Profile of Operating Companies' Management Team

THOMAS HUNDT

Group Executive Vice President – Technology/ Chief Executive Officer Smart Axiata Co., Ltd.

Refer to page 13

MAHTAB UDDIN AHMED

Managing Director/Chief Executive Officer
Robi

Nationality / Age / Gender:
Bangladeshi / 53 / Male

Date of Appointment to Current Position:
1 November 2016

Length of Service at Axiata:
9 years

Academic/Professional Qualification(s):
- Bachelor of Honours and Masters in Accounting, University of Dhaka, Bangladesh
- Fellow member of Institute of Cost and Management Accountant of Bangladesh (ICMAB), FCMA, & CGMA of Chartered Institute of Management Accountants (CIMA), UK
- Alumnus, Harvard Business School

Working Experience:
Mahtab was appointed as Managing Director and Chief Executive Officer of Robi on 1 November 2016. Prior to this, he held the position of Chief Operating Officer of Robi from April 2014 to March 2016. He joined Robi in September 2010 as the Chief Financial Officer (CFO), a position he held till 2014. Prior to this, Mahtab spent 17 years at Unilever, holding various business and finance leadership positions. He is currently the President of the Association of Mobile Telecom Operators of Bangladesh (AMTOB) and an executive committee member of the Foreign Investors' Chamber of Commerce and Industry (FICCI). He is also a member of National Council of Institute of Cost and Management Accountant of Bangladesh (ICMAB).

Directorships of Public Companies:
Axiata Group
Non-listed
- Robi

ANDY CHONG YEE BIN

Chief Executive Officer / Managing Director
Ncell

Nationality / Age / Gender:
Malaysian / 58 / Male

Date of Appointment to Current Position:
1 November 2019

Length of Service at Axiata:
13 years

Academic/Professional Qualification(s):
- Bachelor of Engineering (Electronics & Computer Systems), Monash University, Australia
- MBA (General Management), Monash University, Australia

Working Experience:
Andy joined the Axiata Group in 2008 and was Senior Vice President and Head of Group Marketing and Operations till 2014. He returned to Axiata in 2016 as Interim Chief Commercial Officer for Ncell and moved to Axiata Digital as a Consultant in 2017. In January 2018, Andy was appointed Ncell's Chief Commercial Officer (CCO). In May 2019, he became Ncell's Acting CEO, in addition to its CCO. As a part of the Ncell Leadership Team, Andy has helped build strong partnerships based on trust, reliability and efficiency with customers, with his visionary leadership skills. With more than three decades of management and operations experience in the telecommunications, IT/technology and electronics sectors, Andy has held CEO and top management positions in Malaysia, Singapore and Indonesia, leading teams to build and grow businesses, and providing strategic direction in the areas of sales and marketing, technical and operations, and finance. His previous roles include Consultant Vice President of Global Wireless partnerships at Its ON Inc, USA; Vice President Director and CCO in Sampoerna Telekom, Indonesia; Regional CEO of T-Systems Asia Pacific, Singapore; and Head of Marketing, Maxis in Malaysia.

SURESH SIDHU

Chief Executive Officer
edotco Group

Nationality / Age / Gender:
Malaysian / 53 / Male

Date of Appointment to Current Position:
26 August 2014

Length of Service at Axiata:
11 years

Academic/Professional Qualification(s):
- Degree in Natural Studies, University of Cambridge, UK
- MBA from INSEAD, France

Working Experience:
Suresh Sidhu has been Chief Executive Officer of edotco Group since August 2014 where he and his team have overseen the transformation that has produced one of the fastest growing tower companies in the world in terms of towers and tenancies, with growth from new build as well as M & A. Prior to joining edotco, Suresh was the Chief Corporate and Operations Officer of Celcom. Suresh also previously held senior roles at Axiata and Dialog. In addition, his previous work experience includes roles with Maxis, the Boston Consulting Group and Sime Darby Berhad.

MOHD KHAIRIL ABDULLAH

Chief Executive Officer
Axiata Digital Services

Nationality / Age / Gender:
Malaysian / 49 / Male

Date of Appointment to Current Position:
1 January 2015

Length of Service at Axiata:
7 years

Academic/Professional Qualification(s):
- BA (Engineering) and M.Eng, University of Cambridge, UK
- MBA from INSEAD, France

Working Experience:
Khairil was appointed Chief Executive Officer of Axiata Digital Services in January 2015. He first joined Axiata in 2012 and served as Group Chief Marketing and Operations Officer. Prior to Axiata, Khairil was a Partner at Bain & Company Inc., a leading global management consultancy. He was with Bain for more than 15 years. Prior to joining Bain, Khairil was an operations consultant at Coopers & Lybrand Management Consulting Services. He was also the founder and operations manager of P-Shift Consulting (South Asia) from 1996 to 1997, and manufacturing consultant with PERA Consulting in London and Kuala Lumpur from 1995 to 1996.

Governance & Compliance Information
Significant Milestones in 2019

29 January 2019	edotco Group via its wholly-owned subsidiary, edotco Investments (Labuan) Limited ("**edotco Labuan**"), entered into a Share Subscription Agreement with Mr. Viphet Sihachakr and Mekong Tower Company Limited ("**MTCL**") for the subscription by edotco Labuan of 25,600 ordinary shares of LAK500,000 each representing 80.00% of the enlarged issued and paid-up share capital of MTCL for a cash consideration of LAK12,800 million (equivalent to RM6.7 million). The subscription was completed on 21 June 2019 resulting in MTCL becoming a subsidiary of Axiata.
5 February 2019	Apigate Sdn Bhd, a wholly-owned subsidiary of Axiata Digital, completed the incorporation of Apigate India Services Private Limited to carry out the Application Programming Interface (API) business in the State of Maharashtra, India.
8 February 2019	Smart completed the incorporation of SmartLuy PLC, a public limited company to conduct business in relation to payment services in Cambodia.
27 February 2019	The entire equity interest held by Axiata's wholly-owned subsidiary, Axiata Investments (Singapore) Limited ("**AIS**") in M1 Limited comprising 265,410,150 ordinary shares was disposed to Konnectivity Pte. Ltd ("**Konnectivity**") upon AIS' acceptance of the Voluntary Conditional General Offer made by Konnectivity on 27 September 2018 to acquire the said equity interest for a total consideration of RM1,649.3 million.
5 April 2019	Mitsui & Co., Ltd. ("**Mitsui**") invested in Axiata Digital for the subscription of 193,050 ordinary shares at the consideration of RM81.6 million or USD20 million representing 3.53% of the total issued and paid-up share capital of Axiata Digital. Subsequent to the said investment, the shareholding of Axiata Digital held by Axiata and Mitsui is 96.47% and 3.53% respectively.
16 April 2019	Axiata's wholly-owned subsidiaries, Axiata Investments 1 (India) ("**AI1**") Limited and Axiata Investments 2 (India) Limited ("**AI2**") which did not participate in the allotment of equity shares via the rights issue in Vodafone Idea Limited ("**Vodafone Idea**") as offered on 10 April 2019 to them as its eligible shareholders, disposed their rights to third parties. This has resulted in a gain on disposal amounting to RM96.1 million or INR1,617.4 million.
21 June 2019	edotco Group completed the acquisition of 437 ordinary shares representing 21.85% of the entire equity interest in edotco Holdings (Labuan) Limited ("**edotco Holdings Labuan**") held by Southern Coast Ventures Inc. at a cash consideration of RM87.2 million or USD21.0 million. Effectively, edotco Holdings Labuan became a wholly-owned subsidiary of edotco.
27 June 2019	XL entered into an agreement with Princeton Digital Group (Indonesia Alpha) Pte. Limited ("**PDG**") to establish a new company, to transfer certain assets, sell subscription shares and partially leaseback such assets for a period of ten years which can be extended for the next five years. A new company was established under the name of PT Princeton Digital Group Data Centres ("**PDGDC**") based on Deed of Establishment No 13 dated 27 June 2019 as approved by the Minister of Justice of Republic Indonesia dated 1 July 2019. The intended principal activity of PDGDC is to provide the information and communication service with the main business to develop hosting activities. The establishment of PDGDC was completed on 19 December 2019 with PDG and XL holding 70% and 30% of total PDGDC shares respectively.
17 September 2019	Axiata Digital Capital Sdn Bhd ("**ADC**"), a wholly-owned subsidiary of Axiata Digital completed the incorporation of PT Axiata Digital Capital Indonesia ("**PTADC**"), an 85% owned by ADC and 15% owned by nominee appointed by Axiata Digital. PTADC will be the entity/platform for lending activities in Indonesia.
5 November 2019	Robi completed the incorporation of RedDot Digital Limited ("**RedDot**"), a public company limited by shares, under the Bangladesh Companies Act (Act XVIII) of 1994. The principal activities of Red Dot are IT and ICT and to facilitate Robi's non-Mobile Network Operator business activities.
20 November 2019	Axiata via its wholly-owned subsidiary, AI2, completed the disposal of its entire equity stake comprising 247,265,873 shares which is equivalent to 0.86% stake held in Vodafone Idea.
4 December 2019	Axiata via its wholly-owned subsidiary, AI1, completed a partial disposal of its equity stake in Vodafone Idea resulting into the Group's equity shareholding in Vodafone Idea was reduced from 1.62% to 1.05%.
17 December 2019	Dialog completed the incorporation of Dialog Network Services (Private) Limited ("**Dialog Network Services**"), a private company limited by shares, under the Companies Act No. 07 of 2007 of Sri Lanka (Act). The principal activities of Dialog Network Services are providing network development, operations and maintenance services.
18 December 2019	edotco Group via its wholly-owned subsidiary, edotco Labuan completed the subscription of 260,204,082 common shares of PhP1.00 each representing 51.00% of the enlarged issued and paid-up share capital of ISOC Asia Telecom Towers, Inc. at a cash consideration of PhP260.2 million (equivalent to USD5.1 million/RM21.4 million).

Governance & Compliance Information
Awards

2019

Axiata

- **National Annual Corporate Report Awards (NACRA) 2019**
Sustainability Reporting Awards – Platinum
Integrated Reporting Awards - Silver

- **Minority Shareholders Watch Group (MSWG) – ASEAN Corporate Governance Awards 2018**
Excellence Award for Corporate Governance Disclosure
Industry Excellence Award – Telecommunication & Media

Celcom

- **The PC.com Best Product Awards 2019**
Best Telco of 2019
Best 4G Coverage of 2019
Best Data Service Provider of 2019

- **YouTube Malaysia Ad Awards 2019**
Best Ad in Telecommunications - Cucu-cucu Tok Ucu: Filem Pendek Hari Raya
The Ad of The Year 2019 - Cucu-cucu Tok Ucu: Filem Pendek Hari Raya

- **MCMC Star Rating Award**
Best Corporate Social Responsibility Award

- **Malaysian Institute of Interior Designers (MIID) Reka Awards 2019**
Corporate Office (Design Excellence) - Gold Award

- **Kancil Awards 2019**
"Getaran Pertama" Merdeka 2019 Short Film: Gold - Film Direction
"Getaran Pertama" Merdeka 2019 Short Film: Silver - Cinematography: Single
"Getaran Pertama" Merdeka 2019 Short Film: Silver - Best Cultural Insights
"Getaran Pertama" Merdeka 2019 Short Film: Bronze - Music in Film Content
"Getaran Pertama" Merdeka 2019 Short Film: Bronze - Digitally Enhanced Experience
"Getaran Pertama" Merdeka 2019 Short Film: Bronze - Film Editing: Single
"Getaran Pertama" Merdeka 2019 Short Film: Bronze - Best Film Branded Content
"Getaran Pertama" Merdeka 2019 Short Film: Bronze - Film Online Single
"Getaran Pertama" Merdeka 2019 Short Film: Bronze - Film & Branded Content
"Getaran Pertama" Merdeka 2019 Short Film: Merit - Brand Experience & Activation
"Getaran Pertama" Merdeka 2019 Short Film: Merit - A Mixed Reality Storytelling
"Cucu-Cucu Tok Ucu" Raya 2019 Short Film: Merit - Film Direction: Single

- **Contact Centre Association of Malaysia (CCAM) Industry Excellence Awards**
Best In-house Inbound Contact Centre (Under 100 seats) - Silver Award
Best In-house Outbound Contact Centre (Under 100 seats) - Silver Award
Best Social Media Programme - Silver Award
Best In house Inbound Contact Centre (Above 100 seats) - Bronze Award
Putri Shahanaz Bt Khalid (Best Contact Centre Support Professional - SMEX Operations Support) - Silver Award
Nik Hannah Afirah Binti Supian (Best Contact Team Leader- Above 100 seats) - Silver Award
Ahmad Hakimin Bin Md. Arshad (Best Contact Centre Manager - Above 100 Seats) - Bronze Award
Mohammad Nazri Bin Abdul Rahim (Best Contact Center Support Professional – Trainer) - Bronze Award

- **OpenSignal**
OpenSignal Mobile Experience Awards - 4G Availability
OpenSignal Mobile Experience Awards - Video Experience
OpenSignal Mobile Experience Awards - Latency Experience
OpenSignal Mobile Experience Awards - Upload Speed Experience

- **Putra Brand Awards 2019**
Gold Award for Top Brand in Communication Networks

- **CX Asia Excellence Awards 2019**
Silver Award for Best Employee Engagement 2019
Honorary Award for Best Customer Experience 2019

- **Enterprise Asia**
Asia Responsible Enterprise Awards (AREA) 2019 - Green Leadership category

- **Asia Pacific Brands Foundation**
The BrandLaureate SMEs Strategic Business Partner Award 2018-2019

- **Customer Contact Week (CCW) Asia Excellence Award 2019**
Most Innovative Contact Centre of the Year Award (Silver)
Best In Class Digital Contact Centre Award (Bronze)
Best In Class Contact Centre Award (Bronze)

- **Inland Revenue Board of Malaysia**
Anugerah Pembayar Cukai Terbaik 2018

- **14th Annual Customer Experience Management Global Telecoms Awards, London, UK**
Best-in-Class Customer Engagement Tool

- **Lembaga Zakat Selangor**
Anugerah Khas Umar Al Khattab

XL

- **The PR Indonesia Award**
Most popular among the Media for private companies

- **Apresiasi Inovasi, Koran Sindo**
Product and Technology Innovation for XL PRIORITAS

- **Selular Award 2019**
Best Network Transformation
Best B2B Service
CEO of The Year - Ibu Dian Siswarini

- **Indonesia's Most Impactful Women Leaders, Warta Ekonomi Magazine**
Indonesia's Most Impactful Women Leaders 2018 - Dian Siswarini, CEO of XL Axiata

- **Asia's Power Businesswomen, Forbes**
Dian Siswarini, CEO of XL Axiata

- **Indonesia's Best Corporate Social Initiatives 2019, SWA Magazine & MIX Magazine**
The Best Creating Shared Value for XL Axiata's CSR Programme, Laut Nusantara

- **The 11th IICD Corporate Governance Conference and Award 2019**
Top 20 in the "Top 50 of The Biggest Market Capitalisation, Public Listed Companies
The Best Role of Stakeholders

- **Apresiasi Perempuan Hebat Indonesia 2019, Sindo Media**
Dian Siswarini, CEO of XL Axiata

- **Stellar Workplace Award 2019, GML Performance Consulting in collaboration with the Kontan Newspaper**
Employee Commitment & Employee Satisfaction

- **Marketeers Editor's Choice Award 2019, MarkPlus**
IoT Product of The Year - XL Business Solutions
The Breakthrough Content Marketing of the year – Through Di Balik Kubikal Web Series

Dialog

- **SLIM-Nielsen Peoples Awards 2019**
Internet Service Provider of the year – 7th consecutive year
Telecom Service Provider of the year – 8th consecutive year

- **Brand Finance**
Most Valuable Consumer Brand in Sri Lanka
Top Telecommunications Brand in Sri Lanka - for the 10th year

- **Global Telecoms Awards**
Winner of Industrial IoT Initiative of the Year - for its affordable and purpose-built IoT Solutions for Industries in Emerging Markets (capturing i-Moni & Smart Meter/NMD)

Governance & Compliance Information
Awards

- **LMD 100**
  Sector Leader in the Telecommunications Industry
- **Mobex Awards 2019**
  Best App – Payments
  Best App – Utility & Services
- **The 6th Zendesk CEx Awards 2019**
  Best Customer Centric Culture
  Customer Centric Company of the Year - Jury award
- **12th Customer Fest Awards (CFA) - Mumbai, India**
  Best Customer Centric Culture – Gold
  Best Customer Experience Transformation – Gold
  'Customer Centric Company of the Year' - CFA Special Award
- **PCI DSS Certification**
  Awarded for Genie
- **e-Swabhimani Digital Social Impact Awards**
  Inclusion and Empowerment category (Ideamart - AppMaker) - Winner
- **SLASSCOM Innovation Awards 2019**
  'Best Disruptor' and 'Best Start Up Product' - Genie
  'Best Product Innovation' - FinPal App
- **LankaPay Technnovation Awards 2019**
  Most Popular Electronic Payment Product (Fintech) – Gold
  Best Mobile Application for Retailer Payments - Gold
- **LMD online survey**
  Ranked #1 Telco in CEx
- **CXPA**
  GLOBAL TOP 5 Innovation in Customer Experience Support

Robi

- **CHRO Asia**
  Asia's Best Employer Brand 2019
- **Bangladesh Brand Forum**
  Silver Commwards award - BCS Olympiad campaign by Robi-10 Minute School
  Silver Commwards award - Robi Meet Boishkah Instagram Campaign, Best use of Instagram
  Bronze Commward 2019 - National Victory Day campaign by Airtel
  National Victory Day campaign by Airtel was also recognised with the Grand prix Digital Marketing Award 2019
  Digital Marketing Award 2019 – Silver Award for Boomerang videos on FIFA World Cup campaign by Airtel
- **GSMA GLOMO Award 2019**
  Robi Joyeeta nominated for 'Best Mobile Innovation for Women in Emerging Markets'
- **Bangladesh Innovation Conclave (BIC)**
  Social Innovation award 2019 – by Robi-10 Minute School
- **GovInsider**
  Best Citizen Engagement Project in Asia – 333
- **Bangladesh Association of Software and Information Services (BASIS) National ICT Awards 2019**
  'Inclusion and Community Service' category - Shuttle, a digital start up company that was created through the digital entrepreneurship development platform, r-ventures
- **International Education Award (IEA)**
  Best E-learning Platform of the Year - Robi-10 Minute School
- **Daily Star ICT Start-up of the Year Award**
  Robi-10 Minute School

Smart

- **2019 Frost & Sullivan Asia Pacific Best Practices Awards**
  Cambodia's Mobile Service Provider of the Year 2019
  Cambodia's Mobile Data Service Provider of the Year 2019
- **Global Banking and Finance Review**
  Best Telecommunications Company Cambodia 2019
  Best Corporate Social Responsibility (CSR) Company Cambodia 2019
- **Ministry of Posts and Telecommunications**
  Best CBRD Fund Contributor in the industry

edotco

- **Frost & Sullivan Asia Pacific Best Practices Awards**
  Asia Pacific Telecoms Company of the Year Award 2019
- **Global Women in Telco & Tech Awards**
  Best woman in Tower catergory – Ir Nalini Kumari

Boost

- **PC.com Best Product Of The Year 2019**
  Best E-wallet Service Provider 2019
- **MEA Awards**
  Excellence in Loyalty marketing (Gold)
- **The Loyalty & Engagement Awards**
  Best Loyalty Programme (Silver)
- **A + M MARKIES AWARDS 2019**
  Most Creative - Integrated Media (Bronze)
- **2019 Effie Awards**
  Making Malaysia a Cashless Society Category (Bronze)
- **Markies 2019**
  Most effective use of loyalty & CRM (Bronze)
- **MOBEX Awards**
  Best App (Bronze)

ADA

- **Campaign Asia, Asia-Pacific**
  Tech Agency of the Year 2019
- **Campaign Asia, Southeast Asia**
  Indonesia Independent Agency of the Year 2019
- **Digital Marketing Award 2019, Bangladesh**
  Best Use of Data & Analytics
- **Marketing Excellence Awards 2019, Malaysia**
  Excellence in Sports/esports Marketing
- **Dragons of Malaysia 2019, Malaysia**
  Best Social Media or Word of Mouth Campaign
  Best Digital Campaign
  Best Brand Trial or Sales Generation Campaign
- **Mob-Ex Awards 2019, Asia-Pacific**
  Best Mobile Advertising Strategy
  Best Social Media Strategy
  Best Insight-Driven Mobile Campaign
  Best App - ePayment Gateway
  Best Result-Driven Mobile Campaign
- **The MARKies 2019, Malaysia**
  Most Effective Use - Consumer Insights
- **The Appies 2019, Malaysia**
  Consumer Services

2018

Axiata

- **MSWG-ASEAN Corporate Governance Recognition Awards 2018**
  Top 3 PLCs (Malaysia)
  Top 50 ASEAN PLCs (Top 11 – 30)
- **NACRA 2018**
  Certificate of Merit – Axiata Integrated Annual Report 2017

Governance & Compliance Information
Awards

- **Australasian Reporting Awards 2018**
  Silver Award – Axiata Integrated Annual Report 2017

- **Sustainable Business Awards Malaysia 2018**
  Best Stakeholder Engagement and Materiality

Celcom

- **2018 Frost & Sullivan Malaysia Excellence Awards**
  Customer Experience for In-Store Centre Experience Award
  Contact Centre Experience in Telecommunications Industry Award
  Malaysia Telecom IoT Service Provider of the Year Award

- **Forbes Top 10 "Most Customer-Focused Companies in Asia"**

- **Telecom Asia Awards 2018**
  Best Customer Service Award

- **CX Asia Excellence Awards 2018**
  Gold Award for the Best Social Media Strategy
  Bronze Award for the Best Contact Centre
  Best Customer Service Award

- **Youtube**
  Silver Creator Award

- **19th Malaysian Contact Centre Awards 2018**
  Gold Award for Best In-house Outbound Contact Centre under 100 seats
  Gold Award for the Best Contact Centre by Language – Indonesia
  Silver Award for the Best In-House Inbound Contact Centre above 100 seats – Postpaid
  Silver Award for the Best In-House Inbound Contact Centre under 100 seats – Prepaid
  Silver Award for the Best Social Media
  Bronze Award for Best Customer Relationship Management
  Bronze Award for the Best-In House Inbound Contact Centre under 100 seats – Priority
  Bronze Award for the Best Innovation Adoption
  Bronze Award for Best In-House Contact Centre for Priority

- **Standard and Industrial Research Institute of Malaysia (SIRIM)**
  World's First Telco with ISO 18295-2:2017 Certification for Customer Contact Centres

XL

- **Frost & Sullivan 2018 Asia Pacific ICT Awards**
  2018 Asia-Pacific Mobile Data Service Provider of the Year
  2018 Indonesia Mobile Data Service Provider of the Year
  2018 Indonesia Mobile Service Provider of the Year

- **Indonesia Content Marketing Awards (ICMA) 2018**
  The Best Content Marketing Implementation In Office Equipment, IT, Telecommunication for AXIS

- **100% Indonesia Music Award**

- **PR Indonesia Award**
  The Most popular among the Media
  Corporate PR of Private Companies

- **Selular Award 2018**
  Best Community Development programme – XL Sisternet
  Best Experience Center – XL Center
  Best 4G Network Deployment

- **Satyalancana Award**

- **Satyalancana Pembangunan**
  Marwan Oemar Baasir, Group Head Regulatory and Government Relations
  Francky Rinaldo Pakpahan, Group Head West Region, XL
  Resi Yuki Bramani, Head Frequency and Government Management, XL

- **Satyalancana Wira Karya**
  M. Hira Kurnia, Group Head People Services, XL
  Tri Wahyuningsih, Group Head Corporate Communications, XL
  Bambang Parikesit, Group Head Jabodetabek Region, XL
  Retno Wulan Ari Istianti, Group Head Contact Center, XL
  Hasanudin Farid, Head Technology Strategy, XL

- **TOP Business Magazine - Top CSR 2018**
  Top CSR 2018 Telecommunications Sector for XL
  Top Leader on CSR Commitment 2018 for Dian Siswarini, President Director XL

- **Indonesia Best Employer Brand Awards 2018**

- **Top 50 Most Valuable Brands in Indonesia**

- **Indonesia PR of the Year 2018**
  Spokesperson of the year 2018: Tri Wahyuningsih, Group Head Corporate Communications, XL
  Head of Corcomm of the Year 2018: Henry Wijayanto, Head of External Communications, XL
  PR Officer of the Year 2018: Estella Maria
  Corcomm Team of the Year 2018: Corporate Secretary/Corporate Communications Team

- **SWA Magazine**
  Dian Siswarini - The Best CEO 2018

- **SPEx2 Awards 2018**
  The Best in the Telecommunications Industry
  The Best in Executing Strategy Transformation

- **6th Annual Get to Fast Faster 2018**
  Fixed Wireless Access Innovation

- **Smarties Award 2018**
  Bronze Award for Digital Ramadan Video

- **The 10th IICD Corporate Governance Conference & Award 2018**
  Ranked 20 of Top 50 of the Biggest Market Capitalisation Public Listed Companies
  The Best Role of Stakeholders

Dialog

- **2018 Global Telecom (GLOTEL) Awards**
  Dialog and Ericsson have won the IoT Initiative of the Year award for successfully deploying South Asia's first commercial Massive IoT network

- **Leadership in Energy and Environmental Design (LEED)**
  Dialog Broadband Networks, a subsidiary Dialog, has been rated Gold for Sri Lanka's first UPTIME Tier III certified commercial Data Centre

- **Speedtest® Award by Ookla®**
  Sri Lanka's Fastest Mobile Network 2018

- **Brand Finance League Table**
  Sri Lanka's Top Telecommunications Brand

- **Corporate Accountability 2018**
  Retained No. 1 position in Corporate Accountability rankings for 8th consecutive cycle

- **SLIM – Nielsen Peoples Awards 2018**
  Telecom Service Provider of the year – Winner (7th Consecutive Year)
  Internet Service Provider of the year – Winner (6th Consecutive Year)

- **LMD Magazine 2018**
  Ranked No. 1 for Service Excellence in the Telecommunications Industry
  Ranked No. 5 for Most Respected Entity

- **PCI – DSS Certification**
  Awarded for Genie

- **GSMA Certification**
  Awarded for Mobile Money

- **Customer Excellence Award 2018**
  Best Digital Experience

- **Payments and Cards Awards**
  KamiKaze B2B India - Best Payment App of the Year 2018 for My Dialog App

- **Business Today Top 30**
  Ranked No. 6

Governance & Compliance Information
Awards

Robi

- **World HRD Congress**
  Global Best Employer Brand 2018
- **YouTube Silver Play Button**
  10 Minute School Live
- **Flame Awards 2018**
  Robi's Chief Commercial Officer, Pradeep Shrivastava
  YOLO campaign of the country's No. 1 network of friends, Airtel
- **8th Commward – Bangladesh Brand Forum, in association with the Cannes Lions International Festival**
  13 Awards for various categories
- **ISO 9001: 2015 Quality Management System Certification**
- **Bangladesh Innovation Award 2018**
  Cholbe Robi App
- **5th Digital Marketing Summit**
  3 Awards for Robi 10 Minute School
- **Speedtest® Award by Ookla®**
  Best Download Speed in Dhaka for Q3 2018
- **Socialbakers**
  Robi and Airtel recognised as "Socially Devoted Brand" for Q4 2018

Smart

- **2018 Frost & Sullivan Asia Pacific Best Practices Awards**
  Cambodia's Mobile Service Provider of the Year 2018
  Cambodia's Mobile Data Service Provider of the Year 2018
- **Global Banking and Finance Review**
  Best Telecommunications Company Cambodia 2018
  Best Corporate Social Responsibility (CSR) Company Cambodia 2018
- **Telecom Asia**
  Best Emerging Market Operator 2018
- **Cambodia's General Department of Taxation**
  Gold Award for Tax Compliance 2018

Ncell

- **World HRD Congress, 2018**
  Nepal Best Employer Brand Awards 2018
- **Department of Hydrology and Meteorology (DHM), and Society of Hydrologists and Meteorologists (SOHAM), Nepal, 2018**
  Dr Rishi Ram Sharma Disaster Information Prize 2018

edotco

- **Frost & Sullivan Asia Pacific Best Practices Awards**
  Asia Pacific Telecoms Company of the Year Award 2018
- **In-House Community**
  In-House Legal Team of the Year – Property, Infrastructure & Logistics (edotco Myanmar)

Axiata Digital

- **BIMA – International Business Magazine**
  Best Mobile Innovation for Emerging Markets UK
- **Digital Insurance Agenda**
  Top 100 DIA Insurtech 2018
- **StoreKing – Smart CEO's Startup50 Conference & Award**
  Listed: Smart CEO Startup 50 Award
- **StoreKing – Top 100 Startups to Watch 2018 in India (Shortlisted)**
- **11 Street – 'Graduates' Choice Award 2018**
  Malaysia Top Graduate Employer Brands in eCommerce

ADA

- **Google Premier Partner Award**
  Mobile Innovation for Lineman
- **Digital Marketing Award**
  Gold for Best Use of Data & Analytics (Pepsodent Ramadan Campaign)
  Gold for Best App Marketing Stories of Victory (Robi Axiata)
  Silver for Best Use of Mobile (Pepsodent Ramadan Campaign)

Boost

- **MOB-EX Award**
  Best Marketing Campaign
- **Malaysia Fintech Award**
  Most Popular Advertisement
- **Malaysia Appies 2018**
  Best Marketing Idea
- **Malaysian Media Award 2018**
  Best Use of Technology
- **IDC 2018**
  Digital Disruptor of the Year

Past Awards FOR AXIATA

2017

- **MSWG-ASEAN Corporate Governance Recognition Awards 2017**
  Chairman Of The Year Award – Tan Sri Datuk Wira Azman Hj. Mokhtar
  Excellence Award For CG Disclosure
  Merit Award For Board Diversity
- **PwC Malaysia Building Trust Awards 2017**
  Runner Up
- **Global Responsible Business Leadership Awards 2017**
  Masterclass Best Sustainability Report
- **ACCA Malaysia Sustainability Reporting Awards (MASRA) 2017**
  2nd Runner Up
- **Australasian Reporting Awards 2017**
  Silver Standard – 2015 Annual Report
- **CSR Malaysia Awards 2017**
  CSR Company of the Year

2016

- **GSMA Mobile Asia Awards 2016**
  Outstanding Contribution to the Asian Mobile Industry Award – Axiata Regional CEO for South Asia, Dr Hans Wijayasuriya
- **MSWG Malaysia-ASEAN Corporate Governance Awards 2016**
  Ranked No. 3 in Excellence Award for Top Corporate Governance (CG) and Performance (Overall Category)
  Excellence Award for Long-term Value Creation
  Excellence Award for Environmental, Social and Governance (ESG) Practices
  Ranked No. 3 in Merit Award for Corporate Governance (CG) Disclosures
- **MSWG Malaysia-ASEAN Corporate Governance Transparency Index 2016**
  Ranked No. 3 among Top 100 Companies with Good Disclosures
  Ranked No. 3 among Top 100 Companies for Overall Corporate Governance (CG) and Performance
- **ACCA Malaysia Sustainability Reporting Awards (MaSRA) 2016**
  Commendation Award for Innovation
- **Asia Pacific Procurement Leaders Award**
  Best Procurement Transformation 2016
- **Bank Negara Malaysia**
  Emas Status for Second Issuance of Sukuk

Governance & Compliance Information
Awards

2015

- **MSWG-ASEAN Corporate Governance Index 2015 Awards**
  Excellence Award for Environmental, Social and Governance (ESG) Practices
  Top 10 Corporate Governance Disclosure Merit Recognition Award
  Exemplary AGM Conduct & Minutes
- **ACCA Malaysia Sustainability Reporting Awards (MaSRA) 2015**
  Best Sustainability Report
- **Asia Pacific Procurement Leaders Award**
  Best Procurement Transformation 2015
- **FinanceAsia Best Managed Company Poll 2016**
  No. 2 Best Managed Company in Malaysia
  No. 3 Most Committed to Corporate Governance in Malaysia
  No. 3 Best at Investor Relations in Malaysia
  No. 4 Best at Corporate Social Responsibility in Malaysia
  No. 1 Best CFO in Malaysia
- **Bank Negara Malaysia**
  Emas Status for Issuance of Sukuk

2014

- **2015 GSMA Mobile World Congress Chairman's Award**
  Dato' Sri Jamaludin Ibrahim, President and Group CEO
- **Frost & Sullivan Asia Pacific ICT Awards**
  Best Telecom Group 2014
- **Malaysian-ASEAN Corporate Governance Index 2014 Awards**
  Top 5 Corporate Governance – Overall Recognition
  Exemplary Environmental, Social and Governance (ESG) Practices
  CEO of the Year, Dato' Sri Jamaludin Ibrahim
- **The Edge Billion Ringgit Club 2014**
  Malaysia's Outstanding CEO 2014, Dato Sri Jamaludin Ibrahim
  Best CR Initiative, 3rd Place
- **ACCA Malaysia Sustainability Reporting Awards (MaSRA) 2014**
  Best Sustainability Report, Runner-up
- **National Annual Corporate Reports Awards (NACRA) 2014**
  Best Designed Annual Report, Silver Award
- **Kancil Awards 2014**
  Film Craft Cinematography, Bronze Kancil

2013

- **Frost & Sullivan Asia Pacific ICT Awards**
  Best Telecom Group 2013
- **TMT Finance Asia**
  TMT Leadership Award for Asia 2014 – Dato' Sri Jamaludin Ibrahim
- **Malaysian Business Awards**
  ASEAN Conglomerate & CEO of the Year Award – Dato' Sri Jamaludin Ibrahim
- **The Asset Triple A**
  Best Corporate Sukuk
  Best Islamic Deal, Malaysia
- **Islamic Finance News**
  Cross Border Deal of the Year 2012
- **KLIFFE**
  Most Outstanding Islamic Product
- **Malaysia-ASEAN Corporate Governance Index 2013 Awards**
  Top 3 Corporate Governance Transparency Award
  Top 5 Overall Corporate Governance Award
  Best Conduct of Annual General Meeting Award
  Industry Excellence Award – Telecommunications
- **Malaysian Institute of Accountants (MIA)**
  NACRA Merit Award
- **International Legal Alliance Summit**
  Silver Award Best Asian and South Pacific Legal

2012

- **Frost & Sullivan Asia Pacific ICT Awards**
  Best Telecom Group 2012
- **Boston Consulting Group**
  2012 BCG Southeast Asia Challengers
- **Asian Strategy & Leadership Institute (ASLI)**
  Asian Corporate Giants 2012 Listing – Top 10
- **Bank Negara Malaysia**
  Emas Status for Issuance of Sukuk
- **Finance Asia**
  Best Islamic Finance Deal 2012
- **Euromoney Islamic Finance**
  Most Innovative Deal 2012
- **Alpha Southeast Asia**
  The Best Deal of the Year 2012 in Southeast Asia
- **IFM (Industry Fund Management)**
  Cross Border Deal of the Year 2012

2011

- **Asia Pacific Brands Foundation (APBF)**
  BrandLaureate CEO of the Year 2010-2011
- **Forbes Asia's Fab 50**
- **Frost & Sullivan Asia Pacific ICT Award 2011**
  Best Telecommunications Group of the Year
- **Malaysian Corporate Governance Index Awards 2011**
  Best Conduct of AGM
  Distinction Award
- **Telecom Asia Awards 2011**
  Best Regional Mobile Group

2010

- **Frost & Sullivan Asia Pacific ICT Awards 2010**
  Best Telecom Group of the Year
  CEO of the Year: Service Provider
- **Telecom Asia Awards 2010**
  Telecom CEO of the Year
  Best Regional Mobile Group

2009

- **Frost & Sullivan Asia Pacific ICT Award**
  Best Telecom Group of the Year 2009
- **National Annual Corporate Report Awards (NACRA) 2009**
  Gold Award in the Best Designed Annual Report category
- **Malaysian Corporate Governance Index 2009**
  Merit Award
- **Alpha South East Asia Annual Deal Awards 2009**
  Best Secondary Deal of the Year 2009 in Southeast Asia

Governance & Compliance Information

Statement on Risk Management and Internal Control

Pursuant to Paragraph 15.26 (b) of the Main Listing Requirements (LR) of Bursa Malaysia Securities Berhad (Bursa Securities), the Board of Directors of listed issuers is required to include in their annual report, a 'statement about the state of risk management and internal controls of the listed issuer as a group'. Accordingly, the Board is pleased to provide the following statement that was prepared in accordance with the 'Statement of Risk Management and Internal Control: Guidelines for Directors of Listed Issuers' as endorsed by Bursa Securities, which outlines the nature and scope of risk management and internal control of the Group during the financial year under review.

Board's Responsibility

The Board is responsible and accountable for maintaining sound processes of risk management and internal control practices to safeguard shareholders' investments and the Group's assets, by constantly keeping abreast of the latest developments and best practises in terms of risk processes, governance structure and processes. Such processes cover not only financial controls but also operational and compliance controls. In view of the limitations inherent in any process, the risk management and internal control processes and procedures put in place only manage risks within tolerable levels, rather than eliminate the risk of failure entirely to achieve the Group's business objectives.

The Board is assisted by the Board Risk Management Committee (BRMC) in evaluating the adequacy of risk management in the Group. The BRMC has put in place a systematic risk management framework and process to identify, evaluate and monitor principal risks; and implement appropriate internal control processes and procedures to manage these risks across the Group, excluding Associate Companies and joint ventures which are not within the Group's control.

1.0. Axiata Enterprise Risk Management Framework

The Group adopts the Axiata Enterprise Risk Management Framework (ERM) as a standardised approach for timely identification, reporting and management of principal risks and ensures implementation, tracking and review of effectiveness of mitigation actions for the risks identified. Where appropriate, the framework is embedded into the day-to-day business activities and management decision making framework of the Group. The framework benchmarked against ISO31000:2009, is adopted by all risk management teams across the subsidiaries. It stresses the importance of balancing between risk and reward in making strategic business decisions, a tool in managing both existing and potential risks with the objective of protecting key stakeholders' interests, and compliance with statutory and legal requirements.

2.0. Risk Governance Structure

A robust and effective risk management system is critical for the Group to achieve continued profitability and sustainable growth in shareholders' value in today's hypercompetitive market. The Group is committed towards continuous improvement to the way in which risk is being managed in relation to the operating environment taking into account the risk appetite of the Group. The Board Risk Management Committee (BRMC), a subcommittee of the Axiata Group Main Board of Directors plays a key role in driving and institutionalising Axiata's ERM Framework by having an oversight function on overall risks to the Group in delivering its business plan vis-à-vis the Group's risk appetite. The Group Risk Management Department assists the Board and BRMC in discharging their risk management responsibilities and ensure systematic implementation and monitoring of the effectiveness of risk management, and processes across the Group. The BRMC meets on a quarterly basis to review existing, new and evolving risks and where necessary, evaluate effectiveness of mitigation plans. The following depicts the key parties within the Group's Risk Governance Structure and their principal risk management roles and responsibilities:

Board of Directors

- Maintaining a sound system of risk management and internal controls
- Approves risk management policy and framework, governance structure and sets the risk appetite
- Receives, deliberate and endorses BRMC reports on risk governance

Board Audit Committee

- Assist the Board by independently evaluating the adequacy of and compliance to governance & internal control framework
- Assure the Board that financial records are complete, financial statements reflects true and fair view of the Group financial position based on International Financial Reporting Standards (IFRS) and Malaysia Financial Reporting Standards (MFRS) and are free from misstatements

Board Risk Management Committee (BRMC)

- Assist in identifying principal risks at Group level and providing assurance that the ERM Framework is implemented groupwide
- Review and recommend frameworks and policies specifically to address enterprise risk inherent in all business operations
- Promote cross-functional sharing of risk information and learnings from actions taken to mitigate risk
- Monitor compliance to ERM Framework, regulatory requirements and status of action plans for both Group and subsidiaries
- Coordinate and promote risk management culture and its implementation

Note:
Effective March 2020, arising from extensive review by BOD, BAC, BRMC and Management, it was resolved that BRMC would evolve into a new Board Committee called Board Risk and Compliance Committee (BRCC). BRCC oversees Axiata's enterprise risk management (ERM), cyber security, data privacy, as well as ethics and integrity which includes anti-bribery and anti-corruption programmes in meeting the requirements of adequate procedures. Kindly refer to Corporate Governance Section for further information on BRCC establishment.

The Group, consequently, also established a new function i.e. Group Risk and Compliance Division headed by a senior management team member i.e. Group Chief Risk and Compliance Officer (GCRCO) to work with BRCC on the governance of enterprise risks management (ERM), cyber security, data privacy, as well as ethics and integrity compliance.

Group Risk Management Department

- Establish, formulate, review, recommend and manage sound and best practice ERM programmes for Axiata Group
- Inculcate risk awareness within the Group
- Assist Axiata OpCos and Business Units in establishing their internal risk policy and structures, including business continuity programme for their respective companies and units
- Identification, analysing and consolidation of risk matters for reporting and monitoring
- Secretariat for the Board Risk Management Committee
- Present consolidated risk reports and recommended mitigation plans for the BRMC's review
- Encourages and recommend the adoption of mitigation actions where appropriate

Governance & Compliance Information

Statement on Risk Management and Internal Control

Cyber Security and Privacy Management Committee

- The Cyber Security and Privacy (CaP) Management Committee reports to the BRMC, in relation to areas of cyber security risks and privacy risks.
- Implement cyber security and data privacy initiatives, by establishing an Information Security Programme and a groupwide Data Privacy Programme to assess and improve the privacy posture through adoption of robust privacy practices.
- Present consolidated cyber security and privacy risk report and recommend mitigation plans for BRMC's review
- Recommend the adoption of mitigation actions where appropriate

Risk function (OpCos) and each Business Units (Axiata CC)

- Primarily responsible for managing risks in relation to their operations and functions
- Identification, analysing and consolidation of risk matters for reporting and monitoring
- Encourages and recommend the adoption of mitigation actions where appropriate
- Coordinate with Axiata Group Risk Management Department on Implementation of risk management policy and practices

The risk management and governance process at both Axiata corporate center and the OpCos is based on the common ERM Framework. Whilst the Group recognises the autonomy of the local jurisdictions within each region, GRM strives to ensure a consistent and standardised approach in managing risk across the Group. Harmonisation efforts to align risk management practices between OpCos have been initiated with full support from the BRMC and Senior Management of the Group.

Risk management processes at the OpCo level is managed through the risk committees or senior management committees chaired by the Chief Executive Officer (CEO). OpCos Risk Management function acts as the main secretariat to manage the end-to-end risk management processes of the OpCos, from risk dentification, analysing and consolidation, to reporting and monitoring of the risks to the OpCos respective BAC. At the same time, each OpCos Risk Management function is expected to provide timely risk updates and act as the key liaison with GRM. Events which may materially impact the Group's financial position and reputation will be escalated to the GRM for appropriate action.

To further strengthen accountability of risk management at the OpCos management level, the CEO or Chief Financial Officer (CFO) of each OpCo is required to present their risk profile at the Axiata Group BRMC on a rotational basis. This structure provides the Group with the opportunity to understand risk issues faced by the companies directly from OpCos CEOs or CFOs, thus allowing the Board to have a comprehensive view of principal risks and mitigation activities across the board and ensure accountability by OpCos in managing their risks. As and when new OpCos are established, GRM will work closely with the new management team in the set-up of the risk function.

The Group faces many risks and uncertainties which we mitigate and manage through various risk management strategies, actions and controls. These risks vary widely with some threatening our business model, future performance and financial standing of the business. There may be risks that are beyond the Group's control, or presently unknown or currently assessed as insignificant, which may later prove to be material. Nonetheless, we aim to mitigate the exposures through appropriate risk management strategies and internal controls as much as possible.

Principally, the Group's key risk areas are as the following eleven categories:

- Financial Risk
- Market Risk
- Regulatory Risk
- Cyber Security & Data Privacy Risk
- Digital Risk
- Operational Risk
- Geo Political Risk
- Strategic & Investment Risk
- People Risk
- Technology Risk
- Governance and Integrity Risk

A write-up of the key risks faced by the Group are listed in Appendix 1 of this statement.

Composition and Meetings

In 2019, the BRMC, met four (4) times on 20 February 2019, 27 May 2019, 27 August 2019, and 24 November 2019. The composition and the attendance record of BRMC members are listed below.

Name of Director	Status of Directorship	No. of Meetings Attended
David Lau Nai Pek (Chairman up to July)	Senior Independent Non-Executive Director	4 out of 4
Dato' Nik Ramlah (Chairman from August)	Independent Non-Executive Director	4 out of 4
Tan Sri Jamaludin	Managing Director/ President & Group Chief Executive Officer	4 out of 4
Dr David Robert Dean	Independent Non-Executive Director	4 out of 4
Dato' Mohd Izzaddin Idris	Independent Non-Executive Director	4 out of 4
Peter Chambers (Resigned in November)	Independent Non-Executive Director	2 out of 4

The following key internal control structures are in place to assist the Board to maintain a proper internal control system.

Key Internal Control Structures of the Group

1.0 Control Environment

The control environment sets the tone for the Group by providing fundamental discipline and structure. Key elements of the Group's internal control systems include:

1.1 Integrity and Ethical Values

- **Code of Conduct**

  The Senior Management and Board set the tone at the top for corporate behaviour and corporate governance. All employees of the Group shall adhere to the policies and guidelines as set out in the Code of Conduct of the Group which sets out the principles to guide employees in carrying out their duties and responsibilities to the highest standards of personal and corporate integrity when dealing within the Group and with external parties. The Group's Code of Conduct covers areas such as compliance with respect to local laws and regulations, integrity, conduct in the workplace, business conduct, protection of the Group's assets, confidentiality, conflict of interest and anticompetition practices. In 2019, various initiatives including enhancement of the Gift Policy, with ongoing enforcement, consequence management on violation of integrity and values and Group Recognition Event to inculcate and encourage the appropriate behaviours continued.

- **Guidelines on Misconduct and Discipline**

  Guidelines are in place for handling misconduct and disciplinary matters. These guidelines govern the actions to be taken in managing the misconduct of employees who breach the Code of Conduct and Practice or do not comply with the expressed and implied terms and conditions of employment. The Code of Conduct and Practice has also been extended to contractors and suppliers of the subsidiaries.

1.2 Board Committees

(a) Board

Clear roles of the Board are stated under the Statement of Corporate Governance section of this Integrated Annual Report.

(b) Board Committees

To promote corporate governance and transparency, in addition to the Board, the Group has the BAC, Board Nomination and Remuneration Committee (BNRC), collectively known as 'Board Committees' in place. With effect from 2019 the Board Risk Management Committee was introduced. These Board Committees have been established to assist the Board in overseeing internal control, risk management, Board effectiveness, and nomination and remuneration of the Group's key positions and directors. The responsibilities and authority of the Board and Board Committees are governed by a clearly defined Terms of Reference (ToR).

(c) BAC

The primary function of the BAC is to assist the Board in fulfilling its statutory and fiduciary responsibilities. The BAC will review the financial statements and financial reporting process, the system of internal controls, management of enterprise risk, the audit process and the process for monitoring compliance with law and regulations including Bursa Securities requirements and the company's Code of Conduct.

It has direct access to the internal and external auditors and full discretion to invite any Director to attend its meetings. Further details of the BAC are stated under the BAC Report section of this Annual Report.

(d) BRMC

The BRMC Reviews and endorses the Group Risk Profile and reviews reports from the Group Risk Management Department and recommend them to the Board for approval.

(e) BNRC

Please refer to the Statement on Corporate Governance section of this Integrated Annual Report.

1.3 Senior Leadership Team (SLT)

The SLT is committed to the identification, monitoring and management of risks associated with its business activities. The GCEO and Management are ultimately responsible to the Board for the Group's system of internal control and risk management. Each business unit is responsible and accountable for implementing procedures and controls to manage risks within its business.

1.4 Organisation Structure

- **Clear Organisation Structure**

  The Group has an appropriate organisational structure led by functional SLT members who have clear roles of responsibility and lines of reporting. The proper segregation of duties promotes ownership and accountability for risk taking and defines lines of accountability and delegated authority for planning, executing, controlling and monitoring of business operations. Competent and professional individuals have been selected as part of our SLT to ensure we manage our business well and to deliver business results. Regular reviews of the organisational structure are held to address the changes in the business environment as well as to keep abreast of current and future trending of new technologies, products and services.

- **Corporate Centre**

  The Corporate Centre plays an advisory role to add value to the subsidiaries at varying engagement levels. The broad roles of the Corporate Centre are as follows:

  1. Supporting role to Axiata Board Representatives at OpCos and OpCos' management; and
  2. Supporting role to OpCos' functional heads.

  Besides engaging in regular communication between the OpCos and the Group functions, the Corporate Centre also gives appropriate inputs and steers the Group on best practices through sharing of the Group's guidelines and strategies to minimise risk exposure and to increase the efficiency and effectiveness of business operations. The Corporate Centre is also responsible for key processes and functions including strategic planning, mergers and acquisitions, joint development projects, capital raising and allocation, leadership, talent development, group accounts and reporting, procurement, treasury, technology including cyber security and network.

  The Corporate Centre is also involved in leading Group initiatives to address current and future challenges of the Group.

1.5 Assignment of Authority and Responsibility (Finance)

- **Policies and Procedures**

  Documented policies and procedures are in place for all major aspects of the Group's business and these are regularly reviewed and updated to ensure that they always remain effective and continue to support the organisation's business activities as the organisation continues to grow.

  These policies and procedures are supported by clearly defined delegation of authorities for amongst others, spending on operating and capital expenditures, authority to enter into contracts and commitments, business plans and budget, and procurement of goods and services.

- **Limits of Authority ("LoA")**

  The Board has approved a clearly defined and documented LoA to govern the business and standard day-to-day operations. The LoA are reviewed and updated regularly with the intent to ensure continuous improvements, to reflect changing risks and to resolve operational deficiencies. It establishes a sound framework of authority and accountability within the Group, including segregation of duties which facilitates timely, effective and quality decision making at the appropriate levels in the Group's hierarchy. The approved updated LoA is timely disseminated to all stakeholders to ensure seamless application and execution.

  Axiata's LoA document clearly sets out the matters reserved for the Board's consideration and decision making, the authority delegated to the President and GCEO and other SLT members, including the limits to which the President and GCEO can execute the authority, and provides guidance on the division of responsibilities between the Board and Management.

1.6 Commitment to Competency

- **Competency Framework**

  The Group appoints employees of the necessary competencies to ensure that the personnel driving key operations are sufficiently skilled and exert the required qualities of professional integrity in their conduct.

- **Performance Management**

  The Group is committed to attract and retain competent, dedicated and loyal employees. Programmes and initiatives have been established to ensure that the Group's human capital is equipped with the qualities and skills to drive the Group to become a world class company through ongoing emphasis on performance management and employee development.

  The Group has in place a Key Performance Indicators (KPI) performance measurement process to link performance and compensation in order to create a high-performance work culture. This process also seeks to provide clarity, transparency and consistency in planning, reviewing, evaluating and aligning employees' actions and behaviours to that of the Group's vision and mission.

- **Training and Development Framework**

  It is the Group's policy to train employees at all levels so that they would be able to perform well in their present jobs and to develop employees to perform duties with wider responsibilities so that they may be ready to assume them when needed.

  In 2019, trainings continued to be focused building digital culture, mindset and capabilities, where the Group continued the effort to build digital culture and capabilities through online platforms and other content providers. This is in line with enabling the organisation to move towards its vision of becoming a digital champion. In 2019 there was also a focus on building leadership capabilities for line managers to support the new performance management system – "Ignite"

  Programmes are also implemented to ensure that employees receive continuous training in various areas of work such as knowledge, health and safety, technical training, leadership and new product development.

- **Talent Development and Succession Planning**

  There is a Group Talent Management Framework in place to identify and develop a group talent pipeline within the organisation as a supply for future leadership demands. In this respect, the Group has met its target of identifying C-suite potentials that provides a cover ratio of 2:1, from within the organisation and has been intensifying its efforts in making these talents ready to succeed the current top management across the Group. This is done via structured leadership development programmes, mentoring and coaching, regular leadership readiness assessments, as well as cross-functional and cross-country assignments.

  This leadership talent pipeline is also regularly reviewed via the Group Talent Council and assessed as potential successors for key positions in the Group, via internal and external benchmarks.

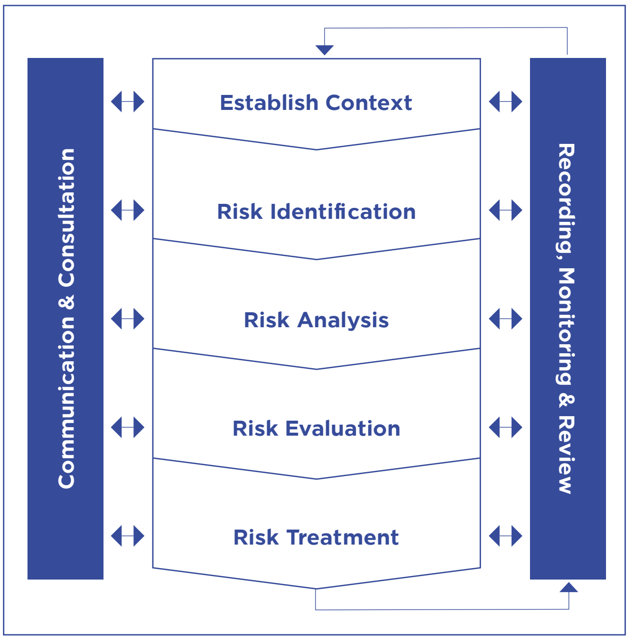
  Succession plans and the robustness of the talent pipeline are regularly reviewed by the Board. The talent pipeline includes fresh graduates and middle management levels so as to ensure a continuous supply of talent.

2.0 Risk Assessment

Axiata's risk management process is guided and principally aligned to ISO31000:2009 where risk is managed to ensure the achievement and implementation of strategic objectives. The Group conducts a top-down review of enterprise level risks as part of the annual strategic planning process to ensure that the risk implications of any changes in and implementation of our business strategy are identified, assessed and documented. This is supplemented by quarterly risk reviews. Investment proposals on the other hand is assessed separately by the due diligence team with feedback provided by GRM and subsequently presented to the Board for an appropriate decision. The outcome of these reviews is the identification of risks which is then assessed in terms of likelihood and magnitude of impact and development of specific action plans.

Axiata's Risk Assessment Process is depicted in the following diagram:

Process for Managing Risk



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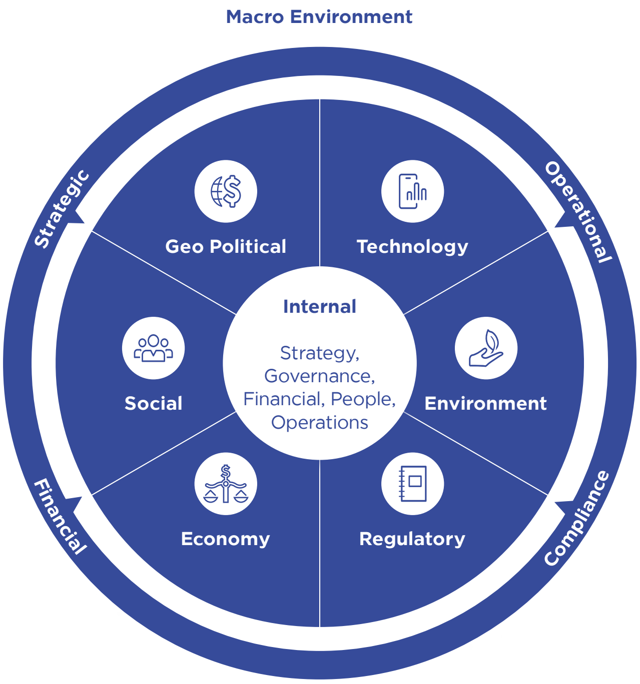

The risk identification process, which is done on an ongoing basis entails scanning all key factors within Axiata's business context from an 'outside-in' perspective, i.e. from macro-environment (external) to industry and internal risks.

Risk information and treatment plans are captured and updated into a risk register which is maintained by the respective OpCos and the Group. The information is then consolidated to provide an enterprise overview of material risks faced by the Group and the associated risk mitigation plans, which is tracked and reviewed from time to time.

3.0 Control Activities

Control activities are the policies, procedures and practices that ensure management objectives are achieved and risk mitigation strategies are carried out. Key activities within the Group are as follows:

3.1 Policies and Procedures

- **Financial and Operational Policies and Procedures**

  The Group currently maintains two policies, i.e. Limits of Authority (LoA) and Group Policies encompassing both the Group and OpCo levels, which sets the framework for the development of the respective procedures covering financials and controls. The documented procedures include management accounting, financial reporting, procurement, information systems security, compliance, risk management and business continuity management.

  Internal control is embedded into these policies to ensure consistent application throughout the Group. This serves as a preventive control mechanism whilst allowing the Group to promptly identify and respond to any significant control failures.

- **Budgeting Process**

  A comprehensive annual budgeting process is in place to evaluate the feasibility and viability of the Group's businesses and to ensure that the Group's OpCos business plans are in line with the Group's future strategic plans. Annual budgets are prepared by the OpCos and deliberated with their respective Boards. They are then presented and discussed during the Axiata Board Retreat for approval before the commencement of a new financial year.

  Upon approval of the budget, the Group's performance is periodically monitored and measured against the approved budget and ongoing business forecast, which is cleared by the President and GCEO and supported by the SLT. The Group's performance is also reported to the BAC and the Board. Reporting systems which highlight significant variances against the plan are in place to track and monitor performance. The results are reviewed on a quarterly basis by the Board to enable them to gauge the Group's overall performance, compared to the approved budget and prior periods, and to take remedial action where necessary. Similar performance reviews at OpCos Board level take place on a monthly or quarterly basis.

- **Whistle-Blowing Policy and Procedures**

  The Group has a Whistle-blower Policy which enables employees, vendors and stakeholders to raise matters in an independent, non reprisal and unbiased manner. As part of this Whistle-blower Policy and procedures, there is an anonymous ethics and fraud whistle blowing channel managed by an independent 3rd party service provider, under the administration of the Group Chief Internal Auditor (GCIA), as a mechanism for internal and external parties to channel their complaints or to provide information in confidence on fraud, corruption, dishonest practices or other similar matters by employees of the Group. The objective of such an arrangement is to encourage the reporting of such matters in good faith, with the confidence that employees or any parties making such reports will be treated fairly, their identity remains anonymous and are protected from reprisal.

- **Insurance and Physical Safeguard**

  The Group maintains an insurance programme to ensure that its assets and businesses are sufficiently covered against any damage that will result in material losses. This includes a cyber risk insurance taken up for the Group. At the same time, we also ensure that our major assets are physically safeguarded and review the adequacy and type of insurance cover at regular intervals to ensure alignment against the Group's risk exposure and appetite.

3.2 Security (Application and IT Network)

- **Business Continuity Management**

  The Board is committed to safeguard the interest of our stakeholders by ensuring the ability of business operations to continue during a crisis. Through the implementation of Axiata Group Business Continuity Management (BCM) across the Group, it provides a framework for the Group in building organisational resilience in the face of a crisis. The programme created is sufficiently robust to cover any changes that may arise due to technological evolution or organisational changes.

The Group BCM framework, aligned against international standards of ISO 22301 Business Continuity Management have been formalised and standardised across the Corporate Headquarters and all OpCos. The framework allows for customisation in accordance to each Opco's requirements and operating environment. Business recovery plans have been documented for mission critical processes, tested and rehearsed regularly to ensure effective coordination, familiarity and awareness among employees.

- **Information Technology ("IT")**

IT modernisation and digital enablement for superior customer experience is identified as one of the Group's key strategies. All OpCos have been focusing in line with this strategy undertaking various initiatives which include the ground work for building the Digital IT Stack, application rationalisation, increased use of enhancing Application Programme Interfaces (APIs), modernising Business Support Systems (BSS) and Operations Support Systems (OSS) in order to meet evolving business requirements and achieve competitive positioning. Cyber security is an essential and underlying part of our digital strategy and risk mitigation. In 2018, the Group Security Operations Center (GSOC) was established across the majority of OpCos to improve incident monitoring capability. In addition, relentless focus continues on strengthening cyber security resilience through various initiatives, for example, periodic Vulnerability Assessments (VAs) etc. With business continuity being another critical area, continued focus and investments are being ensured in disaster recovery for key IT systems.

3.3 Regulatory and Compliance

- **Group Regulatory Affairs ("GRA")**

The approach used is to pro-actively shape the landscape (external environment) at each OpCo market thus enabling proper and effective management of regulatory issues confronting the OpCos. The regulatory issues are those identified and monitored via regular reviews of the Group's risk matrix and managed as part of the Enterprise Risk Management process.

This approach encompasses:

1. Regulatory Strategy:

a. Constant monitoring of regulatory developments and identification of regulatory issues for each OpCo based on issues of highest strategic, financial and/or reputational impact;
b. Periodic review of national OpCo annual regulatory strategies which addresses these issues. This would translate into an advocacy plan engaging regulators and other authorities through formal and informal submissions and where appropriate, joint advocacy with international partners such as GSMA; and
c. Development of Group-wide positions on key issues such as regulations for the digital economy such as digital identity (eKYC), digital financial services regulations, digital privacy, availability of new spectrum bands, taxation, industry sustainability, Over-The-Top (OTT) regulations, Same-service-same-rules (SSSR) and 5G policy.

2. Stakeholder Engagement:

a. Engagement plan covering key government and political stakeholders in each OpCo market including key agencies such as the National Regulatory Agencies with effective messages based on the regulatory strategy;
b. Regularly working with National Regulatory Agencies on Knowledge Exchange Programmes and other capacity building events to promote common digital and financial inclusion objectives; and
c. Engagement plan covering international and regional regulatory bodies, inter-governmental agencies and trade bodies with effective messages based on the regulatory strategy.

3. Regulatory Compliance Framework:

a. Forms an essential part of the Corporate Governance Framework of the Group and states the principles and the tone by which regulatory compliance is to be approached and implemented;
b. Objectives of the Regulatory Compliance Framework:
   i. Set baseline expectation in relation to regulatory compliance;
   ii. Place Axiata and OpCos in the best position to comply with regulatory obligations;
   iii. Manage exposure to unacceptable compliance risk; and
   iv. Avoid surprises on regulatory compliance and action from regulatory authorities.

In addition, GRA regularly embarks on ensuring a group-wide baseline of best practice regulatory skills and knowledge, through the development of industry collaterals, position papers and regular capacity building programmes.

The Group Regulatory Policy outlined in the Group Policy document provides guidance and establishes internal policies and procedures that attempt to manage the risk and impact of adverse regulatory decisions.

Underpinning the Group Regulatory Policy is the understanding that the Group shall comply with all applicable laws and regulations, regulatory obligations and governmental policies in the jurisdictions in which it operates, and that regulatory advice should be obtained in an efficient and cost effective manner as and when required.

It should be noted that the regulatory risks faced by Axiata in most markets are typical of those faced by telecommunications operators in emerging markets, where regulatory frameworks may be incomplete, there may be insufficient consultation with stakeholders, or political influence may materially affect the operations of mobile markets. Current regulatory risks which affect Axiata in multiple national communications markets include but not limited to: restrictions to spectrum refarming and reuse, availability of new spectrum and associated acquisition costs, timely renewal of key operating licenses and of current spectrum allocations, unpredictability of sector-specific taxation policies, quality of service, subscriber registration, competition, level playing field challenges from OTT providers, network security, digital services regulations, universal service obligations and periodic review of legal and regulatory frameworks.

4.0 Information and Communications

Information and communications support all other control components by communicating control responsibilities to employees and by providing information in a form and time frame that allows employees to carry out their duties efficiently and effectively. The key activities within the Group are as follows:

4.1 Corporate Communications and Sustainability

General Guidelines and Roles

As the public face of a company where media is concerned, the Corporate Communications and Sustainability function is dedicated to maintaining and building a strong and positive image of the Group across its operating footprint in Asia and to be regarded by its target audiences as a regional thought-leader in the global telecommunications and digital industry. The department also serves to safeguard and protect the Group's corporate reputation and take on the role as the custodian of the Group's sustainability initiatives and nation building efforts.

This is conducted through various platforms including:

a. Producing compliant, open and transparent reports and communication materials based on Bursa Malaysia's Listing Requirements, and where possible, to go beyond requirements
b. Positioning, sharing of information and messaging with media by way of business interviews, media activities and news conferences
c. Effective use of mainstream and digital communication channels to ensure public access and engagement
d. Leveraging on the company's spokespersons to shape the public, investors and stakeholders' view and perception of the organisation in an accurate and coherent manner
e. Proactively engaging and sharing company news, information and update with employees across the Group
f. Being responsible for the governance and management of materiality impacting environmental, social and governance issues as aligned with the Group's sustainability framework
g. Managing crisis from a communications' perspective and across all strategic touch-points

In the face of rising complexity of the regional business environment and unpredictable geopolitics in most of our markets, Group Corporate Communications and Sustainability is guided to ensure that communications and engagements across the Group and within each local operation, and influencers inside and outside of Malaysia are effectively managed and meet the diverse needs of the organisation. Among the key efforts required under external communications include:

i. Preparing and publishing the company's performance and integrated financial and non-financial reports such as the Integrated Annual Report, Sustainability Report, Audited Financial Statement Report and other various communication materials
ii. Helping spokespersons prepare for media interviews and developing messages that will be used to deliver to investors and shareholders
iii. Managing the corporate website and social media tools and platforms in terms of content creation, promotion and data analytics
iv. Creating platforms and communication channels to allow for engagement with stakeholders to include managing financial and corporate development announcements as well as mitigating reputational issues that may have a negative impact on corporate image

In the Group's efforts to transform to become the new generation digital company, digital and online communication tools and platforms are the mainstay of connecting with the public as well as employees in a seamless and purposeful manner. The use of social media to engage and share information with the diverse communities within the region and to engage and keep employees informed of activities and corporate developments have become more important and relevant.

4.2 Media and Public Relations

The engagement of the media fraternity which also includes building positive relations with business journalists, senior writers, editors and other content influencers in ensuring timely and accurate messages are shared and positioned, is an important and strategic role of Corporate Communications. Amongst others, the media relations function includes writing and distributing news releases, overseeing all planning work and content development required for staging news conferences and media interviews, responding to media inquiries, preparing the company's spokespersons to speak and engage with media and generally, ensuring the transparent and quality representation and position of the company's interests and plans. The role also requires proactively and reactively managing issues and address any misinformation and misrepresentation that may in any way, impact the Group's reputation.

Monitoring and tracking of and reporting on print, social, online and digital media to include blogs, is becoming increasingly critical to ensure a firm and realistic grasp of what the public, media and social influencers are saying, and devising communication strategies to improve perception and address inaccuracies or public queries.

The Board also recognises the need for more dialogue with investors and analysts, details of investor relations activities are listed within the Statement on Corporate Governance section of this Annual Report.

4.3 Crisis Communications

Incidences or events that can seriously threaten a company's reputation such as extensive network failure, threat to cyber security or insider trading, will require the function of Corporate Communications to lead in managing the crisis from a communications perspective, namely advising senior executives on messaging, managing media inquiries, preparing engagement platforms such as interviews and briefings, and ensuring employees are kept duly informed. A crisis may entail Corporate Communications to collaborate with the relevant internal content and stakeholder owners to work with regulators, political officials, emergency response personnel and communications teams from other organisations when developing crisis messages. We are guided by the Axiata Group Crisis Communications Manual and Framework that was developed to address common crisis scenarios that affect the industry and business, with crisis simulation exercises and spokespersons training conducted periodically.

Governance & Compliance Information
Statement on Risk Management and Internal Control

4.4 Employee Communications

Group Corporate Communications also functions as employee communications managers, to keep employees within Corporate Centre and across the Group informed and engaged on new developments, activities and announcements. This is achieved through the use of face-to-face engagements such as quarterly Townhall sessions, and facilitation of employee activities. In addition, the team has introduced various digital platforms such as Intranet portals and internal social media as tools for internal communications, in line with Axiata's digital ambition. This includes Yammer, e-mail and electronic direct mail service while leveraging on social media platforms such as the company's Facebook, LinkedIn and Twitter channels.

4.5 Sustainability and Governance

The Group Sustainability team is responsible for the governance and management of material environmental, social and governance issues aligned within the Group's Sustainability Framework. Group Sustainability will ensure compliance with the sustainability policy, benchmark against local and international standards, align with the indicators of the United Nations Sustainable Development Goals, update material issues, conduct stakeholder engagement, standardise data collection, implement digital data management systems, and develop communication materials for internal and external stakeholders.

All OpCos should align and localise the Group Sustainability Framework to their local context and be responsible for collecting related quality data needed to support the Group's Sustainability Framework. Group Sustainability provides advisory support and capacity building to all OpCos on a needs basis to improve their sustainability performance. OpCos are encouraged to produce their own Sustainability Report in compliance with the most current Global Reporting Initiative standard.

5.0 Monitoring

Monitoring covers the oversight of internal control by management or other parties outside the process or the application of independent methodologies, such as customised procedures or standard checklists, by employees within a process. Key monitoring activities within the Group are as follows:

5.1 Performance Reporting

- **SLT Meetings**

  The SLT meets monthly and as and when required, to deliberate on business performance, financial and operating risks and issues which include reviewing, resolving and approving all key business strategic measures and policies. Progress, exceptions and variations are also fully discussed and appropriate action taken. In 2019, there were 12 SLT meetings held at Group level. Similar meetings were held regularly at OpCo level.

  Significant matters, identified during these meetings are highlighted on a timely basis to the Board, which is responsible for setting the business direction and for overseeing the conduct of the Group's operations. Through these mechanisms, the Board is informed of business performance and all major control issues pertaining to internal control, regulatory compliance and risk taking. This ensures that business objectives stay on course.

- **Major Control Issues**

  Quarterly reports on financial and operational control issues are tabled and subsequently reviewed by the BAC.

- **Business Control Incident ("BCI") Reporting**

  The Group has in place BCI Reporting aimed at capturing and disseminating the lessons learnt from internal control incidents with the objective of preventing similar incidents from occurring in other OpCos within the Group and to enable monitoring of internal control incidents that have caused significant losses. Ten (10) such incident reporting were recorded and updated to BAC in 2019.

- **Headline Performance KPIs**

  Headline Performance KPIs have been set and agreed upon by the Board as part of the broader KPI framework that the Group has in place. The headline KPIs represent the main corporate performance measurement targets for the year and are announced publicly as a transparent performance management practice.

5.2 Ongoing Monitoring

- **Financial and Operational Review**

  Quarterly financial statements and the Group's performance are reviewed by the BAC, which subsequently recommends them to the Board for their consideration and approval. Monthly management accounts containing key financial results, operational performance indicators and budget comparisons are also presented to the SLT to enable them to have regular and updated information of the Group's performance.

- **Internal Audit ("IA")**

  The function of IA is highlighted within the BAC Report section of this Annual Report.

APPENDIX 1 - Key Risks Faced by the Group

1. Financial Risk

As a global player with presence across 10 countries, the Group is exposed to foreign currency exchange volatilities which could adversely affect the Group's cash flow and financial performance. The Group has borrowings in foreign currencies and is cognisant of the foreign exchange and interest rates exposures. To mitigate this risk, Axiata Treasury Management Centre has been tasked to oversee and control the Group's treasury and funding matters, develop hedging strategies which are governed strictly by the treasury policies, taking into consideration current and future outlook of the relevant economies and foreign exchange markets with the ultimate objective of preserving the Group's profitability and sustainability.

Governance & Compliance Information
Statement on Risk Management and Internal Control

2. Market Risk

The Group's key markets are predominantly emerging markets which are generally characterised as being economically less developed, prone to economic uncertainties and sensitive towards any changes in developed countries. Our OpCos continue to be challenged by stiff price competition with little certainty of possible market consolidation in certain markets. In some markets, overall industry revenue suffered a year on year decline. The Group takes the necessary measures to drive efficiencies and innovations through:

- investing in new technologies,
- driving cost efficiencies,
- establishing strategic ties with 'Over-the-Top' (OTT) and digital product developers in order to create products and services that meets evolving customer needs,

The measures above are taken with the aim of increasing the Group's share of customers wallets, retaining customers and maintaining our Profit After Tax.

3. Regulatory Risk

The telecoms sector where the Group operates is subjected to a broad range of rules and regulations, put in place by various regulatory bodies. The sector is subjected to high tax rates and significant spectrum acquisition costs in auctions. This is in addition to multiple levies such as service taxes, excise duties and VAT amongst others. In some countries, the Group is faced with prolonged tax litigations often due to lack of judicial precedent while others are challenged with a systematic increase in taxes and more favourable treatment accorded to the domestic operators. Such policies and regulations could disrupt the Group's business operations and impair its business returns and long-term growth prospects. These rules and regulations may also limit our flexibility to respond to market conditions, competition and new technologies.

In responding to such a challenging environment, the Group advocates strict compliance, fair and transparent practices of government policies. We have instituted dedicated personnel and resources to constantly monitor all relevant developments and maintain regular contact and a courteous relationship with the governing authorities. We also constantly enhance our process flows to encourage quick and cost-effective responses to changing regulations. The Group has been at the forefront in engaging regulatory officials in implementing sustainable regulatory regimes which will lead to a development of healthy regimes for the telecoms sector as well as participate in government consultations and industry association events, to foster collaboration and knowledge sharing for best industry policies and practices.

4. Data Privacy and Cyber Security Risk

At Axiata, we are always conscious of the sensitivity of our customers' information, which includes their personal data, records of communications information, behavioural and locations and their use of the Internet and digital applications. We recognise the importance of having effective and meaningful privacy protection in place when we collect, use, and share personal data. We aim to instil digital trust and confidence in our customers through robust Privacy and Information Security policies, frameworks and management. Our vendors and business partners too must adhere to a high standard of data protection and compliance to the Axiata Supplier Code of Conduct principles.

Cyber security is an essential component of our digital strategy and risk management. At Axiata we've defined an aggressive three-year cyber security strategy to improve our processes, technology and people by 2020. This initiative is endorsed and supported by the Axiata Group Board, Board Risk Management Committee, and a group wide Cyber Security Steering Committee. In addition, each Operating Company (OpCo) in the group is aligned to a common key performance indicator metric and collaborate through regular regional meetings. We have adopted the internationally recognised NIST framework to identify the key functions and are targeting improvement to our ability to effectively detect and respond to incidents.

5. Digital Risk

The governments within the Group footprint are looking to impose regulations which will requires digital companies and OTT players' to comply to the local regulatory landscape. While such regulations are meant to create a level playing field between the OTT players and telco operators, as the Group embraces digital business, it will be affected as well.

The digitisation of functions and processes means that areas previously not regulated by reference to cyber laws may now be subject to these additional regulations. Given the uncertainties and inconsistencies in the legal and regulatory requirements, it is important for the Group to keep pace with different policy initiatives at both national and international levels and expedite the implementation of relevant action plans to ensure compliance and strengthening of cyber security measures to safeguard data security and integrity.

6. Operational Risk

The Group relies on third-party vendors in many aspects of our business. Their non-performance will have an impact on the Group's operations. The telecoms industry is dominated by a handful of vendors which means loss of supply due to a key vendor suffering business failure may significantly affect our core business and operations. Axiata Procurement Centre's key role is to be on the lookout for ways to manage these risks, monitor the performance of the vendors and develop new relationships to reduce such dependencies.

The Group's operations and assets span across wide geographical locations and hence are subjected to risks of supply chain disruptions, technical failures, partner failures, human errors, wilful acts and natural disasters. Our Business Continuity Plan addresses these possible risks through a systematic identification of critical business processes and adequate recovery actions in the event the processes are affected adversely.

7. Geo Political Risk

The Group operates in footprints that are affected by political instability, civil unrest and other social tensions. Political systems in a few countries remain fragile, resulting in regime uncertainties and in most cases, risk of arbitrary actions. Such conditions, which are beyond the Group's control, may cause disruption to the business, undermining market sentiment and investor confidence towards the Group.

To mitigate this risk, the Group work closely with the respective OpCo Management, leveraging on their local expertise, knowledge and ability to continually assess the changing political scenario and have in place various measures to ensure a timely response in the event of such occurrences. The Group emphasis on maintaining a neutral government relations and contribute to the socio-economic development of these countries through various CSR initiatives, as highlighted in the annual sustainability report.

Governance & Compliance Information
Statement on Risk Management and Internal Control

8. Strategic & Investment Risk

Evolution of the telecoms landscape has created a change in customer expectations away from simple connectivity to customers wanting better experience in Internet connection, network quality and competitive tariff rates. Increasingly, the ability to provide compelling digital content and lifestyle applications such as music and mobile money are equally important for mobile users. The entry of new players has also created pricing pressure eroding the Group's margin. Keeping pace with changing consumer expectations and competitive pricing has become a challenge across most of the key markets the Group operates in. To mitigate this risk, the Group closely monitors the competitive landscape, explores and makes appropriate investments to upgrade its technology and platform and reviews the relevance of its products and services offerings in order to stay in the game. Prudent cost management keeps our budget lean while maintaining strong strategic alliances with network vendors helps us to keep pace with technology shifts.

Venturing into new growth areas remains as one of the Group's strategic initiatives to create additional revenue streams such as participating in digital and OTT initiatives and investing into new markets and services that rely on connectivity. The Group recognises the risk and repercussions involved in poor investment decisions and the management of these new initiatives post-acquisition. To manage this risk, we have put in place a Mergers and Acquisition Committee that oversees all acquisitions and divestments and at the same time, maintain a robust due diligence process to evaluate and manage the potential risks involved. Post-acquisition, transition teams are put together to ensure that organisational, cultural and mind-set changes that are required are implemented appropriately.

9. People Risk

People are one of the key pillars of success for the Group as it underpins our ability to implement the Group's strategy and deliver superior services to our customers. We actively seek out people who are able and motivated to live the Group's values. Nonetheless, hiring the right employee and loss of key talent remain a challenge, especially in the digital economy. Our Talent Management team is on a constant lookout for suitable employees, whilst developing our people through robust talent development programmes, attractive performance based rewards and providing a safe and healthy work environment. The Group advocates staff empowerment to allow for employees to respond to rapidly changing customer demands and work processes. Employee engagement is also critical for the Group as a failure to motivate and keep employees engaged will reduce overall morale, increase attrition and ultimately affect our business.

10. Technology Risk

The Group constantly strives to be at the forefront of both technology and innovation in all our operating regions. Rapid technological advances may result in premature obsolescence of key technology and equipment before the end of their expected useful life. On the other hand, a lag in development and deployment of new technologies may also result in the Group falling behind its competitors. To remain relevant, it is imperative that the Group constantly reviews and refreshes its technology yet maintain financial prudence.

Future proof is therefore identified as a critical criteria in selecting network equipment and is built into the procurement process. Group is closely studying the technological advancements in mobile communications industry, particularly on 5G technology, whilst carefully crafting the network strategy for the future.

11. Governance and Integrity Risk

The Group is driven by our key values of Uncompromising Integrity and Exceptional Performance (UIEP) to ensure high ethical standards and good corporate governance are maintained. We believe that sound corporate governance is a key success factor when conducting business in a global, highly competitive, regulated and changing market. The Group's Code of Conduct sets out rules and guidelines on how personnel acting for or on behalf of the Group are expected to conduct business. The Group will continue its focus on maintaining and further developing the strong ethical platform and corporate governance standard to support Axiata's business integrity and continuing strong performance.

With the renewed focus on Anti-Bribery and Anti-Corruption (ABAC) by the government and the upcoming enforcement of the Malaysian Anti-Corruption Commission Act Section 17A on Corporate Liability from June 2020, the group has taken necessary steps to ensure all adequate procedures are put in place to mitigate any risks associated to this. Revision of policies and procedures, realignment of processes with appropriate control mechanisms, establishment of automated systems, and roll out of awareness programme to all staff are among actions introduced to achieve this.

Governance & Compliance Information
Board Audit Committee Report

Summary of the Board Audit Committee's Key Activities in 2019

During the Financial Year ended 2019 (FY19), the Board Audit Committee (BAC) discharged its functions and carried out its duties as set out in the Terms of Reference (ToR). Key activities undertaken by the BAC include the following:

Risks and Controls

The Group's major business risks and remedial actions were reported and deliberated at the BAC each quarter, a summary of which is reported to the Board.

- Four (4) Board Risk Management Committee meetings where the Group's risks were assessed from various control perspectives that included preventive and detective controls.
- Post-acquisition review on major acquisitions i.e. Robi-Airtel merger and Ncell purchase, were carried out and lessons were taken from the aspect of governance, risks, commercial/deal structuring, terms and conditions as well as financial impacts.
- Reviewed the Group gearing status and portfolio rebalancing, hedging and forex currency exposure and cash management of the Group and the impact of currency translation on Axiata Group's financial statements, debt level including restructuring where necessary and dividend policy.
- Established a dedicated Internal Audit Team for Axiata Digital Services (ADS) Group to strengthen the independent assessment consequent to rapid business, operations and organisation growth in ADS businesses.
- Reviewed carrying value of assets as required by IFRS and MFRS and agree that no further major impairment is required in 2019 after assets major impairments were done in 2018.
- Axiata Groupwide BAC Forum assembling all Operating Companies (OpCos) BAC Chairmen to align on 2019 priorities and focus was held on 28 March 2019.
- Reviewed cost savings initiatives (Project Arise) under Axiata Group's Cost Optimisation and Capex Efficiency direction and satisfied with the governance and internal controls in place with consistent results year on year, including for 2019.
- Initiated a review on Anti-Bribery and Anti-Corruption (ABAC) policies and execution in the Group resulting in the formation of the Board of Risks and Compliance Committee (BRCC) in February 2020, the appointment of a Group Chief Risk and Compliance Officer and the establishment of Ethics and Compliance Committee at Management level.
- Initiated the introduction of whistleblowing 2.0 (WB 2.0) channel across the Group and OpCos aims at enhancing governance, transparency, integrity, and management of whistle blowing channel and cases.
- A Cyber Security Forum initiated by the Cyber Security Steering Committee (CSSC) was held on 10 July 2019 attended by OpCos BAC Chairmen and Senior Management of Axiata and OpCos to discuss the Cyber Strategy as well as progress of improvement initiatives for 2019.
- Supported extensive internal audits assignments in the area of cyber security across all OpCos which have contributed in a marked improvement in cyber security internal controls across the Group by end of 2019.
- Reviewed the Data Privacy programmes for the Group.
- The BAC Chairman visited XL Axiata in Indonesia to understand and discuss XL's perspective on governance and controls.
- Reviewed Capital Gain Tax (CGT) matter of Ncell in Nepal
- A total of 128 internal audit reviews were completed across the Group.

Other recurring works include:

- Reviewed and recommended the Statement on Corporate Governance, Statement on Risk Management and Internal Control and BAC Report for the Annual Report to the Board for approval.
- Reviewed the financial results quarterly, half yearly and annually prior to the Board for approval.
- Discussed and resolved all Key Audit Matters raised by external auditors.
- Reviewed the accounting impact and accounting entries arising from merger and acquisition deals and revised accounting policies when required for better governance and controls.
- Reviewed and satisfied that Axiata Group and its OpCos have fully adopted relevant accounting standards required by International Financial Reporting Standards (IFRS) and Malaysian Financial Reporting Standards (MFRS), such as MFRS 16.
- Reviewed the potential exposure of major investments and divestments made by the Group.
- Reviewed on a quarterly basis the related party transaction entered into by Axiata pursuant to the shareholders mandate on Recurrent Related Party Transactions (RRPT) procured at the 27th AGM of the Company held on 29 May 2019 and the reporting of these transactions in the 2019 Annual Report.
- During the financial year ended 31 December 2019, Axiata has granted a total of 2,903,000 shares under the Performance-Based Long Term Incentive Plan at the Share Reference Price of RM4.44 for 21 February 2019. The BAC has reviewed the allocation of the above shares granted to eligible employees (as defined in the Bye-Laws) and noted its compliance with the conditions for the allocation of shares as approved.
- Held two (2) private meetings with the external auditors on 20 February 2019 and 27 August 2019 without the presence of management. The topics that were discussed were key matters noted from audits, the sufficiency and adequacy of information provided to external auditors to perform the audit and cooperation provided by the management.
- Reviewed and approved appointment of external auditors, taking into consideration their competencies, commitments, objectivity and independence.
- Reviewed and approved the Annual Internal Audit Plan and budget.
- Assessed the quality of internal audit staff, experience, discipline and length of service.
- Reviewed 10 business control incidents and identified cases of control weaknesses including fraud.
- Acknowledged, reviewed and ensured investigations into 96 whistleblowing cases across the Group.
- Encouraged the use of data analytics-based audit (ABA) among the internal audit team across the Group to deliver agile audit reporting which provides a more holistic and effective assessment on internal controls risks.
- Championed for competency development of auditors specifically on certified internal auditor (CIA), information system auditing, cyber security, and analytics in audit across the Group.
- Supported the launch of Auditors Analytics Certification programme in Q4 2019 and the investments to be made to get all auditors to be trained in analytics competency for auditing.
- Supported the application of digital technology in internal audit and investigation domains eg Whistle Blowing 2.0 channel as well as internal controls surveys were carried out on digital platforms.

Composition and Meetings

In 2019, the BAC, met seven (7) times on 22 January 2019, 20 February 2019, 26 March 2019, 27 May 2019, 5 July 2019, 27 August 2019 and 27 November 2019. The composition and the attendance record of BAC members are listed below.

Name of Director	Status of Directorship/ Qualifications	No. of Meetings Attended
David Lau Nai Pek (Chairman of BAC)	Senior Independent Non-Executive Director	7 out of 7
Dato' Mohd Izzaddin Idris	Independent Non-Executive Director	7 out of 7
Dr David Robert Dean	Independent Non-Executive Director	7 out of 7

Governance & Compliance Information
Board Audit Committee Report

Financial Literacy

The BAC is chaired by David Lau Nai Pek, who has more than 30 years' experience with the Royal Dutch Shell Group, leading financial organisations in various countries. David is also a member of the Malaysian Institute of Accountants and a member of Chartered Accountants, Australia and New Zealand.

Dato' Mohd Izzaddin Idris has spent many years in major companies in Malaysia undertaking various senior positions in the fields of investment banking, financial and general management. Dato Izzaddin has served in at Malaysian International Merchant Bankers Berhad, Malaysian Resources Corporation Berhad and Southern Bank Berhad. He was also the Chief Financial Officer/Senior Vice President (Group Finance) of Tenaga Nasional Berhad, and most recently the Group Managing Director/Chief Executive Officer of UEM Group Berhad.

Dr David Robert Dean has been an independent advisor to several start-ups and larger companies with more than 28 years of experience. Dr Dean retired as Senior Partner from The Boston Consulting Group (BCG), where he contributed significantly to the firm's most innovative thinking in areas of Internet economy, cloud computing and personal data.

Group Internal Audit

The internal audit function is under the purview of Axiata Group Internal Audit (AGIA) and headed by the Group Chief Internal Auditor (GCIA), who is independent and reports directly to the BAC.

The internal audit reporting structure within the Group has been organised whereby the audit departments of the OpCos report directly to the BAC of the respective OpCo with a dotted reporting line to the GCIA. The GCIA also acts as the secretary to the BAC and CSSC and attends OpCo BAC meetings.

AGIA provides independent, objective assurance on areas of operations reviewed, and makes recommendations to improve and add value to the Group. AGIA identifies, coordinates and conducts global audits that are carried out throughout the Group and also provides standards, policies, guidelines and advice to the OpCos' audit function to standardise the internal audit activities within the Group.

AGIA adopts a systematic and disciplined approach to evaluate the adequacy and effectiveness of risk management, financial, operational, compliance and governance processes. Structured risk-based and strategic based approaches are adopted in identifying internal audit activities that are aligned with the Group's strategic plans to ensure that the risks facing the Group are adequately reviewed. In addition, internal auditors across OpCos have applied analytics in relevant audits throughout the year for higher quality of audit works in terms of efficiency, effectiveness, completeness, risks focus, accurate and quantifiable audit findings.

Further, international standards and best practices are adopted to further enhance the relevancy and effectiveness of the internal audit activities. The areas of coverage include finance, sales, marketing, information and technology, billing, network, corporate governance, human resources, customer service, digital services and procurement. The audit reports of these assignments provide independent and objective assessment of the following:

- the adequacy, effectiveness and efficiency of the internal control systems to manage operations and safeguard the Group's assets and shareholders' value; and
- the adequacy and effectiveness of the risk management operations, governance and compliance functions to identify, manage and address potential risks facing the Group.

The internal audit reports are issued to management for their comments and to agree on action plans with deadlines to complete the necessary preventive and corrective actions. The reports are tabled at each OpCo's BAC and the summary of the key findings are presented to the BAC for due deliberation to ensure that management undertakes to carry out the agreed remedial actions. Members of management are invited to the BAC meetings from time to time, especially when major control weaknesses are highlighted by Internal Audit.

Key audits and reviews completed in 2019 were:

- Global Audit on Cyber Security Minimum Baseline Security Standards (MBSS)
- Axiata Procurement Centre Sourcing Controls
- Group Talent Management
- Global Audit on Corporate Structure Statutory and Non-Statutory Compliance
- Staff Expense Claims (Analytics Based)
- Global Audit on Corporate Tax
- Global Audit on Organisational Development/Human Resources
- Global Audit on Risk Management Process
- Global Audit on Procurement (Analytics Based)
- Global Audit on Accounts Payable and Contract Compliance (Analytics Based)
- Access controls & Facilities Management (Analytics Based)
- Axiata Business Services (ABS) New Business' governance and internal controls

The total cost incurred by AGIA in 2019, inclusive of all OpCos, was RM18.2 million. There are a total of 77 internal auditors across the Group whilst AGIA at Corporate Centre has eight approved headcount and operates on a resource sharing basis with other OpCos' Internal Audit Divisions. All the internal auditors have tertiary qualifications and the level of expertise and professionalism within AGIA at the end of 2019 is as follows:

Expertise Category	Percentage of total auditors
Finance	28%
IT/MIS	22%
Network/Engineering	20%
Marketing	13%
General/Others	17%

Professional Category	Percentage of total auditors
Professional Certification	
• CPA, ACCA, CA, CIMA	25%
• Certified IS Auditor	15%
• Institute of Internal Auditors	13%
• Others	22%
Post Graduate	
MBA and Masters	32%

Governance & Compliance Information
Strengthening Data Privacy and Cyber Security in 2019

In view of an increasingly challenging operating environment, Axiata Group Berhad ("Axiata" or the "Group") remains committed to protecting the data privacy of our customers, employees and all other stakeholders with the highest level of respect, due care and diligence, as we maintain robust data privacy and cyber security Group-wide.

COMMITMENT TO DATA PRIVACY AND CYBER SECURITY

Data privacy and cyber security are critical areas for Axiata, particularly given the telecommunications ("telecoms") sector's vulnerability to cyber security attacks. With our large customer bases across the region, malicious hackers are launching increasingly sophisticated attacks which use Artificial Intelligence and Machine Learning against telecommunications companies ("telcos") to gain access to personal data. Mobile devices are an area of vulnerability, as are unsecured mobile apps, both having a great impact on the customer journey. The telecoms sector is among the industries threatening the proliferation of digital services, with people globally indicating a reluctance to share their personal data.

Bearing these concerns in mind, ensuring data privacy and cyber security is an imperative in today's landscape, especially given Axiata's shift towards digitisation and data. Inspiring the trust of our customers, employees and other stakeholders have become even more critical in our quest to be the number one choice for customers. To deal with this holistically, Axiata implemented our three-year Information Security Strategy, Digital Trust 2020 ("DT2020") in 2018. DT2020 supports Axiata's Group-wide digital transformation and aims to maintain our stakeholders' trust and confidence with effective and meaningful data privacy and cyber security measures.

In July 2019, towards uplifting Axiata's data privacy capabilities, we embarked on the Group-wide Privacy Programme, which is scheduled to end in August 2020. Guided by the Board Risk and Compliance Committee ("BRCC") and OpCo Task Force,[1] the Privacy Programme has paved the way for the formulation of Axiata's Privacy Commitment to our customers, employees and other stakeholders. This is a key agenda for the Group from 2020 onwards. Axiata's Privacy Commitment is founded on the Group's principles of T.R.U.S.T., reinforcing our position as a trusted regional telecommunications and digital services provider.

OUR PRIVACY COMMITMENT

Axiata commits to protect and respect the privacy of our customers, employees and other stakeholders.

WE ARE GUIDED BY OUR

VISION

Our Vision is to ensure data privacy is at the core of everything we do in our aspiration to be the trusted brand in our respective markets.

MISSION

Our Mission is to foster a culture of trust and confidence in us through a robust data privacy framework.

AND FOUNDED ON PRINCIPLES OF

T	R	U	S	T
TRANSPARENT	**RIGHTS**	**USE**	**SECURITY**	**TRANSFER**
We are **TRANSPARENT** about what, why and how we collect and protect **YOUR PERSONAL DATA** so that **YOU** can make informed decisions.	We respect **YOUR RIGHTS** as individuals, so **YOU** are in control of **YOUR PERSONAL DATA**.	We **USE YOUR PERSONAL DATA** for specific and stated purposes, and keep it for only as long as required.	We have established robust **CYBER SECURITY PRACTICES** in line with leading industry standards to protect **YOUR PERSONAL DATA** that **YOU** have shared with us.	With **YOUR CONSENT** or in accordance with **APPLICABLE LAWS** we may **TRANSFER YOUR PERSONAL DATA** and will take appropriate steps to ensure it is adequately protected.

Note:
[1] The Programme was initiated by the Group Privacy Steering Committee and OpCo Task Force

Governance & Compliance Information

Strengthening Data Privacy and Cyber Security in 2019

KEY ACHIEVEMENTS IN 2019

Having built strong foundations to improve the overall maturity of our cyber security capabilities in 2018, in 2019 we strengthened and improved data privacy and cyber security programmes and technologies, and established a strong culture of cyber security awareness amongst employees and third-party vendors who deal with personal data.

In addition to building a strong foundation for the Group-wide Privacy Programme, we were the first telco in our markets of operation to be accredited by the Forum of Incident Response and Security Teams ("FIRST") for our Group Security Operations Centre ("GSOC"). GSOC monitors all our Operating Companies ("OpCos") on a single platform and augments their cyber capabilities with world-class Endpoint Detection and Response ("EDR").

A series of activities and measures were undertaken during the year to further strengthen Axiata's data privacy and cyber security as follows:

Enhanced Data Privacy and Cyber Security Governance

- Replaced the Privacy Steering Committee and the Group Cyber Security Steering Committee ("CSSC") with the joint Cyber Security and Privacy Committee ("CaP") to promote greater alignment, visibility and inclusion of data privacy and cyber security issues from the top

Ensured a Robust Cyber Security Framework

- Adopted the internationally recognised National Institute of Standards Technology ("NIST") cyber security compliance and maturity programme, achieving a Capability Maturity Model Integration ("CMMI") maturity of 3 for all NIST functions Group-wide, with a target to reach 3.5 to 4 by 2020
- Enforced the Minimum Baseline Security Standard ("MBSS") Group-wide for all IT and telecoms systems, including significant efforts to automate the process to achieve scale, consistency and accuracy

Strengthened Cyber Risk Management

- Implemented a Group-wide risk identification process to conduct regular internal and external vulnerability assessments, and threat assessment programmes using our Cyber Defence Portal
- Renewed our cyber insurance to protect the Group in the event of any breach

Maintained Threat Detection Programmes

- Maintained our annual "Bug Bounty" programme for two consecutive years to enhance our threat hunting capability as well as identify and responsibly disclose software vulnerabilities to drive improvements in mobile and web applications
- Continued with "Red Teaming" exercises to identify targets of opportunity across the Group, and executed a prioritised and effective improvement programme that focused on stronger defence capabilities whilst driving improved detection, response and recovery capability

Leveraged on Advanced Technology to Drive Cyber Capabilities

- Adopted leading technologies to ensure we remain relevant and agile in measuring our risks, using tools based on the advanced technologies of Machine Learning and Artificial Intelligence

Strengthened the Data Privacy and Cyber Security Functions

- Strengthened the data privacy function by appointing a Data Privacy Officer ("DPO") in each of our OpCos, who are responsible for uplifting data privacy capabilities within the respective OpCo. Towards strengthening the cyber security function, we have Information Security ("IS") Leads who are responsible for the IS function at each OpCo
- The DPOs report directly to the OpCo CEO, while both DPOs and IS Leads have a dotted line reporting to the Group Head of Privacy and Group Chief Information Security Officer to ensure that the data privacy and cyber security functions are aligned and managed effectively throughout the Group
- A total of 14 Privacy Champions across the Group including the DPOs participated in the International Association of Privacy Professionals' Certified Information Privacy Manager ("CIPM") certification to further strengthen the data privacy function

Built our Employees' and Vendors' Cyber Capabilities

- Embarked on a Group-wide Cyber Security e-Learning programme for employees and vendors to ensure they have the appropriate knowledge and are cyber-aware
- Updated our Employees Code of Conduct with cyber security and data privacy requirements thus amplifying the Group's commitment in these two domains. The refreshed Code of Conduct was approved and adopted by the Board of Directors on 28 May 2019

Strengthened our Cyber Partner Ecosystem

- Signed a Memorandum of Understanding ("MOU") with the Malaysian Digital Economic Corporation ("MDEC") to promote sharing of best practices, cyber threat scenarios and support the national agenda on talent development

OUTLOOK IN 2020 AND BEYOND

Moving into 2020, we will continue to implement DT2020 with emphasis on people, processes and technology to fortify our privacy and cyber-aware culture. Our plan centres on evaluating and right-sizing existing operating structures, increasing cyber-awareness, accelerating the coverage and scale of technology and standard implementation, enabling a secure Cloud journey, and employing more standarised technologies across the Group.

In order to build a cohesive cyber-aware community and culture, we have implemented a Group-wide training and awareness portal for all Axiata employees and non-employees. We will continue to conduct crisis simulation exercises to build a team of capable incident handlers who can respond decisively in the event of a cyber-attack.

Complementing these is our Privacy Commitment agenda for the year ahead to protect the data privacy of our customers, employees and other stakeholders.

In contributing towards a national cyber-resilient ecosystem, we will continue to participate in industry forums and actively build partnerships with selected leading private and government institutions. Collaborations with national regulatory bodies and Computer Emergency Response Team ("CERT") agencies will continue to be essential for improved response and threat intelligence. Further to this, Celcom has signed a MOU with CyberSecurity Malaysia ("CSM") to collaborate on incident response and provide a lab for Internet of Things ("IoT") testing.

Our Group-wide Privacy Programme will continue to progress in line with Axiata's commitment to ensure strict compliance with the relevant laws and regulations as well as alignment with global best practices in data privacy. Following the privacy assessment carried out in 2019, in 2020 we are working towards identifying gaps in the areas of people, processes and technology. Through this exercise, mitigation measures can then be introduced to further improve compliance.

Additionally, towards ensuring heightened third-party data processing by our vendors, the Supplier Code of Conduct will be reviewed to include Axiata's expectations covering obligations of vendors who process all stakeholders' data and information.

Governance & Compliance Information

Additional Compliance Information

1. **NON-AUDIT FEES** [Disclosed in accordance with Appendix 9C, Part A item 18, Main LR]

The amount of non-audit fees incurred for the services rendered to Axiata and the Group by its external auditors, PricewaterhouseCoopers PLT and its affiliated companies for the FY19 are RM6.4 million and RM18.3 million respectively.

Services rendered by PricewaterhouseCoopers PLT are not prohibited by regulatory and other professional requirements, and are based on globally practiced guidelines on auditors independence. PricewaterhouseCoopers PLT was engaged in these services when their expertise and experience of Axiata are important. It is also the Group's policy to use the auditors in cases where their knowledge of the Group means it is neither efficient nor cost effective to employ another firm of accountants.

2. **MATERIAL CONTRACTS INVOLVING DIRECTORS' / MAJOR SHAREHOLDERS' INTEREST** [Disclosed in accordance with Appendix 9C, Part A item 21, Main LR]

There were no material contracts of Axiata and/or its subsidiaries, involving the interest of the directors, chief executive who is not a director and major shareholders either subsisting as at 31 December 2019 or entered into since the end of FY18 except the material contracts between Axiata and its major shareholder subsisting as at 31 December 2019 as follows:-

- Shareholders Agreement between Axiata, Mount Bintang Ventures Sdn Bhd, a wholly-owned subsidiary of Khazanah Nasional Berhad, Innovation Network Corporation of Japan and edotco Group Sdn Bhd ("edotco") dated 18 January 2017 as amended by the Deed of Accession and Amendment dated 18 April 2017 to govern their relationships as shareholders of edotco.

3. **UTILISATION OF PROCEEDS** [Disclosed in accordance with Appendix 9C, Part A item 13, Main LR]

(a) The cash proceeds arising from the disposal of the entire 28.67% stake in M1 Limited by Axiata Investments (Singapore) Limited pursuant to the acceptance of Voluntary Conditional General Offer made by Konnectivity Pte. Ltd. on 15 February 2019 for a total cash consideration of SGD546.7 million (RM1,649.3 million) were utilised for paring down debt and working capital purposes.

(b) The cash proceeds arising from the disposal of the entire 2.48% stake in Vodafone Idea Cellular Limited was completed over multiple sale transactions from 15 October 2019 to 13 March 2020 for a total cash consideration of INR4.3 billion (RM250.9 million) were utilised for working capital and general corporate purposes.

4. **PERFORMANCE-BASED EMPLOYEE SHARE OPTION AND SHARE SCHEME AND AXIATA GROUP PERFORMANCE-BASED LONG-TERM INCENTIVE PLAN** [Disclosed in accordance with Appendix 9C, Part A item 27, Main LR]

(a) PERFORMANCE-BASED EMPLOYEE SHARE OPTION AND SHARE SCHEME

The Performance-Based ESOS was approved by the shareholders of Axiata at an Extraordinary General Meeting held on 24 March 2009 and implemented on 16 April 2009. On 1 June 2011, Axiata's shareholders had, at the 19th AGM, approved the amendments to the Bye-Laws of the Axiata Share Scheme (Bye-Laws) to include a Restricted Share Plan ("RSP") and the same took effect from 15 July 2011. Thereafter, Axiata started to offer Eligible Employees the entitlement to receive Restricted Share Award ("RSA"), instead of ESOS Options.

Information on the Axiata Share Scheme as set out in Note 14(a) of the Audited Financial Statements for FY19 is as follows:

ESOS Options/RSA granted, vested, exercised and outstanding since the implementation of Axiata Share Scheme until its expiry on 15 April 2019.

- Total number of ESOS Options/RSA granted: 186,908,000 ESOS Options and 64,148,300 RSA
- The ESOS Options and RSA granted shall be vested only upon the fulfilment of certain performance criteria by Axiata and individuals as at vesting date
- Senior and top management can only vest the RSA at the end of the third year, with potential multiplier effect on the number of shares to be granted
- Total number of RSA vested: 37,819,400 RSA
- Total number of ESOS Options exercised: 151,988,136 ESOS Options
- Total number of ESOS Options/RSA outstanding: Nil
- Total number of RSA[1] adjusted: 5,729,000 RSA
- Total number of ESOS Options/RSA forfeited/lapsed[2]: 34,919,864 ESOS Options and 32,057,900 RSA

As provided below, with the exception of Tan Sri Jamaludin Ibrahim ("Tan Sri Jamaludin"), Managing Director/President & Group Chief Executive Officer of Axiata, none of the Directors of Axiata have been granted ESOS Options or RSA:

	Granted		Adjusted[1]	Exercised/Vested		Lapsed[2]		Outstanding	
	ESOS Options	RSA	RSA	ESOS Options	RSA	ESOS Options	RSA	ESOS Options	RSA
Tan Sri Jamaludin	4,301,700	1,716,700	489,200	2,693,900	1,404,800	1,607,800	801,100	Nil	Nil

Note:

1 Adjusted refer to the additional number of shares vested due to multiplier effects or pro-rated shares offered at the time of vesting.

2 Lapsed due to the expiry of Axiata Share Scheme on 15 April 2019.

In accordance with the Bye-Laws, not more than 50% of the Company's new ordinary shares made available under the Axiata Share Scheme shall be allocated, in aggregate to Eligible Employees who are Executive Directors of the Company or any corporation within the Group or who are Senior Management. For the period up to the expiry of Axiata Share Scheme on 15 April 2019, the actual percentage of options/shares granted to them was 23.2% of the total number of options/shares granted.

(b) AXIATA GROUP PERFORMANCE-BASED LONG TERM INCENTIVE PLAN (PBLTIP)

On 25 May 2016, shareholders of the Company approved Axiata Group PBLTIP and the plan was implemented on 30 September 2016.

Information on the Axiata Group PBLTIP as set out in Note 14(b) of the Audited Financial Statements for FY19 is as follows:

PBLTIP granted, vested, exercised and outstanding since the implementation of Axiata Share Scheme until FY19:

- Total number of PBLTIP granted: 10,071,800

The PBLTIP granted shall be vested only upon the fulfilment of certain performance criteria by Axiata and individuals as at vesting date with potential multiplier effect on the number of shares to be granted.

- Total number of PBLTIP vested: 34,900
- Total number of PBLTIP forfeited: 499,800
- Total number of PBLTIP outstanding: 9,537,100

As provided below, with the exception of Tan Sri Jamaludin, none of the Directors of Axiata have been granted PBLTIP

	Granted	Adjusted	Vested	Outstanding[3]
Tan Sri Jamaludin	1,641,700	-	-	1,641,700

Note:

[3] The number of Axiata PBLTIP shares that may vest is 1,641,700 provided that the performance targets for vesting are met. Otherwise, the number of shares that may vest could be a portion of the full amount or nil. However, if the super stretched individual performance targets and Axiata Group superior company performance targets at the point of vesting are met, up to 9,850,200 ordinary shares of the Company may be vested to Tan Sri Jamaludin.

5. **RECURRENT RELATED PARTY TRANSACTIONS OF REVENUE IN NATURE (RRPT)** [Disclosed in accordance with paragraph 10.09 (1) (b) and paragraph 3.1.5 of Practice Note 12, Main LR]

At the last AGM held on 29 May 2019, Axiata obtained a general mandate from its shareholders for the Group to enter into RRPT with related parties as set out in the Circular to Shareholders dated 30 April 2019 (RRPT Mandate). This RRPT Mandate is valid until the conclusion of Axiata's forthcoming 28th AGM.

Axiata proposes to seek a new RRPT Mandate at its forthcoming 28th AGM (Proposed Shareholders' Mandate). The Proposed Shareholders' Mandate, details will be provided in the Circular to Shareholders to be sent together with the the Notice of Annual General Meeting, if approved by the shareholders, would be valid until the conclusion of Axiata's 29th AGM.

Pursuant to paragraph 10.09 (2) (b) and paragraph 3.1.5 of Practice Note 12 of the Main LR, details of RRPT entered into during FY19 under the RRPT Mandate are as follows:

Transacting Companies	Transacting Related Parties	Interested Major Shareholder/Director	Nature of Transaction	Value of Transaction RM'000
Axiata Group Berhad and/or its subsidiaries ("Axiata Group")	Telekom Malaysia Berhad and/or its subsidiaries ("TM Group")	- Khazanah - Tengku Dato' Sri Azmil Zahruddin Raja Abdul Aziz, Ong King How (Alternate Director to Tengku Dato' Sri Azmil Zahruddin Raja Abdul Aziz)	**REVENUE** **Telecommunication and related services**	
			- Interconnect payment from TM Group	10,746
			- Leased-line payment from TM Group	0
			- Voice Over Internet Protocol related services revenue from TM Group	23
			- Dark fibre and leased line from Celcom Axiata Berhad and/or its subsidiaries ("Celcom Group") to Fibrecomm Network (M) Sdn Bhd	475
			- Leased-line from Celcom Group to Fiberail Sdn Bhd	200
			- Transmission revenue on the services by Axiata Group to TM Group	3,208
			- Infrastructure leasing and related services including managed services receivable from TM Group to Axiata Group	35,066
			- Domestic roaming revenue and Provision of 4G Multi-Operator Core Network ("MOCN") by Celcom Group to TM Group	81,214

Transacting Companies	Transacting Related Parties	Interested Major Shareholder/Director	Nature of Transaction	Value of Transaction RM'000
			COSTS	
			Telecommunication and related services	
			- Interconnect cost to TM Group	10,046
			- Voice Over Internet Protocol related services by TM Group to Axiata Group	20
			- Leased-line related costs to TM Group	4,222
			- Provision of data and bandwidth related services by TM Group to Axiata Group	62,247
			- Provision of contact centre and business process outsourcing services by VADS Berhad to Axiata Group	17,262
			- Leasing of fibre optic core and provision of bandwidth services from Fiberail Sdn Bhd to Celcom Group	149
			- Purchase of dark fibre, bandwidth, space and facility from Fibrecomm Network (M) Sdn Bhd by Axiata Group	927
			Non-telecommunications Services	
			- Site rental payable for telecommunication infrastructure, equipment and related charges by Axiata Group to TM Group	31,359
			TOTAL	**257,164**
Axiata Group Berhad and/or its subsidiaries ("Axiata Group")	edotco Group Sdn Bhd and/or its subsidiaries ("edotco Group")	- Axiata Group - Khazanah - Tengku Dato' Sri Azmil Zahruddin Raja Abdul Aziz, Ong King How (Alternate Director to Tengku Dato' Sri Azmil Zahruddin Raja Abdul Aziz) - edotco Group - Khazanah through its wholly-owned subsidiary, Mount Bintang Sdn Bhd	**Revenue to Axiata Group/Cost to edotco Group(1)**	
			- Corrective maintenance and other service charges payment from edotco Group	3,526
			- Technical and management services fees and other services charges by Axiata Group to edotco Group	4,382
			Cost to Axiata Group/Revenue to edotco Group(1)	
			- Infrastructure leasing and related services including managed services by edotco Group to Axiata Group	728,003
			- Technical and operations support services fees and other services charges by edotco Group to Axiata Group	0
			- Field Line Maintenance services by edotco Group to Axiata Group	46,176
			TOTAL	**782,087**

Note:

1 The amount will be eliminated as inter-segment revenue for edotco Group. Respective cost will be eliminated at Axiata Group as the transaction is the intercompany transactions within Axiata Group.

6. **STATUS OF LEGALISATION OF OUTDOOR STRUCTURES** [Disclosed in accordance with letter from SC dated 12 February 2014]

Pursuant to the approval from Securities Commission Malaysia (SC) in 2008 in relation to, amongst others, TM Group's demerger and the listing of Axiata, Axiata is required to obtain the relevant approvals for the transmission towers and rooftop sites (Outdoor Structures) of Celcom Group within two years from the date of the SC's approval letter (Timing Conditions).

SC had, in 2010 and 2012, granted an extension of time for Axiata to comply with the Timing Conditions until 29 January 2012 and 29 January 2014 respectively.

Following the application submitted by CIMB Investment Bank Berhad, on behalf of Axiata, for further extension of time for the legalisation of the remaining 28 Outdoor Structures, SC had, via their letter dated 12 February 2014, granted an exemption to Axiata from complying with the Timing Conditions, subject to, amongst others, Axiata disclosing the status of the legalisation in its Annual Report until such time the necessary approvals are obtained.

As at 31 March 2020, 18 Outdoor Structures remained to be legalised. Applications for legalisation of 5 Outdoor Structures were submitted of which 2 were rejected by local authorities. Applications for legalisation of 10 Outdoor Structures are currently being prepared for submission and/or re-submission to local authorities. The remaining 3 Outdoor Structures which are unlikely to be legalised are in the midst of being re-located to new sites.

Audited Financial Statements

Governance & Compliance Information
Directors' Responsibility Statement

The Directors are required by the Companies Act 2016 to prepare financial statements for each financial year which have been made out in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 so as to exhibit a true and fair view of the financial position of the Group and of the Company as of 31 December 2019 and of their financial performance and cash flows for the financial year then ended.

In preparing the financial statements, the Directors have:

- Selected and applied the appropriate and relevant accounting policies on a consistent basis;
- Made judgments and accounting estimates that are reasonable and prudent in the circumstances; and
- Prepared the annual audited financial statements on a going concern basis.

The Directors are responsible 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.

The Directors also have the overall responsibilities to take such steps to safeguard the assets of the Group and for the establishment, designation, implementation and maintenance of appropriate accounting and internal control systems for the prevention and detection of fraud and other irregularities relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Audited Financial Statements
Directors' Report

The Directors hereby submit their report together with the audited financial statements of the Group and the Company for the financial year ended 31 December 2019.

PRINCIPAL ACTIVITIES

The principal activities of the Group are the provision of mobile communication services, telecommunication infrastructure and related services as well as digital services.

The principal activities of the Company are investment holding and provision of technical and management services on an international scale.

The principal activities of the subsidiaries are set out in Note 44 to the financial statements. There has been no significant change in the nature of the activities of the Group and the Company during the financial year.

FINANCIAL RESULTS

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

	Group RM'000	Company RM'000
Profit/(Loss) for the financial year attributable to:		
- owners of the Company	1,457,550	(295,281)
- non-controlling interests	357,546	-
	1,815,096	(295,281)

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 other than as disclosed in the financial statements.

SHARE CAPITAL

During the financial year, the paid-up capital of the Company increased from 9,071.0 million ordinary shares to 9,163.6 million ordinary shares. The increase in paid-up capital of the Company was in line with the exercise of options and vesting of shares granted under the Performance-Based Employee Share Option Scheme ("ESOS") and Restricted Share Plan ("RSP") [collectively known as the "Axiata Share Scheme"] and Axiata Group Performance Based Long Term Incentive Plan ("Axiata PBLTIP") by the employees of the Company and its subsidiaries as disclosed in Note 14(a) and (b) to the financial statements and implementation of Dividend Reinvestment Scheme ("DRS") as disclosed in Note 13(a) to the financial statements.

The above mentioned ordinary shares rank pari-passu in all respects with the existing ordinary shares of the Company.

DIVIDENDS

The dividends paid or declared or proposed since the end of the previous financial year are as follows:

	Tax exempt dividend under single tier system	
	Per ordinary share Sen	Total RM'000
In respect of financial year ended 31 December:		
- 2018	4.5	408,523
- 2019	5.0	456,433
	9.5	864,956

The DRS as stated in Note 13(a) to the financial statements was made applicable to the dividends declared during the financial year whereby shareholders were given the option to reinvest the whole or part of the dividend into new ordinary shares of the Company.

The Board of Directors had, on 21 February 2020, declared a tax-exempt dividend under single tier system of 4 sen and a special dividend of 0.5 sen per ordinary share of the Company in respect of the financial year ended 31 December 2019.

Audited Financial Statements
Directors' Report

RESERVES AND PROVISIONS

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

AXIATA SHARE SCHEME AND AXIATA PBLTIP

The Performance-Based ESOS of the Company was approved by its shareholders at an Extraordinary General Meeting ("EGM") held on 24 March 2009. The Performance-Based ESOS was implemented on 16 April 2009. On 1 June 2011, the Company's shareholders had, at the Nineteenth (19th) Annual General Meeting ("AGM") of the Company, approved the amendments to the Bye-Laws of the ESOS to include RSP. Accordingly, the existing Performance-Based ESOS was renamed as the Axiata Share Scheme. Effective 15 July 2011, the Company implemented the Axiata Share Scheme and started to offer eligible employees the entitlement to receive Restricted Shares Awards ("RSA") under the RSP in the Company on 18 July 2011. The scheme expired on 15 April 2019.

On 25 May 2016, shareholders of the Company approved the Axiata PBLTIP and the plan was implemented on 30 September 2016.

Details of the Axiata Share Scheme and Axiata PBLTIP are disclosed in Note 14(a) and (b) to the financial statements.

DIRECTORS

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

Tan Sri Ghazzali Sheikh Abdul Khalid	
Tan Sri Jamaludin Ibrahim	
David Lau Nai Pek	
Dato' Mohd Izzaddin Idris*	
Dato Dr Nik Ramlah Nik Mahmood	
Dr David Robert Dean	
Tengku Dato' Sri Azmil Zahruddin Raja Abdul Aziz	
Khoo Gaik Bee	Appointed on 1 January 2019
Ong King How (alternate Director to Tengku Dato' Sri Azmil Zahruddin Raja Abdul Aziz)	Appointed on 27 November 2019
Thayaparan S Sangarapillai	Appointed on 18 March 2020
Dr Muhamad Chatib Basri	Resigned on 13 December 2019
Dr Lisa Lim Poh Lin	Resigned on 26 February 2020

* Dato' Mohd Izzaddin Idris was re-designated from Independent Non-Executive Director to Executive Director/Deputy Group Chief Executive Officer on 24 January 2020.

The names of Directors of subsidiaries are set out in the respective subsidiaries' statutory accounts and the said information is deemed incorporated herein by such reference and made part thereof.

In accordance with Clause 104 of the Constitution of the Company ("Constitution"), Dato Dr Nik Ramlah Nik Mahmood and Dr David Robert Dean retire from the Board at the Twenty-eight (28th) AGM and being eligible, offer themselves for re-election.

In accordance with Clause 104 of the Constitution, David Lau Nai Pek retires from the Board at the 28th AGM and does not offer himself for re-election.

In accordance with Clause 110(ii) of the Constitution, Thayaparan S Sangarapillai retires from the Board at the 28th AGM and being eligible, offers himself for election.

Audited Financial Statements
Directors' Report

DIRECTORS' INTERESTS

According to the Register of Directors' Shareholdings required to be kept under Section 59 of the Companies Act 2016, none of the Directors who held office at the end of the financial year held any shares or debentures in the Company or its subsidiaries during the financial year except as follows:

	Number of ordinary shares of the Company		
	As at 1.1.2019	Additions	As at 31.12.2019
Indirect interest			
Tan Sri Jamaludin Ibrahim	39,949	991[3]	40,940[1]
Tan Sri Jamaludin Ibrahim	3,966,506	883,269[4]	4,849,775[2]

1 Shares held under CIMSEC Nominees (Tempatan) Sdn Bhd.

2 Shares held under CIMSEC Nominees (Tempatan) Sdn Bhd for CIMB Commerce Trustee Berhad, a trustee of discretionary trust and the beneficiaries of which are members of the family of Tan Sri Jamaludin Ibrahim subject to the terms of such discretionary trust.

3 (i) Allotment of 475 shares pursuant to DRS on dividend for the financial year ended 31 December 2018.
(ii) Allotment of 516 shares pursuant to DRS on dividend for the financial year ended 31 December 2019.

4 (i) Allotment of 56,335 shares pursuant to DRS on dividend for the financial year ended 31 December 2018.
(ii) Allotment of 61,234 shares pursuant to DRS on dividend for the financial year ended 31 December 2019.
(iii) Allotment of 347,000 shares pursuant exercise of ESOS under the Axiata Share Scheme.
(iv) Allotment of 418,700 shares pursuant to vesting of RSA under the Axiata Share Scheme.

	Options/RSA over number of ordinary shares of the Company				
	As at 1.1.2019	Granted	Exercised/ vested	Lapsed	As at 31.12.2019
Tan Sri Jamaludin Ibrahim					
Axiata Share Scheme[5]:					
- ESOS	1,954,800	-	(347,000)	(1,607,800)[6]	-
- RSA	1,219,800	-	(418,700)	(801,100)[6]	-
Axiata PBLTIP	1,083,600	558,100	-	-	1,641,700[7]

5 At the EGM held on 24 March 2009, the shareholders of the Company approved the grant of options to Tan Sri Jamaludin Ibrahim to subscribe up to 5.5 million new ordinary shares of the Company to be issued under the Performance-Based ESOS for the Executive Directors and eligible employees of the Group.

Further to the above, the shareholders of the Company had at the Nineteenth (19th) AGM held on 1 June 2011, approved the grant of entitlement, allotment and issuance of the remaining 1,198,300 new ordinary shares of the Company to Tan Sri Jamaludin Ibrahim, under the new Axiata Share Scheme as approved at the said EGM.

Subsequently, the shareholders of the Company at the Twenty-first (21st) AGM held on 23 May 2013, approved the grant entitlement, allotment and issuance of up to 3.6 million new ordinary shares of the Company to Tan Sri Jamaludin Ibrahim under the Axiata Share Scheme.

6 Lapsed according to expiry of Axiata Share Scheme on 15 April 2019.

7 The number of Axiata PBLTIP shares that may vest is 1,641,700 provided that the performance targets for vesting are met. Otherwise, the number of shares that may vest could be a portion of the full amount or nil. However, if the super stretched individual performance targets and the Group superior company performance targets at the point of vesting are met, up to 9,850,200 ordinary shares of the Company may be vested.

Other than as disclosed above, in accordance with the Register of Directors' Shareholdings, none of the other Directors in office at the end of the financial year have any direct or indirect interest in any shares and options over ordinary shares in the Company or its related corporations during the financial year.

DIRECTORS' BENEFITS

Since the end of the previous financial year, no Director has received or become entitled to receive a benefit (except for the Directors' fees, remuneration and other emoluments as disclosed in Note 7(d) to the financial statements) by reason of a contract made by the Company or by 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.

Neither during nor at the end of the financial year was the Company or any of its subsidiaries 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 other than the Axiata Share Scheme and Axiata PBLTIP of the Company, details as disclosed in Notes 14(a) and 14(b) to the financial statements.

Audited Financial Statements
Directors' Report

DIRECTORS' REMUNERATION

The Directors' remuneration of the Company for the financial year ended 31 December 2019 is disclosed in Note 7(d) to the financial statements.

OTHER STATUTORY INFORMATION

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

(a) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of provision for doubtful debts and have satisfied themselves that all known bad debts had been written off and that adequate provision had been made for doubtful debts; and

(b) to ensure that any current assets which were unlikely to be realised in the ordinary course of business including values of current assets as shown in the accounting records of the Group and of the Company had been written down to an amount which the current assets might be expected so to realise.

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

(a) which would render the amounts written off for bad debts or the amount of the provision for doubtful debts in the financial statements of the Group and the Company inadequate to any substantial extent; or

(b) which would render the values attributed to current assets in the financial statements of the Group and the Company misleading; or

(c) which have arisen which render adherence to the existing method of valuation of assets or liabilities of the Group and the Company misleading or inappropriate.

No contingent or other liability of the Group and Company has become enforceable or is likely to become enforceable within the period of twelve (12) months after the end of the financial year which, in the opinion of the Directors, will or may affect the ability of the Group and the Company to meet its obligations when they fall due.

At the date of this report, there does not exist:

(a) any charge on the assets of the Group and the Company which has arisen since the end of the year which secures the liability of any other person; or

(b) any contingent liability of the Group and the Company which has arisen since the end of the year.

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 Group's and the Company's operations during the financial year were not substantially affected by any item, transaction or event of a material and unusual nature other than as disclosed in the financial statements; and

(b) except as disclosed in Note 52 to the financial statements, 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 the operations of the Group and the Company for the financial year in which this report is made.

AUDITORS REMUNERATION

The details of auditors' remuneration are set out in Note 7(b) to the financial statements.

INDEMNITY AND INSURANCE FOR DIRECTORS AND OFFICERS

The Company maintains a corporate liability insurance for the Directors and officers of the Group throughout the financial year, which provides appropriate insurance cover for the Directors and officers of the Group. The total amount of insurance premium paid by the Company during the financial year amounted to RM230,000 (2018: RM230,000).

AUDITORS

The auditors, PricewaterhouseCoopers PLT (LLP0014401-LCA & AF 1146), have expressed their willingness to accept re-appointment as auditors.

This report was approved by the Board of Directors on 6 May 2020. Signed on behalf of the Board of Directors:

TAN SRI GHAZZALI SHEIKH ABDUL KHALID
DIRECTOR

TAN SRI JAMALUDIN IBRAHIM
DIRECTOR

Kuala Lumpur

Audited Financial Statements

Statements of Comprehensive Income For The Financial Year Ended 31 December 2019

	Note	Group 2019 RM'000	Group 2018 RM'000 Restated	Company 2019 RM'000	Company 2018 RM'000
Operating revenue	6	**24,583,312**	23,885,781	**1,078,071**	3,527,637
Operating costs					
- depreciation, impairment and amortisation	7(a)	**(7,084,236)**	(7,644,816)	**(1,414,830)**	(4,579,497)
- foreign exchange gains		**5,421**	8,389	**55,987**	106,368
- domestic interconnect and international outpayment		**(1,980,257)**	(2,408,317)	**-**	-
- marketing, advertising and promotion		**(2,001,470)**	(2,147,698)	**(16,982)**	(43,019)
- other operating costs	7(b)	**(7,762,235)**	(8,927,499)	**(186,082)**	(90,037)
- staff costs	7(c)	**(2,220,200)**	(2,068,133)	**(131,919)**	(131,120)
- other losses - net	8	**(22,601)**	(25,242)	**-**	-
Other operating income/(expenses) - net	9	**806,853**	(3,057,592)	**344,547**	15,732
Operating profit/(loss) before finance costs		**4,324,587**	(2,385,127)	**(271,208)**	(1,193,936)
Finance income	10	**230,468**	221,459	**13,703**	11,123
Finance costs excluding net foreign exchange gains/(losses) on financing activities	10	**(1,738,473)**	(1,272,385)	**(46,800)**	(60,649)
Net foreign exchange gains/(losses) on financing activities		**59,085**	(208,689)	**12,275**	(9,694)
		(1,679,388)	(1,481,074)	**(34,525)**	(70,343)
Joint ventures					
- share of results (net of tax)	31	**(2,819)**	1,678	**-**	-
Associates					
- share of results (net of tax)		**(647)**	(26,364)	**-**	-
- loss on dilution of equity interests		**-**	(403,712)	**-**	-
Profit/(Loss) before taxation		**2,872,201**	(4,073,140)	**(292,030)**	(1,253,156)
Taxation and zakat	11	**(1,057,105)**	(901,552)	**(3,251)**	51,037
Profit/(Loss) for the financial year		**1,815,096**	(4,974,692)	**(295,281)**	(1,202,119)

Audited Financial Statements

Statements of Comprehensive Income For The Financial Year Ended 31 December 2019

	Note	Group 2019 RM'000	Group 2018 RM'000 Restated	Company 2019 RM'000	Company 2018 RM'000
Other comprehensive income/(expense):					
Items that will not be reclassified to profit or loss:					
- actuarial gains on defined benefit plans, net of tax		**3,570**	4,092	**-**	-
- fair value through other comprehensive income		**(1,598,067)**	(574,655)	**-**	-
Items that may be reclassified subsequently to profit or loss:					
- currency translation differences		**(271,745)**	(1,298,172)	**-**	-
- net cash flow hedge		**61,158**	(25,080)	**-**	-
- net cost of hedging		**(6,632)**	(42,994)	**-**	-
- net investment hedge		**-**	15,801	**-**	-
Other comprehensive expense for the financial year, net of tax		**(1,811,716)**	(1,921,008)	**-**	-
Total comprehensive income/(expense) for the financial year		**3,380**	(6,895,700)	**(295,281)**	(1,202,119)
Profit/(Loss) for the financial year attributable to:					
- owners of the Company		**1,457,550**	(4,762,025)	**(295,281)**	(1,202,119)
- non-controlling interests		**357,546**	(212,667)	**-**	-
		1,815,096	(4,974,692)	**(295,281)**	(1,202,119)
Total comprehensive income/(expense) for the financial year attributable to:					
- owners of the Company		**(325,276)**	(6,492,082)	**(295,281)**	(1,202,119)
- non-controlling interests		**328,656**	(403,618)	**-**	-
		3,380	(6,895,700)	**(295,281)**	(1,202,119)
Earnings per share (sen)					
- basic	12(a)	**16.0**	(52.6)	**-**	-
- diluted	12(b)	**16.0**	(52.4)	**-**	-

The above Statements of Comprehensive Income are to be read in conjunction with the notes to the financial statements on pages 57 to 187.

Audited Financial Statements

Statements of Financial Position As At 31 December 2019

	Note	Group		Company	
		2019 RM'000	2018 RM'000	2019 RM'000	2018 RM'000
CAPITAL AND RESERVES ATTRIBUTABLE TO OWNERS OF THE COMPANY					
Share capital	13	**13,857,268**	13,502,368	**13,857,268**	13,502,368
Reserves	15	**2,323,525**	3,974,431	**1,407,443**	2,567,562
Total equity attributable to owners of the Company		**16,180,793**	17,476,799	**15,264,711**	16,069,930
Non-controlling interests		**6,039,230**	5,737,907	**-**	-
Total equity		**22,220,023**	23,214,706	**15,264,711**	16,069,930
NON-CURRENT LIABILITIES					
Borrowings	16	**9,194,490**	14,646,553	**-**	1,039,375
Derivative financial instruments	18	**110,818**	1,698,722	**-**	-
Deferred income	19	**383,337**	363,196	**-**	-
Deferred gain on sale and lease back assets	20	**559,351**	663,228	**-**	-
Trade and other payables	21	**607,967**	2,987,844	**9,414**	11,409
Provision for asset retirement	22	**517,288**	487,394	**779**	-
Deferred taxation	23	**1,205,422**	1,391,214	**-**	-
Lease liabilities	24	**7,397,617**	-	**14,571**	-
Total non-current liabilities		**19,976,290**	22,238,151	**24,764**	1,050,784
		42,196,313	45,452,857	**15,289,475**	17,120,714
NON-CURRENT ASSETS					
Intangible assets	25	**20,724,361**	20,926,703	**-**	-
Contract cost assets	26	**182,908**	108,503	**-**	-
Property, plant and equipment	27	**25,633,223**	27,290,458	**17,398**	21,288
Right-of-use assets	28	**8,937,706**	-	**18,471**	-
Subsidiaries	29	**-**	-	**20,801,350**	22,297,603
Associates	30	**207,357**	266,475	**-**	-
Joint ventures	31	**21,709**	27,699	**-**	-
Financial assets at fair value through other comprehensive income	32	**301,347**	1,659,412	**-**	-
Financial assets at fair value through profit or loss		**3,459**	-	**-**	-
Derivative financial instruments	18	**15,256**	-	**-**	-
Trade and other receivables	35	**656,639**	686,804	**2,000**	2,000
Amounts due from subsidiaries	34	**-**	-	**77,266**	92,178
Deferred taxation	23	**324,187**	586,961	**-**	-
Total non-current assets		**57,008,152**	51,553,015	**20,916,485**	22,413,069

Audited Financial Statements

Statements of Financial Position As At 31 December 2019

		Group		Company	
		2019	2018	2019	2018
	Note	RM'000	RM'000	RM'000	RM'000
CURRENT ASSETS					
Inventories	33	**154,328**	219,130	**-**	-
Amounts due from subsidiaries	34	**-**	-	**175,870**	169,516
Trade and other receivables	35	**4,721,973**	5,115,230	**9,780**	15,273
Derivative financial instruments	18	**9,247**	238,506	**-**	-
Financial assets at fair value through profit or loss	36	**60,417**	38	**-**	-
Tax recoverable		**70,944**	54,860	**-**	-
Deposits, cash and bank balances	37	**4,231,099**	5,071,448	**199,240**	452,182
		9,248,008	10,699,212	**384,890**	636,971
Assets classified as held-for-sale	39	**277,643**	1,602,800	**-**	-
Total current assets		**9,525,651**	12,302,012	**384,890**	636,971
LESS: CURRENT LIABILITIES					
Trade and other payables	21	**12,178,262**	12,484,444	**110,954**	124,820
Deferred gain on sale and lease back assets	20	**124,748**	120,942	**-**	-
Borrowings	16	**7,631,753**	4,483,197	**206,284**	428,990
Lease liabilities	24	**1,442,700**	-	**3,519**	-
Derivative financial instruments	18	**2,041,199**	155,901	**-**	-
Amounts due to subsidiaries	34	**-**	-	**5,691,143**	5,375,516
Current tax liabilities		**899,811**	1,157,686	**-**	-
		24,318,473	18,402,170	**6,011,900**	5,929,326
Liabilities classified as held-for-sale	39	**19,017**	-	**-**	-
Total current liabilities		**24,337,490**	18,402,170	**6,011,900**	5,929,326
Net current liabilities		**(14,811,839)**	(6,100,158)	**(5,627,010)**	(5,292,355)
		42,196,313	45,452,857	**15,289,475**	17,120,714

The above Statements of Financial Position are to be read in conjunction with the notes to the financial statements on pages 57 to 187.

Audited Financial Statements

Consolidated Statement of Changes In Equity for The Financial Year Ended 31 December 2019

	Note	Share capital RM'000	Currency translation differences RM'000	Reserves RM'000	Retained earnings RM'000	Total RM'000	NCI RM'000	Total equity RM'000
At 1 January 2019:								
- as previously reported		13,502,368	(329,197)	(1,339,153)	5,642,781	17,476,799	5,737,907	23,214,706
- first time adoption adjustments	49	-	-	-	(65,512)	(65,512)	(2,381)	(67,893)
- change in accounting policy	50	-	-	(368,510)	368,510	-	-	-
- as restated		13,502,368	(329,197)	(1,707,663)	5,945,779	17,411,287	5,735,526	23,146,813
Profit for the financial year		-	-	-	1,457,550	1,457,550	357,546	1,815,096
Other comprehensive (expense)/income ("OCI"):								
- Currency translation differences arising during the financial year:								
- subsidiaries		-	(180,834)	-	-	(180,834)	(31,286)	(212,120)
- derecognition of associates		-	(59,625)	-	-	(59,625)	-	(59,625)
		-	(240,459)	-	-	(240,459)	(31,286)	(271,745)
- Net cash flow hedge	18(f)	-	-	61,158	-	61,158	-	61,158
- Net cost of hedging	18(f)	-	-	(6,632)	-	(6,632)	-	(6,632)
- Actuarial gains, net of tax		-	-	1,530	-	1,530	2,040	3,570
- Revaluation of financial assets at FVTOCI		-	-	(1,598,423)	-	(1,598,423)	356	(1,598,067)
Total comprehensive (expense)/income for the financial year		-	(240,459)	(1,542,367)	1,457,550	(325,276)	328,656	3,380
Transactions with owners:								
- Issuance of new ordinary shares		16,389	-	-	-	16,389	-	16,389
- Dilution of equity interests in subsidiaries		-	8,476	-	59,697	68,173	8,692	76,865
- Additional investment in subsidiaries		-	-	-	(56,145)	(56,145)	(12,499)	(68,644)
- Termination of put option		-	-	98,729	(6,372)	92,357	54,241	146,598
- Revaluation of put option		-	-	(499,665)	-	(499,665)	-	(499,665)
- Dividends paid to shareholders via:								
- DRS	48	326,673	-	-	(326,673)	-	-	-
- Cash settlement	48	-	-	-	(538,283)	(538,283)	-	(538,283)
- Share-based payment expense	14(a),(b)	-	-	11,956	-	11,956	-	11,956
- Transferred from share-based payment reserve upon:								
- exercise/vest		11,838	-	(11,838)	-	-	-	-
- lapsed		-	-	(111,419)	111,419	-	-	-
- Dividends paid to NCI		-	-	-	-	-	(75,386)	(75,386)
Total transactions with owners		354,900	8,476	(512,237)	(756,357)	(905,218)	(24,952)	(930,170)
At 31 December 2019		13,857,268	(561,180)	(3,762,267)	6,646,972	16,180,793	6,039,230	22,220,023

Non-controlling interests ("NCI"), Dividend Reinvestment Scheme ("DRS"), Fair value through other comprehensive income ("FVTOCI")

Audited Financial Statements

Consolidated Statement of Changes In Equity for The Financial Year Ended 31 December 2019

	Note	Share capital RM'000	Currency translation differences RM'000	Reserves RM'000	Retained earnings RM'000	Total RM'000	NCI RM'000	Total equity RM'000
At 1 January 2018:								
- as previously reported		13,407,253	783,362	(720,589)	11,154,823	24,624,849	5,778,051	30,402,900
- change in accounting policy	50	-	-	(95,962)	95,962	-	-	-
- as restated		13,407,253	783,362	(816,551)	11,250,785	24,624,849	5,778,051	30,402,900
Loss for the financial year		-	-	-	(4,762,025)	(4,762,025)	(212,667)	(4,974,692)
Other comprehensive expense:								
- Currency translation differences arising during the financial year:								
- subsidiaries		-	(988,285)	-	-	(988,285)	(191,964)	(1,180,249)
- associates		-	(179,489)	-	-	(179,489)	-	(179,489)
- derecognition of an associate		-	61,566	-	-	61,566	-	61,566
		-	(1,106,208)	-	-	(1,106,208)	(191,964)	(1,298,172)
- Net investment hedge		-	-	15,801	-	15,801	-	15,801
- Net cash flow hedge	18(f)	-	-	(24,987)	-	(24,987)	(93)	(25,080)
- Net cost of hedging	18(f)	-	-	(42,994)	-	(42,994)	-	(42,994)
- Actuarial gain, net of tax		-	-	2,986	-	2,986	1,106	4,092
- Revaluation of financial assets at FVTOCI		-	-	(574,655)	-	(574,655)	-	(574,655)
Total comprehensive expense for the financial year		-	(1,106,208)	(623,849)	(4,762,025)	(6,492,082)	(403,618)	(6,895,700)
Transactions with owners:								
- Issuance of new ordinary shares		10,963	-	-	-	10,963	-	10,963
- Dilution of equity interest in subsidiaries		-	-	-	42,864	42,864	415,868	458,732
- Partial disposal of a subsidiary		-	(6,351)	-	265,690	259,339	99,181	358,520
- Additional investment in subsidiaries		-	-	-	(15,796)	(15,796)	12,756	(3,040)
- Revaluation of put option		-	-	(272,548)	-	(272,548)	-	(272,548)
- Dividends paid to shareholders via:								
- DRS	48	79,113	-	-	(79,113)	-	-	-
- Cash settlement	48	-	-	-	(691,114)	(691,114)	-	(691,114)
- Share-based payment expense	14(a),(b)	-	-	10,324	-	10,324	-	10,324
- Transferred from share-based payment reserve upon exercise/vest		5,039	-	(5,039)	-	-	-	-
- Dividends paid to NCI		-	-	-	-	-	(164,331)	(164,331)
Total transactions with owners		95,115	(6,351)	(267,263)	(477,469)	(655,968)	363,474	(292,494)
At 31 December 2018 (restated)		13,502,368	(329,197)	(1,707,663)	6,011,291	17,476,799	5,737,907	23,214,706

The above Consolidated Statement of Changes in Equity is to be read with the notes to the financial statements on pages 57 to 187.

Audited Financial Statements

Company Statement of Changes In Equity for The Financial Year Ended 31 December 2019

	Note	Share capital RM'000	Capital contribution reserve RM'000	Share-based payment reserve RM'000	Retained earnings RM'000	Total RM'000
At 1 January 2019		**13,502,368**	**16,598**	**138,652**	**2,412,312**	**16,069,930**
Loss for the financial year		-	-	-	**(295,281)**	**(295,281)**
Transactions with owners:						
- Issuance of new ordinary shares		**16,389**	-	-	-	**16,389**
- DRS	48	**326,673**	-	-	**(326,673)**	-
- Cash settlement	48	-	-	-	**(538,283)**	**(538,283)**
- Share-based payment expense	14(a),(b)	-	-	**11,956**	-	**11,956**
- Transferred from Share-based payment reserve upon:						
- exercise/vest		**11,838**	-	**(11,838)**	-	-
- lapsed		-	-	**(111,419)**	**111,419**	-
Total transactions with owners		**354,900**	-	**(111,301)**	**(753,537)**	**(509,938)**
At 31 December 2019		**13,857,268**	**16,598**	**27,351**	**1,363,494**	**15,264,711**

	Note	Share capital RM'000	Capital contribution reserve RM'000	Share-based payment reserve RM'000	Retained earnings RM'000	Total RM'000
At 1 January 2018		13,407,253	16,598	133,367	4,384,658	17,941,876
(Loss)/Total comprehensive expense for the financial year		-	-	-	(1,202,119)	(1,202,119)
Transactions with owners:						
- Issuance of new ordinary shares		10,963	-	-	-	10,963
- Dividends paid to shareholders via:						
- DRS	48	79,113	-	-	(79,113)	-
- Cash settlement	48	-	-	-	(691,114)	(691,114)
- Share-based payment expense	14(a),(b)	-	-	10,324	-	10,324
- Transferred from Share-based payment reserve upon exercise/vest		5,039	-	(5,039)	-	-
Total transactions with owners		95,115	-	5,285	(770,227)	(669,827)
At 31 December 2018		13,502,368	16,598	138,652	2,412,312	16,069,930

The above Company Statement of Changes in Equity is to be read in conjunction with the notes to the financial statements on pages 57 to 187.

Audited Financial Statements

Statements of Cash Flows for The Financial Year Ended 31 December 2019

		Group		Company	
		2019	2018	2019	2018
		RM'000	RM'000	RM'000	RM'000
	Note				Restated
Cash flows from/(used in) operating activities	38	**8,538,614**	5,969,846	**(317,220)**	(310,779)
Cash flows (used in)/from investing activities	38	**(5,099,659)**	(7,973,059)	**521,235**	1,195,499
Cash flows used in financing activities	38	**(4,165,795)**	(547,606)	**(351,731)**	(914,327)
Net decrease in cash and cash equivalents		**(726,840)**	(2,550,819)	**(147,716)**	(29,607)
Effect of exchange gains/(losses) on cash and cash equivalents		**49,343**	(162,027)	**(5,226)**	9,811
Net (increase)/decrease in restricted cash and cash equivalents		**(95,146)**	28,936	**-**	-
Cash and cash equivalents at the beginning of the financial year		**3,787,748**	6,471,658	**352,182**	371,978
Cash and cash equivalents at the end of the financial year		**3,015,105**	3,787,748	**199,240**	352,182
Cash and cash equivalents at the end of the financial year consist of the following:					
Cash and cash equivalents in banks	37	**3,089,171**	3,891,048	**199,240**	352,182
Financial asset at FVTPL	36	**60,376**	-	**-**	-
Bank overdraft	16	**(134,442)**	(103,300)	**-**	-
		3,015,105	3,787,748	**199,240**	352,182

The above Statements of Cash Flows are to be read in conjunction with the notes to the financial statements on pages 57 to 187.

Audited Financial Statements
Notes to the Financial Statements For The Financial Year Ended 31 December 2019

1. GENERAL INFORMATION

The principal activities of the Group are the provision of mobile communication services, telecommunication infrastructure and related services as well as digital services.

The principal activities of the Company are investment holding and provision of technical and management services on an international scale.

The principal activities of the subsidiaries are set out in Note 44 to the financial statements. There has been no significant change in the nature of the activities of the Group and the Company during the financial year.

The address of the registered office of the Company is Level 5, Corporate Headquarters, Axiata Tower, 9 Jalan Stesen Sentral 5, Kuala Lumpur Sentral, 50470 Kuala Lumpur.

The address of the principal place of business of the Company is Corporate Headquarters, Axiata Tower, 9 Jalan Stesen Sentral 5, Kuala Lumpur Sentral, 50470 Kuala Lumpur.

The financial statements have been approved for issuance in accordance with a resolution of the Board of Directors on 6 May 2020.

2. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

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

The financial statements of the Group and the Company have been prepared under the historical cost convention except as disclosed in the summary of significant accounting policies.

The financial statements of the Group and the Company are presented in Ringgit Malaysia ("RM") and all values are rounded to the nearest thousand (RM'000) except when otherwise indicated.

The preparation of financial statements of the Group and the Company in conformity with MFRS requires the use of certain critical accounting estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of the revenues and expenses during the reported period. It also requires Directors to exercise their judgement in the process of applying the Group's and the Company's accounting policies. Although these estimates and judgement are based on the Directors' best knowledge of current events and actions, actual results may differ.

The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the Group's and the Company's financial statements are disclosed in Note 4 to the financial statements.

(a) Standards and amendments to published standards that are applicable to the Group and the Company that are effective

New and amendments to published standards

The following standards and amendments to published standards have been adopted by the Group and the Company for the first time for the financial year beginning on 1 January 2019:

- MFRS 16 "Leases"
- Amendments to MFRS 9 "Prepayment Features with Negative Compensation"
- Amendments to MFRS 119 "Plan Amendment, Curtailment or Settlement"
- Amendments to MFRS 128 "Long-term Interests in Associates and Joint Ventures"
- IC Interpretation 23 "Uncertainty over Income Tax Treatments"
- Annual Improvements to MFRS 2015 – 2017 Cycle

The adoption of the above has no significant impact to the Group and the Company except for MFRS 16 which resulted in changes in accounting policies as disclosed in Note 49 to the financial statements.

In view that MFRS is fully converged with IFRS, the Group and the Company consider all agenda decisions published by the IFRS Interpretation Committee ("the IC"). Where relevant, the Group and the Company may change its accounting policy to be aligned with the agenda decision.

The IC published its November 2019 Agenda Decision in December 2019 in respect of the interaction between the useful life of non-removable leasehold improvements under MFRS 116 "Property, Plant and Equipment" and the lease term of the underlying asset under MFRS 16. The key points from the Agenda Decision are as follows:

- The existence of any non-removable leasehold improvement is critical and linked to assessing the enforceable period of the cancellable or renewable lease. The broader economics of the contract should be considered when determining the enforceable period of the lease.

- If the lease term of the related lease is shorter than the economic life of non-removable leasehold improvements, the lessee should consider whether it expects to use the leasehold improvements beyond that lease term. The IC observed that an entity might often reach this conclusion for leasehold improvements that the entity will use and benefit from only for as long as it uses the underlying asset in the lease.

The Group expects to complete the assessment and apply the Agenda Decision at a future point in time by way of a change in accounting policy. When the change in policy is implemented, it will be applied retrospectively and comparative amounts will be restated, if material.

2. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS (CONTINUED)

(b) Amendments to published standards that is applicable to the Group and the Company but not yet effective

The Group and the Company will apply the following amendments to standards in the financial year beginning on/after 1 January 2020:

- Amendments to MFRS 3 "Definition of a Business" revise the definition of a business. To be considered a business, an acquisition would have to include an input and a substantive process that together significantly contribute to the ability to create outputs.

  The amendments provide guidance to determine whether an input and a substantive process are present, including situation where an acquisition does not have outputs. To be a business without outputs, there will now need to be an organised workforce. It is also no longer necessary to assess whether market participants are capable of replacing missing elements or integrating the acquired activities and assets.

  In addition, the revised definition of the term 'outputs' is narrower, focusses on goods or services provided to customers, generating investment returns and other income but excludes returns in the form of cost savings.

  The amendments introduce an optional simplified assessment known as 'concentration test' that, if met, eliminates the need for further assessment. Under this concentration test, if substantially all of the fair value of gross assets acquired is concentrated in a single identifiable asset (or a group of similar assets), the assets acquired would not represent a business.

  The amendments shall be applied prospectively.

  The amendments to MFRS 3 above is not expected to have a material impact to the financial statements of the Group and the Company.

- Amendments to MFRS 9, MFRS 139 and MFRS 7 on interest rate benchmark reform.

  'Highly probable' requirement

  The relief provided by the amendments requires an entity to assume that the interest rate on which the hedged cash flows are based does not change as a result of the reform. Hence, where the hedged cash flows may change as a result of Interbank Offered Rate ("IBOR") reform (for example, where the future interest payments on a hedged forecast debt issuance might be Sterling Overnight Index Average ('SONIA') + X% rather than London Interbank Offered Rate + Y%), this will not cause the 'highly probable' test to be failed.

  Prospective assessment

  Under the amendments, an entity assumes that the interest rate benchmark on which the cash flows of the hedged item, hedging instrument or hedged risk are based is not altered by IBOR reform. Accordingly, this will not cause the forward-looking prospective assessment to apply hedge accounting to fail.

  MFRS 139 retrospective effectiveness test exception

  IBOR reform might cause a hedge to fall outside the required 80-125% range. MFRS 139 has therefore been amended to provide an exception to the retrospective effectiveness test such that a hedge is not discontinued during the period of IBOR-related uncertainty solely because the retrospective effectiveness falls outside this required 80-125% range. However, the other requirements for hedge accounting, including the prospective assessment, would still need to be met.

  Risk components

  For hedge accounting to be applied, both MFRS 9 and MFRS 139(*) require the designated risk component to be separately identifiable and reliably measurable. Under the amendments, the risk component only needs to be separately identifiable at initial hedge designation and not on an ongoing basis. In the context of a macro hedge, where an entity frequently resets a hedging relationship, the relief applies from when a hedged item was initially designated within that hedging relationship.

  (*) When entity first applied MFRS 9, it may choose as its accounting policy to continue to apply the hedge accounting requirements of MFRS 139 instead of the requirements in Chapter 6 of MFRS 9. Accordingly, the hedging rules in MFRS 139 remain relevant.

  Disclosures

  The amendment requires disclosure of the nominal amount of hedging instruments to which the reliefs are applied, any significant assumptions or judgements made in applying the reliefs, and qualitative disclosures about how the entity is impacted by IBOR reform and is managing the transition process.

2. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS (CONTINUED)

(b) Amendments to published standards that is applicable to the Group and the Company but not yet effective (continued)

The Group and the Company will apply the following amendments to standards in the financial year beginning on/after 1 January 2020:

- Amendments to MFRS 9, MFRS 139 and MFRS 7 on interest rate benchmark reform. (continued)

  An entity shall apply the amendments retrospectively. This retrospective application applies only to the following:

  - hedging relationships that existed at the beginning of the reporting period in which an entity first applies those amendments or were designated thereafter; and

  - the amount accumulated in the cash flow hedge reserve that existed at the beginning of the reporting period in which an entity first applies those requirements.

  The impact of amendments to MFRS 9, MFRS 139 and MFRS 7 are still being assessed by the Group and the Company.

The Group and the Company will apply the following amendments to standard in the financial year beginning on/after 1 January 2022:

- Amendments to MFRS 101 "Classification of Liabilities as Current or Non-current" clarify that a liability is classified as non-current if an entity has a substantive right at the end of the reporting period to defer settlement for at least twelve (12) months after the reporting period. A liability is classified as current if a condition is breached at or before the reporting date and a waiver is obtained after the reporting date. A loan is classified as non-current if a covenant is breached after reporting date.

  The impact of amendments to MFRS 101 is still being assessed by the Group and the Company.

3. SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies in the preparation of these financial statements are set out below:

(a) Economic entities in the Group

(i) Subsidiaries

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity. The existence and effect of potential voting rights that are currently exercisable or convertible are considered only if the rights are substantive when assessing whether the Group controls another entity.

Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The Group applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement and fair value of any pre-existing equity interest in the subsidiary. Identifiable assets acquired, liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. The Group NCI in the acquiree on an acquisition-by-acquisition basis, either at fair value or at the NCI's proportionate share of the recognised amounts of acquiree's identifiable net assets.

Acquisition-related costs are expensed as incurred.

If the business combination is achieved in stages, the carrying amount of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date, any gains or losses arising from such remeasurement are recognised in profit or loss.

Any contingent consideration to be transferred by the Group is recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability is recognised in accordance with MFRS 9 in profit or loss. Contingent consideration that is classified as equity is not remeasured, and its subsequent settlement is accounted for within equity.

The excess of the consideration transferred by the Group, the amount of any NCI 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 recognised as goodwill. If the total of consideration transferred, NCI recognised and previously held interest measured 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 directly in the profit or loss. The accounting policy of goodwill is stated in Note 3(b)(i) to the financial statements. Goodwill is carried at cost less accumulated impairment losses, if any.

The Group applies predecessor accounting to account for business combinations under common control. Under predecessor accounting, assets and liabilities acquired are not restated to their respective fair values. They are recognised at the carrying amounts from the consolidated financial statements of the ultimate holding company of the Group and adjusted to conform with the accounting policies adopted by the Group. The difference between any consideration given and the aggregate carrying amounts of the assets and liabilities of the acquired entity is recognised as an adjustment to equity. No additional goodwill is recognised.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(a) Economic entities in the Group (continued)

(i) Subsidiaries (continued)

The acquired entity's results, assets and liabilities are consolidated as if both the acquirer and acquiree had always been combined. Consequently, the consolidated financial statements reflect both entities' full year's results. The comparative information is restated to reflect the combined results of both entities.

Inter-company transactions, balances and unrealised gains and losses on transactions between the Group's companies are eliminated. Profits and losses resulting from inter-company transactions that are recognised in assets are also eliminated. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

(ii) Changes in ownership interests in subsidiaries without change of control

Transactions with NCIs that do not result in loss of control are accounted for as transactions with equity owners of the Group. A change in ownership interest results in an adjustment between the carrying amounts of the controlling interests and NCI to reflect their relative interests in the subsidiary. Any difference between the amount of the adjustment to NCI and any consideration paid or received is recognised in equity attributable to owners of the Group.

The potential cash payments related to put options issued by the Group over the equity of subsidiaries are accounted for as financial liabilities. The amount of financial liabilities is recognised initially at the present value of the estimated redemption amount with a corresponding charge directly to equity where the risks and rewards of ownership of the equity interests remained with the non-controlling interest. The charge to equity is recognised separately as written put options over non-controlling interest.

Such options are subsequently measured at amortised cost, using the effective interest rate method, in order to accrete the liability up to the amount payable under the option at the date at which is first becomes exercisable. Gains or losses arising from subsequent measurement are recognised directly in equity. In the event that the option expires unexercised, the liability is derecognised with a corresponding adjustment to equity.

(iii) Disposal of subsidiaries

When the Group ceases to have control, any retained interest in the entity is remeasured to its fair value at the date when control is lost, with the change in carrying amount recognised in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, a joint venture or financial asset. In addition, any amounts previously recognised in OCI in respect of that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in consolidated OCI are reclassified to profit or loss.

Gains or losses on the disposal of subsidiaries include the carrying amount of goodwill relating to the subsidiaries sold.

(iv) Joint arrangements

A joint arrangement is an arrangement of which there is contractually agreed sharing of control by the Group with one or more parties, where decisions about the relevant activities relating to the joint arrangement require unanimous consent of the parties sharing control. The classification of a joint arrangement as a joint operation or a joint venture depends upon the rights and obligations of the parties to the arrangement. A joint venture is a joint arrangement whereby the joint ventures have rights to the net assets of the arrangement. A joint operation is a joint arrangement whereby the joint operators have rights to the assets and obligations for the liabilities, relating to the arrangement.

The Group's interest in joint ventures are accounted for in the consolidated financial statements using the equity method as stated in Note 3(a)(v) to the financial statements. Where necessary, in applying the equity method, adjustments are made to the financial statements of joint venture to ensure consistency of the accounting policies with those of the Group.

Interests in joint ventures are accounted for using the equity method, after initially being recognised at cost in the consolidated statement of financial position. Under the equity method, the investment in a joint venture is initially recognised at cost and adjusted thereafter to recognise the Group's share of the post-acquisition profits or losses of the joint venture in profit or loss, and the Group's share of movements in OCI of the joint venture in OCI. Dividends received or receivable from a joint venture are recognised as a reduction in the carrying amount of the investment. When the Group's share of losses in a joint venture equals or exceeds its interests in the joint venture, including any long-term interests that, in substance, form part of the Group's net investment in the joint venture, the Group does not recognise further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the joint venture.

The Group determines at each reporting date whether there is any objective evidence that the investment in the joint venture is impaired. An impairment loss is recognised for the amount by which the carrying amount of the joint venture exceeds its recoverable amount.

Unrealised gains on transactions between the Group and its joint ventures are eliminated to the extent of the Group's interest in the joint ventures. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of the joint ventures have been changed where necessary to ensure consistency with the policies adopted by the Group.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(a) Economic entities in the Group (continued)

(iv) Joint arrangements (continued)

When the Group ceases to equity account its joint venture because of a loss of joint control, any retained interest in the entity is remeasured to its fair value with the change in carrying amount recognised in profit or loss. This fair value becomes the initial carrying amount for the purpose of subsequently accounting for the retained interest as a financial asset. In addition, any amount previously recognised in OCI in respect of the entity is accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in OCI are reclassified to profit or loss.

If the ownership interest in a joint venture is reduced but joint control is retained, only a proportionate share of the amounts previously recognised in OCI is reclassified to profit or loss where appropriate.

(v) Associates

Associates are entities which the Group has significant influence, but no control or joint control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Significant influence is power to participate in the financial and operating policy decisions of the associates but not power to exercise control or jointly control over those policies.

Investment in associates are accounted for using the equity method of accounting. Under the equity method, the investment in an associate is initially recognised at cost and adjusted thereafter to recognise the Group's share of the post-acquisition profits or losses of the associate in profit or loss, and the Group's share of movements in OCI of the associate in OCI. Dividends received or receivable from an associate are recognised as a reduction in the carrying amount of the investment. When the Group's share of losses in an associate equals or exceeds its interests in the associate, including any long-term interests that, in substance, form part of the Group's net investment in the associate, the Group does not recognise further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the associate. The Group's investment in associates includes goodwill identified on acquisition.

The Group determines at each reporting date whether there is any objective evidence that the investment in the associate is impaired. An impairment loss is recognised for the amount by which the carrying amount of the associate exceeds its recoverable amount.

Profits and losses resulting from upstream and downstream transactions between the Group and its associate are recognised in the Group's consolidated financial statements only to the extent of unrelated investor's interests in the associates. Unrealised losses are eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been changed where necessary to ensure consistency with the policies adopted by the Group.

When the Group ceases to equity account its associate because of a loss of significant influence, any retained interest in the entity is remeasured to its fair value with the change in carrying amount recognised in profit or loss. This fair value becomes the initial carrying amount for the purpose of subsequently accounting for the retained interest as a financial asset. In addition, any amount previously recognised in OCI in respect of the entity is accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in OCI are reclassified to profit or loss.

If the ownership interest in an associate is reduced but significant influence is retained, only a proportionate share of the amounts previously recognised in OCI is reclassified to profit or loss where appropriate.

Dilution gains and losses arising in investment in associates are recognised in profit or loss.

The cost of an associate acquired in stages is measured as the sum of the fair value of the interest previously held plus the fair value of any additional consideration transferred as of the date when the investment became an associate. Any gain or loss on remeasurement of the previously held stake is taken to profit or loss and any OCI recognised in prior periods in relation to the previously held stake in the acquired associate is also recognised in profit or loss or OCI if election has been made under MFRS 9.

The cost of acquiring an additional stake in an associate is added to the carrying amount of associate and equity accounted. Goodwill arising on the purchase of additional stake is computed using fair value information at the date the additional interest is purchased. The previously held interest is not remeasured.

Any acquisition-related costs are expensed in the periods in which the costs are incurred.

(b) Intangible assets

(i) Goodwill

The Group recognised goodwill based on partial goodwill method. Goodwill represents the excess of the cost of acquisition of subsidiaries over the Group's share of the fair value of the identifiable net assets including contingent liabilities of subsidiaries at the date of acquisition and fair value of any pre-existing equity interest in the subsidiaries. Any shortfall is recognised in profit or loss.

For the purpose of impairment testing, goodwill acquired in a business combination 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. Each unit or group of units to which the goodwill is allocated represents the lowest level within the entity at which the goodwill is monitored for internal management purposes. Goodwill is monitored at the operating segment level.

Audited Financial Statements

Notes to the Financial Statements For The Financial Year Ended 31 December 2019

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(b) Intangible assets (continued)

(i) Goodwill (continued)

Goodwill is not amortised but it is tested for impairment annually or more frequently if events or changes in circumstances indicate that it might be impaired, and carried at cost less accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the CGUs, or groups of CGUs, that is expected to benefit from the synergies of the combination. Each unit or group of units to which the goodwill is allocated represents the lowest level within the entity at which the goodwill is monitored for internal management purposes. The carrying value of goodwill is compared to the recoverable amount, which is the higher of value in use and the fair value less costs of disposal. Any impairment is recognised immediately as an expense and is not subsequently reversed.

(ii) Licenses

The Group's licenses are mainly consisting acquired telecommunication licences with allocated spectrum rights and tower operating licenses. Acquired licenses are shown at cost. Licenses acquired in a business combination are recognised at fair value at the acquisition date. Licenses have finite useful lives and are carried at cost less accumulated amortisation. Amortisation is calculated using straight-line method, from the effective date of commercialisation of services, subject to impairment, to the end of the assignment period. Licenses are not revalued. The estimated useful lives of the acquired telecommunication licenses with allocated spectrum rights and tower operating licenses of the Group are as follows:

Malaysia	15 - 16 years
Indonesia	4 - 10 years
Sri Lanka	5 - 10 years
Bangladesh	15 - 18 years
Cambodia	25 - 30 years
Nepal	5 - 10 years

(iii) Customer contracts and the related relationship

Customer contracts and the related customer relationship arose from the acquisition of subsidiaries. The customer contracts and the related relationships are shown at fair value on acquisition of a subsidiary and subsequently subject to amortisation over the useful life. The customer contracts and the related customer relationships are tested for impairment whenever indication of impairment exists. The estimated useful lives of the customer contracts and related relationship are as follows:

Mobile segment:	
- Indonesia	4 years
- Nepal	10 years
- Bangladesh	2.5 years
Infrastructure segment	20 years

(iv) Brands

Separately acquired brands are shown at historical cost. Brands acquired in a business combination are recognised at fair value at the acquisition date. Brands have a finite useful life and are carried at cost less accumulated amortisation and accumulated losses, if any. Amortisation is calculated using the straight-line method to allocate the cost of brands over their estimated useful lives as below:

Indonesia	2 years
Nepal	10 years
Bangladesh	3 years

(c) Property, plant and equipment ("PPE")

PPE are stated at cost less accumulated depreciation and impairment losses. Cost includes its purchase price and any costs that are directly attributable to bringing the assets to the location and condition necessary for it to be capable of operating in the manner intended by management.

(i) Cost

The cost of telecommunication network includes cost of equipment, site surveys, contractors' charges, materials and related overhead. The cost of other PPE 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.

PPE also include telecommunication equipment and maintenance spares acquired for the purpose of replacing damaged or faulty plant or spares and supplies to be used in constructing and maintaining the network. PPE acquired in a business combination are recognised at fair value at the acquisition date.

Borrowing costs directly incurred to finance the construction of PPE that takes more than twelve (12) months are capitalised as part of the cost of the assets during the period of time that is required to complete and prepare the qualified asset for its intended use.

Audited Financial Statements

Notes to the Financial Statements For The Financial Year Ended 31 December 2019

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(c) Property, plant and equipment ("PPE") (continued)

(i) Cost (continued)

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 Company and the cost of the item can be measured reliably. The carrying value of the replaced part is derecognised. All other repairs and maintenance are recognised as expenses in profit or loss during the period in which they are incurred.

(ii) Depreciation and residual value

Freehold land is not depreciated as it has an infinite life. Other PPE are depreciated on the straight-line method to allocate the cost of the assets to their residual values over their estimated useful lives in years, as summarised below:

Leasehold land (up to 31 December 2018)	3 - 99 years
Buildings	8 - 50 years
Telecommunication network equipment	2 - 20 years
Movable plant and equipment	3 - 10 years
Computer support systems	2 - 10 years

Depreciation on assets under construction or capital work-in-progress commence when the assets are ready for their intended use. Depreciation on PPE ceases at the earlier of derecognition or classification as held-for-sale.

Residual values and useful lives of assets are reviewed, and adjusted if appropriate, at the end of each reporting period.

(iii) Impairment

At the end of the reporting period, the Group and the Company assess 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. See significant accounting policies Note 3(e) to the financial statements on impairment of non-financial assets.

(iv) Gains or losses on disposals

Gains or losses on disposals are determined by comparing the proceeds with the carrying amount of the related asset and are included in "other operating income – net" in profit or loss.

(v) Asset exchange transaction

PPE may be acquired in exchange for a non-monetary asset or for a combination of monetary and non-monetary assets and is measured at fair value unless;

- the exchange transaction lacks commercial substance; or
- the fair value of neither the assets received nor the assets given up can be measured reliably.

The acquired item is measured in this way even if the Group and the Company cannot immediately derecognise the assets given up. If the acquired item cannot be reliably measured at fair value, its cost is measured at the carrying amount of the asset given up.

(vi) Repairs and maintenance

Repairs and maintenance are charged to the profit or loss during the period in which they are incurred. The cost of major renovations is included in the carrying amount of the asset when it is probable that future economic benefits in excess of the originally assessed standard of performance of the existing asset will flow to the Group and the Company. This cost is depreciated over the remaining useful life of the related asset.

(d) Investment in subsidiaries, associates and joint ventures in separate financial statements

In the Company's separate financial statements, investments in subsidiaries, associates and joint ventures are stated at cost less accumulated impairment losses.

Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount. See accounting policy Note 3(e) to the financial statements on impairment of non-financial assets.

On disposal of investment in subsidiaries, associates and joint ventures, the difference between the disposal proceeds and the carrying amounts of the investments are recognised in profit or loss. Disposal-related costs are expensed as incurred.

The advances to subsidiaries of which the Company does not expect repayment are considered as part of the Company's investment in the subsidiaries.

Audited Financial Statements

Notes to the Financial Statements For The Financial Year Ended 31 December 2019

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(e) Impairment of non-financial assets (excluding goodwill)

Assets that have an indefinite useful life are not subject to amortisation and are tested for impairment annually, and as and when events or circumstances occur indicating that an impairment may exist.

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. An impairment loss is recognised for the amount by which the carrying amount of the asset exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less cost to sell ("FVLCS") and value-in-use ("VIU"). For the purpose of assessing impairment, assets are grouped at the lowest level for which there are separately identifiable cash flows ("CGUs"). Assets that suffered an impairment are reviewed for possible reversal at the end of reporting period.

For investment in associates, when assessing FVLCS, the unit of account is the investment in associate as a whole. The Group uses the adjusted quoted price (applicable to quoted associates) which reflects the management's estimate of block discounts on similar purchases of NCI.

The impairment loss is charged to profit or loss. Any subsequent increase in recoverable amount is recognised in the profit or loss.

(f) Financial assets

(i) Classification

The Group and the Company classify the financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through OCI or through profit or loss), and
- those to be measured at amortised cost.

The classification depends on the Group's and the Company's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or OCI. For investments in equity instruments that are not held for trading, this will depend on whether the Group and the Company have made an irrevocable election at the time of initial recognition account for the equity investment at fair value through other comprehensive income ("FVTOCI").

The Group and the Company reclassify debt investments when business model for managing those assets changes.

(ii) Recognition and derecognition

Regular way purchases and sales of financial assets are recognised on trade-date, the date on which the Group and the Company commit to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group and the Company have transferred substantially all the risks and rewards of ownership of the asset.

(iii) Measurement

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 off in profit or loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Debt instruments

Subsequent measurement of debt instruments depends on the Group's and Company's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Group and Company classify the debt instruments:

- Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in finance 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 part of other operating costs in the profit or loss.

- FVTOCI: Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVTOCI. Movements in the carrying amount are taken through 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 finance income using the effective interest rate method. Foreign exchange gains and losses are presented in other gains/(losses) and impairment expenses are presented as part of depreciation, impairment and amortisation in the profit or loss.

Audited Financial Statements

Notes to the Financial Statements For The Financial Year Ended 31 December 2019

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(f) Financial assets (continued)

(iii) Measurement (continued)

- FVTPL: Assets that do not meet the criteria for amortised cost or FVTOCI are measured at FVTPL. Fair value changes are recognised in profit or loss and presented net within other gains/(losses) in the period in which it arises.

Equity instruments

The Group and the Company subsequently measure all equity investments at fair value. 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 are established.

Changes in the fair value of financial assets at FVTPL are recognised in other gains/(losses) in the profit or loss as applicable whereas changes in the fair value of financial assets at FVTOCI are recognised in OCI. Impairment losses (and reversal of impairment losses) on equity investments measured at FVTOCI are not reported separately from other changes in fair value.

(iv) Impairment

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

The Group and the Company have four types of financial instruments that are subject to the ECL model:
- Trade receivables
- Finance lease receivables
- Contract assets
- Other receivables (including deposits, intercompany and related party balances)

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

ECL represents a probability-weighted estimate of the difference between present value of cash flows according to the contracts and present value of cash flows the Group and the Company expect to receive, over the remaining life of the financial instruments.

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 other receivables

At each reporting date, the Group and the Company 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 equal to lifetime ECL is required.

(ii) Simplified approach for trade receivables, contract assets and finance lease receivables

The Group and the Company apply the MFRS 9 simplified approach to measure ECL which uses a lifetime ECL for all trade receivables and contract assets.

Significant increase in credit risk

The Group and the Company consider 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. To assess whether there is a significant increase in credit risk, the Group and the Company compare the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. The Group and the Company consider available reasonable and supportable forward-looking information.

Audited Financial Statements

Notes to the Financial Statements For The Financial Year Ended 31 December 2019

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(f) Financial assets (continued)

(iv) Impairment (continued)

The following indicators are incorporated:

- internal credit rating
- actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the debtor's ability to meet its obligations
- actual or expected significant changes in the operating results of the debtor
- significant changes in the expected performance and behaviour of the debtor, including changes in the payment status of debtor in the Group and changes in the operating results of the debtor.

Macroeconomic information (such as market interest rates or growth rates) is incorporated as part of the internal rating model.

Regardless of the analysis above, a significant increase in credit risk is presumed if a debtor is more than thirty (30) days past due in making a contractual payment.

Definition of default and credit-impaired financial assets

The Group and the Company define 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: When the counterparty fails to make contractual payments within ninety (90) days after they fall due.

Qualitative criteria: The debtor meets unlikeliness to pay criteria, which indicates the debtor is in significant financial difficulty. The Group and the Company consider 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; or
- the debtor is insolvent.

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

Groupings of instruments of ECL measured on collective basis

- Collective assessment

  To measure ECL, trade receivables and contract assets have been grouped based on shared credit risk characteristics and of customer's behaviour and the days past due. The contract assets relate to unbilled work in progress 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.

- Individual assessment

  Trade receivables, finance lease receivables, contract assets and other receivables which are in default or credit-impaired or have individually significant balances, are separately assessed for ECL measurement.

(v) Write-off

- Trade receivables, finance lease receivables and contract assets

  Trade receivables, finance lease receivables and contract assets are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with the Group.

  Impairment losses on trade receivables, finance lease receivables and contract assets are presented within 'other operating costs' in the profit or loss. Subsequent recoveries of amounts previously written off are credited against the same line item in the profit or loss.

- Other receivables

  The Group and the Company write-off financial assets, in whole or in part, when the Group and the Company have exhausted all practical recovery efforts and have concluded there is no reasonable expectation of recovery. The assessment of no reasonable expectation of recovery is based on unavailability of debtor's sources of income or assets to generate sufficient future cash flows to repay the amount. The Group and the Company may write-off financial assets that are still subject to enforcement activity. Subsequent recoveries of the amounts previously written off will result in write back and will be credited against the same line item in the profit or loss.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(g) Offsetting financial instruments

Financial assets and liabilities are offset and the net amount is presented in the statements 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. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy.

(h) Derivatives and hedging activities

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured at their fair value at the end of each reporting period.

The accounting for subsequent changes in fair value depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged. The Group designates certain derivatives as either:

(i) Hedges of the fair value of recognised assets or liabilities or a firm commitment (fair value hedge);
(ii) Hedges of a particular risk associated with a recognised asset or liability or a highly probable forecast transaction (cash flow hedge); or
(iii) Hedges of a net investment in a foreign operation (net investment hedge).

At inception of the hedge relationship, the Group and the Company document the economic relationship between hedging instruments and hedged items including whether changes in the cash flows of the hedging instruments are expected to offset changes in the cash flows of hedged items. The Group and the Company document its risk management objective and strategy for undertaking its hedge transactions.

The fair values of various derivative instruments used for hedging purposes are disclosed in Note 18 to the financial statements. Movements on the hedging reserve in OCI are shown in the statement of changes in equity of the financial statements. The full fair value of a hedging derivative is classified as a non-current asset or liability when the remaining maturity of the hedged item is more than twelve (12) months and as a current asset or liability when the remaining maturity of the hedged item is less than twelve (12) months. Trading derivatives are classified as a current asset or liability.

(i) Fair value hedge

Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recorded in the profit or loss, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk. The gain or loss relating to the effective portion of cross currency interest rate swaps ("CCIRS") hedging fixed rate borrowings is recognised in the profit or loss within 'finance costs'. The gain or loss relating to the ineffective portion is recognised in the profit or loss within 'other gains/(losses) - net'. Changes in the fair value of the hedge fixed rate borrowings attributable to interest rate risk are recognised in the profit or loss within 'finance costs'.

If the hedge no longer meets the criteria for hedge accounting, the adjustment to the carrying amount of a hedged item for which the effective interest method is used and is amortised to profit or loss over the period to maturity using a recalculated effective interest rate.

(ii) 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 OCI and accumulated in reserves within equity. The gain or loss relating to the ineffective portion is recognised immediately in the profit or loss within 'other gains/(losses) - net'. Where the Group excludes the foreign currency basis spread from the designation of derivatives used as hedging instruments, the change in the foreign currency basis spread of the hedging instrument is recognised in OCI and accumulated in costs of hedging reserve within equity. The Group designates 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 profit or loss in the periods when the hedged cash flows affects the profit or loss. The gain or loss relating to the effective portion of interest rate swaps hedging variable rate borrowings is recognised in the profit or loss within 'finance costs'. The gain or loss relating to the ineffective portion is recognised in the profit or loss within 'other gains/(losses) - net'.

When a hedging instrument expires or is sold, 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.

(iii) Net investment hedge

Hedges of net investments in foreign operations are accounted for similarly to cash flow hedges.

Any gain or loss on the hedging instrument relating to the effective portion of the hedge is recognised in OCI and accumulated in reserves within equity. The gain or loss relating to the ineffective portion is recognised immediately in the profit or loss within 'other gains/(losses) – net'.

Gains and losses accumulated in equity are included in the profit or loss when the foreign operation is partially disposed or disposed.

Certain derivative instruments do not qualify for hedge accounting. Changes in the fair value of any derivative instrument that does not qualify for hedge accounting are recognised immediately in profit or loss and are included in 'other gains/(losses) – net'.

Audited Financial Statements

Notes to the Financial Statements For The Financial Year Ended 31 December 2019

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(i) Financial liabilities

Classification, recognition and measurement

The Group and the Company classify their financial liabilities in the following categories: derivative financial instruments and other financial liabilities. Management determines the classification of financial liabilities at initial recognition.

The Group and the Company do not hold any financial liabilities carried at fair value through profit or loss (except for derivative financial instruments). See accounting policy Note 3(h) on derivatives and hedging activities.

Other financial liabilities are non-derivative financial liabilities. Other financial liabilities are initially recognised at fair value net of transaction costs and subsequently carried at amortised cost using effective interest method. They are included in current liabilities, except for maturities greater than twelve (12) months after the end of the reporting date in which case they are classified as non-current liabilities.

The Group and the Company's other financial liabilities include borrowings, trade and other payables (excluding statutory liabilities) and amounts due to subsidiaries. For other financial liabilities, gains and losses are recognised in profit or loss when the liabilities are derecognised.

Derecognition

A financial liability is derecognised when the obligation under the liability is extinguished. When an existing financial liability is replaced by another from, the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability, and the difference in the respective carrying amounts is recognised in profit or loss.

(j) Inventories

Inventories are stated at lower of cost and net realisable value.

Certain items such as spare parts, stand-by equipment and servicing equipment are recognised as PPE when they meet the definition of PPE under MFRS 116. Otherwise, the items are classified as inventory.

Cost is determined on a weighted average basis and comprises all cost of purchase and other direct costs incurred in bringing the inventories to their present location.

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) Trade receivables and other receivables

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. Other receivables generally arise from transactions outside the usual operating activities of the Group and the Company. If collection is expected in one (1) year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. Otherwise, they are presented as non-current assets.

Trade receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components, where they are recognised at fair value plus transaction costs. Other receivables are recognised initially at fair value plus transaction costs. Transaction costs include transfer taxes and duties.

After recognition, trade and other receivables are subsequently measured at amortised cost using the effective interest method, less provision for impairment. See accounting policy Note 3(f)(iv) on impairment of financial assets.

(l) Cash and cash equivalents

For the purpose of the statement of cash flows, cash and cash equivalents are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes. Cash and cash equivalents comprise cash on hand, deposits held at call with financial institutions, other short term, highly liquid investments with original maturities of three (3) months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Bank overdrafts which are repayable on demand and form an integral part of the Group's cash management are included as a component of cash and cash equivalents in the statement of cash flows. Bank overdrafts are included within borrowings in current liabilities in the statement of financial position.

(m) Trade payables

Trade payables represent liabilities for goods or services provided to the Group prior to the end of financial year which are unpaid. Trade payables are classified as current liabilities unless payment is not due within twelve (12) months after the reporting period. Otherwise, they are presented as non-current liabilities.

Trade payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

Audited Financial Statements

Notes to the Financial Statements For The Financial Year Ended 31 December 2019

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(n) Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently carried at amortised cost using the effective interest method; any difference between proceeds (net of transaction costs) and the redemption value is recognised in the profit or loss over the period of the borrowings using the effective interest method.

Borrowings are removed from the statement of financial position when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extend there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a pre-payment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are classified as current liabilities unless the Group and the Company have an unconditional right to defer settlement of the liability for at least twelve (12) months after the end of the reporting period.

(o) Current and deferred tax

Tax expense for the period comprises current and deferred income tax. The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and unused tax losses. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in OCI or directly in equity. In this case the tax is also recognised in OCI 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, associates and joint ventures operate and generate taxable income.

Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities. This liability is measured using the single best estimate of the most likely outcome.

Deferred tax is provided 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. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred tax is determined using tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period 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 against which the deductible temporary differences, unused tax losses or unused tax credits can be utilised.

Deferred tax liability is recognised for all taxable temporary differences associated with investment in subsidiaries, associates or joint ventures, except where the timing of the reversal of the temporary difference is controlled by the investor or joint venturer and it is probable that the temporary difference will not reverse in the foreseeable future. Generally, the investor or joint venturer is unable to control the reversal of the temporary difference for associates or joint ventures. Only where there is an agreement in place that gives the investor or joint venturer the ability to control the reversal of the temporary difference, a deferred tax liability is not recognised.

Deferred and income tax assets are recognised on deductible temporary differences arising from investments in subsidiaries, associates and joint arrangements only to the extent that it is probable the temporary difference will reverse in the future and there is sufficient taxable profit available against which the deductible temporary difference can be utilised.

Deferred and income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

Tax benefit from investment tax incentive is recognised when the tax credit is utilised and no deferred tax asset is recognised when the tax credit is claimed.

(p) Provisions

Provisions are recognised when the Group and the Company have a present legal or constructive obligation as a result of past events, when it is probable that an outflow of resources will be required to settle the obligation, and when a reliable estimate of the amount can be made. Where the Group and the Company expect a provision to be reimbursed (for example, under an insurance contract), the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. Provisions are not recognised for future operating losses.

Audited Financial Statements

Notes to the Financial Statements For The Financial Year Ended 31 December 2019

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(p) Provisions (continued)

Where there are a number of similar obligations, the likelihood that an outflow will be required in a settlement, is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of the expenditure expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as 'finance costs' in profit or loss.

Provision for asset retirement is mainly provisions for dismantling, removal or restoration of identified sites recorded as PPE or right-of-use ("ROU"). Provisions are reviewed at the end of the reporting period and adjusted to PPE or ROU assets or profit or loss to reflect the current best estimation. Where the time value of money is material, the amount of a provision is the present value of the future period expenditure expected to be required to settle the obligation.

(q) Contingent liabilities and contingent assets

The Group and the Company do not recognise a contingent liability but disclose its existence in the financial statements. A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Group and the Company or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in the extremely rare circumstance where there is a liability that cannot be recognised because it cannot be measured reliably.

A contingent asset is a possible asset that arises from past events whose existence will be confirmed by one or more uncertain future events beyond the control of the Group and the Company. The Group and the Company do not recognise a contingent asset but disclose its existence where inflow of economic benefits are probable, but not virtually certain.

In the acquisition of subsidiaries by the Group under a business combination, the contingent liabilities assumed are measured initially at their fair values at the acquisition date, irrespective of the extent of any NCI.

The Group recognises separately the contingent liabilities of the acquirers as part of allocating the cost of a business combination where their fair values can be measured reliably. Where the fair values cannot be measured reliably, the resulting effect will be reflected in the goodwill arising from the acquisition.

Subsequent to the initial recognition, the Group measures the contingent liabilities that are recognised separately at the date of acquisition at the higher of the amount that would be recognised in accordance with the provisions of MFRS 137 "Provisions, Contingent Liabilities and Contingent Assets" and the amount initially recognised less, when appropriate, cumulative amortisation recognised in accordance with MFRS 15 "Revenue from contracts with customers".

(r) 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.

(ii) Share issue expenses

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

(iii) Dividends to shareholders of the Company

Liability is recognised for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the Group, on or before the end of the reporting period but not distributed at the end of the reporting period.

Distributions to holders of an equity instrument is recognised directly in equity.

(s) Leases

Accounting policies applied from 1 January 2019

Accounting by lessee

Leases are recognised as ROU asset and a corresponding liability at the date on which the leased asset is available for use by the Group and the Company (i.e. the commencement date).

Contracts may contain both lease and non-lease components. The Group and the Company allocate the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(s) Leases (continued)

Accounting policies applied from 1 January 2019 (continued)

Accounting by lessee (continued)

(i) 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 (if any). 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 and the Company are reasonably certain to exercise a purchase option, the ROU assets are depreciated over the underlying asset's useful life. In addition, the ROU assets are adjusted for certain remeasurement of the lease liabilities.

(ii) Lease liabilities

Lease liabilities are initially measured at the present value of the lease payments that are not paid at that date. The lease payments include the following:

- fixed payments (including in-substance fixed payments), less any lease incentive receivable;
- variable lease payments that are based on an index or a rate, initially measured using the index or rate as at the commencement date;
- the exercise price of a purchase and extension options if the Group and the Company are reasonably certain to exercise that option; and
- payments of penalties for terminating the lease, if the lease term reflects the Group and the Company exercising that option.

Lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Group and the Company, the lessee's incremental borrowing is used. This is the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the ROU in a similar economic environment with similar term, security and conditions.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

The Group and the Company present the lease liabilities as a separate line item in the statement of financial position. Interest expense on the lease liabilities are presented within the 'finance costs' in profit or loss.

Lease liabilities shall be remeasured when:

- there is a change in future lease payments arising from changes in an index or rate.

  The Group and the Company are 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.

- there is a change in the Group's and the Company's assessment of whether it will exercise an extension option.

  In determining the lease term, the Group and the Company consider 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).

- there are modifications in the scope or the consideration of the lease that was not part of the original term;

Lease liability is remeasured with a corresponding adjustment to ROU asset, or is recorded in profit or loss if the carrying amount of the ROU asset has been reduced to zero.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(s) Leases (continued)

Accounting policies applied from 1 January 2019 (continued)

Accounting by lessee (continued)

(ii) Lease liabilities (continued)

Short-term leases are leases with a lease term of 12 months or less. Low-value assets comprise 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.

Accounting by lessor

The accounting policies applicable to Group as a lessor in the comparative period were the same under MFRS 16 except when the Group is an immediate lessor.

In classifying a sublease, the Group as an immediate lessor classifies the sublease as a finance or an operating lease with reference to the ROU asset arising from the head lease, rather than the underlying asset.

When the sublease is assessed as a finance lease, the Group derecognises the ROU assets relating to the head lease that it transfers to the sublessee and recognised the net investment in the sublease within “Trade and Other Receivables”. Any differences between the ROU asset recognised and the net investment in sublease is recognised in profit or loss. Lease liability relating to the head lease is retained in the statement of financial position, which represents the lease payments owed to the head lessor.

When the sublease is assessed as an operating lease, the Group recognises lease income from sublease in profit or loss within “Other income”. The ROU asset relating to the head lease is not derecognised.

For contract which contains lease and non-lease components, the Group allocates the consideration based on a relative stand-alone selling price basis.

Accounting policies applied until 31 December 2018

A lease is an agreement whereby the lessor conveys to the lessee in return for a payment, or series of payments, the right to use an asset for an agreed period of time.

Accounting by lessee

(i) Finance leases

Leases of PPE where the Group has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at lease commencement at the lower of the fair value of the leased property and the present value of the minimum lease payments. The corresponding rental obligations, net of finance charges, are included in other short-term and long-term payables.

Each lease payment is allocated between the liability and finance charges so as to achieve a constant rate of interest on the remaining balance of the liability. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The PPE acquired under finance leases is depreciated over the shorter of the useful life of the asset and the lease term if there is no reasonable certainty that the Group will obtain ownership at the end of the lease term.

Deferred gain from sale and finance lease back transaction is amortised using the straight-line method over the lease period.

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.

(ii) Operating leases

Leases of assets where a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to the profit or loss on a straight-line basis over the lease period.

Gain from sale and operating lease back transaction is directly recognised when the transaction occurs.

Initial direct costs incurred by the Group in negotiating and arranging operating leases are recognised in profit or loss when incurred.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(s) Leases (continued)

Accounting policies applied until 31 December 2018 (continued)

Accounting by lessor

(i) Finance leases

When assets are leased out under a finance lease, the present value of the lease payments is recognised as a receivable. The difference between the gross receivable and the present value of the receivable is recognised as unearned finance income. Lease income is recognised over the term of the lease using the net investment method so as to reflect a constant periodic rate of return.

(ii) Operating leases

When assets are leased out under an operating lease, the asset is included in the statements of financial position based on the nature of the asset. Lease income is recognised over the term of the lease on a straight-line basis.

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.

(t) Revenue

(i) Revenue from contracts with customers

The Group principally generates revenue from mobile services such as call time, messaging, data services, activation fee and sales of prepaid starter packs, interconnect services, sale of devices and others such as pay television transmission, broadband and infrastructure management services.

The Group recognises revenue when a contractual performance obligation is fulfilled by transferring control over the promised services or products to a customer provided that collectability of the consideration is probable. Revenue is measured based on the transaction price i.e. the consideration agreed in the contract with the customer excluding amounts collected on behalf of third parties such as sales taxes. In determining the transaction price, the Group considers variable and non-cash consideration such as rebates or discounts and consideration payable to a customer such as refunds to the extent that it is highly probable that a significant reversal will not occur.

The Group recognises mobile and interconnect services revenue when services are rendered.

Customer activation fees that are not considered as a separate performance obligation are recognised as contract liabilities and are recognised as revenue over the contracted period or period where services are transferred to customers.

Sales of prepaid starter packs with a sim card and preloaded credits are accounted for as one performance obligation as the sim card cannot be used on its own. Consideration received for prepaid credits is initially recognised as contract liability and recognised as revenue upon usage by the customer. Any credits not used are recognised in full upon expiry or customer churn, whichever is earlier.

Revenue from content services rendered to customers are recognised based on gross amount billed to customers when the Group acts as a principal or recognised after netting off costs paid to content providers when the Group acts as an agent in the transaction.

Revenue from sales of device is recognised at the point of time upon delivery and acceptance of the device by the customers where the control is being transferred to the customers.

Mobile services are offered separately and/or as a bundle along with other services and/or devices. The length of bundled contracts are usually between twelve (12) to twenty four (24) months. For bundled contracts, the Group accounts for individual products and services separately if they are distinct i.e. if a product or service is separately identifiable from other items in the bundled contract and if customers can benefit from it. Revenue is recognised on fulfilment of the individual obligations to the customer.

The total transaction price of bundled contracts are allocated among the individual performance obligations based on their relative stand-alone selling prices. The stand-alone selling prices are determined based on the observable price at which the Group sells the products and services on a stand-alone basis. For products and services that are not sold separately, the Group estimates stand-alone selling prices using other methods such as adjusted market assessment approach, cost plus margin approach or residual approach. As a result, revenue to be recognised for products (often delivered in advance) such as mobile devices that are sold at a subsidised price in a bundled contract with services is higher than the amount billed for the device, resulting in the recognition of contract assets. Contract assets are reversed and reduced over the remaining contract period.

For devices sold in bundled contracts, the consideration for the device can either be paid upfront or by instalments over the contract period. If the consideration is to be paid by instalment, the contract contains a significant financing component. The consideration will be adjusted for the effects of the financing component as finance income. For contracts with a length of less than twelve (12) months, the Group applies the practical expedient to not adjust the promised amount of consideration for the effects of significant financing component.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(t) Revenue (continued)

(i) Revenue from contracts with customers (continued)

Each subscription to a contract for television transmission or broadband includes the provision of services, connection and devices such as set-top boxes and routers. The provision of set-top boxes, routers and connection fees are for the exclusive use of the Group's services and do not represent distinct services or goods. Therefore, the services and devices are accounted for as a single performance obligation satisfied over time. Revenue is recognised over the period the service is rendered or contract period whichever is earlier.

The Group generally enters into master services agreements with its customers for infrastructure leasing and related services which comprise multiple elements that are distinct and delivered separately. The total transaction price is allocated to the tower leasing, maintenance and energy services based on the relative stand-alone selling prices. For provision of services including maintenance and energy services, other services and technical and operations support services, the Group recognises as revenue as and when services are rendered. These performance obligations are generally met over time as customer simultaneously receives and consumes benefits of services as and when the services are performed by the Group.

Technical and management services fees comprise fees for provision of support services to certain subsidiaries, which are recognised on an accrual basis.

(ii) Lease of passive infrastructure

Operating revenue comprises the fair value of the consideration received or receivable for the sale of products and rendering of services net of returns, duties, sales discounts and sales taxes paid, after eliminating sales within the Group.

Lease revenue is generated from the leasing of space on the Group's telecommunication towers, where the customers install and maintain their individual communication network equipment. Lease revenue from operating lease is recognised on a straight-line basis over the fixed and non-cancellable term of the lease agreement, irrespective of when payments are due.

(iii) Interest income

Interest income is calculated by applying the effective interest rate to the gross carrying amount of the financial assets except for financial assets that subsequently become credit-impaired. For credit-impaired financial assets, the effective interest rate is applied to the net carrying amount of the financial assets after deduction of the loss allowance, if any.

(iv) Dividend income

Dividend income from investment in subsidiaries, joint ventures, associates and other investments is recognised when a right to receive payment is established. This applies even if they are paid out of pre-acquisition profits. Dividends are received from financial assets measured under FVTPL and at FVTOCI. Dividend income from financial assets at FVTPL is recognised as part of other gains/(losses). Dividend income from financial assets at FVTOCI is recognised as other income.

(u) Employee benefits

(i) Short term employee benefits

Wages, salaries, paid annual leave and sick leave, bonuses, and non-monetary benefits that are expected to be settled wholly within twelve (12) months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as "Trade and other payables - payroll liabilities" in the statements of financial position.

(ii) Contribution to Employees Provident Fund ("EPF")

The Group's and the Company's contributions to EPF are charged to the profit or loss in the period to which they relate. Once the contributions have been paid, the Group and the Company have no further payment obligations. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

(iii) Termination benefits

Termination benefits are payable when employment is terminated by the Group before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Group recognises termination benefits at the earlier of the following dates: (a) when the Group can no longer withdraw the offer of those benefits; and (b) when the entity recognises costs for a restructuring that is within the scope of MFRS 137 and involves the payment of termination benefits. In the case of an offer made to encourage voluntary redundancy, the termination benefits are measured based on the number of employees expected to accept the offer. Benefits falling due more than twelve (12) months after the end of the reporting period are discounted to their present value.

Audited Financial Statements

Notes to the Financial Statements For The Financial Year Ended 31 December 2019

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(u) Employee benefits (continued)

(iv) Share-based compensation

The Group operates a number of equity-settled and cash-settled share-based compensation plan by the Company and certain subsidiaries under which the entity receives services from employees as consideration for equity instruments (options) of the Group and certain subsidiaries. The fair value of the options granted in exchange for the services of the employees are recognised as employee benefit expense with a corresponding increase to share option reserve within equity. The total amount to be expensed is determined by reference to the fair value of the options granted:

- including any market performance conditions;
- excluding the impact of any service and non-market performance vesting conditions; and
- including the impact of any non-vesting conditions.

Non-market vesting conditions and service conditions are included in assumptions about the number of options that are expected to vest.

The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of the reporting period, the Group and the Company revise its estimates of the number of options that are expected to vest based on the non-market vesting conditions and service conditions. It recognises the impact of the revision to original estimates, if any, in profit or loss, with a corresponding adjustment to share option reserve in equity.

When the options are exercised, the Company issues new shares. The proceeds received net of any directly attributable transaction costs are credited to share capital when the options are exercised. When options are not exercised and lapsed, the share option reserve is transferred to retained earnings.

For cash settlement share-based payment transactions, the Group measures the employee services acquired and the liability incurred at the fair value of the liability. Until the liability is settled, the Group remeasures the fair value of the liability at the end of each reporting period and at the date of settlement, with any changes in fair value recognised in profit or loss for the period.

In its separate financial statements of the Company, the grant by the Company of options over its equity instruments to the employees of subsidiaries in the Group is treated as services provided to the subsidiaries. The fair value of options granted to employees of the subsidiaries in exchange for the services of the employees to the subsidiaries are recognised as payables from subsidiaries, with a corresponding credit to equity of the Company.

(v) Post-employment benefit obligations

The Group operates various defined benefit plans in accordance with local conditions and practices in the countries in which it operates. The plans are generally funded through payments to insurance companies or trustee-administrated funds, determined by periodic actuarial calculations. A defined benefit plan is a pension plan that is not a defined contribution plan. Defined benefit plans define an amount of pension benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and compensation.

The liability recognised in the statements of financial position in respect of defined benefit pension plans is the present value of the defined obligation at the end of the reporting period less the fair value of plan assets, together with adjustments for actuarial gains/(losses) and unrecognised past-service costs.

The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash flows using interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximately to the terms of related pension obligation. In countries where there is no deep market in such bonds, the market rates on government bonds are used.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions, are charged or credited in OCI in the period in which they arise and will not be reclassified to profit or loss.

Past-service costs are recognised immediately in profit or loss.

The current service cost of the defined benefit plan reflects the increase in the defined benefit obligation resulting from employee service in the current year. It is recognised in profit or loss in employee benefit expense, except where included in the cost of an asset.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the statement of comprehensive income.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit or loss as past service costs.

(vi) Cash-Based Long-Term Incentive (“LTI”) compensation

The Group and the Company recognise a liability and an expense for LTI and over the vesting period, based on a formula that takes into consideration the number of employees, a performance multiplier and discount rate. Provision is recognised when the Group and the Company have a present legal or constructive obligation as a result of past events.

Audited Financial Statements

Notes to the Financial Statements For The Financial Year Ended 31 December 2019

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(v) Deferred revenue

Deferred revenue on lease of towers comprises the value of advance billings made to customers in respect of the rental of infrastructure towers. Such amounts are recognised as revenue systematically over the period covered by the advance billings.

(w) Indefeasible right of use ("IRU")

The Group has entered into certain IRU agreements with its customers. An IRU is a right to use a specified amount of capacity for a specific time period that cannot be revoked or voided. Such agreements are accounted for either as lease or service transactions.

Those IRU agreements that provide the lessee with exclusive right to the purchased capacity and limit the purchased capacity to a specified fibre are accounted as lease transactions. Other IRUs are accounted for as service transactions.

Accounting policies applied from 1 January 2019

IRU agreements that convey the right to control the use of an identifiable asset for a period of time are classified as ROU assets that are measured at cost and amortised over the shorter of the assets useful life and the lease term on a straight-line basis. All other IRUs represent the delivery of a service that are expensed off as and when incurred.

Accounting policies applied until 31 December 2018

IRU agreements that transfer substantially all the risks and rewards of ownership to the lessee are classified as sale-type leases. All other IRU leases are classified as operating leases.

(x) Foreign currencies

(i) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The consolidated financial statements are presented in RM, 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 or valuation where items are remeasured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities (inclusive of advances to subsidiaries treated as quasi-investments) denominated in foreign currencies are recognised in profit or loss. However, exchange differences are deferred in OCI when they arose from qualifying cash flow or qualifying net investment hedges or are attributable to items that form part of the net investment in a foreign operation.

Foreign exchange gains and losses that relate to borrowings are presented in the profit or loss within 'finance cost'. All other foreign exchange gains and losses are presented in profit or loss on a net basis within 'foreign exchange gains/(losses)'.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss. For example, translation differences on non-monetary assets and liabilities such as equities held at FVTPL are recognised in profit or loss as part of the fair value gain or loss and translation differences on non-monetary assets such as equities classified as FVTOCI are recognised in OCI.

(iii) Group companies (Consolidated financial statements)

The results and financial position of all the Group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of that statement of financial position;
- income and expenses for each statement of comprehensive income are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the rate on the dates of the transactions); and
- all resulting exchange differences are recognised as a separate component of OCI.

Goodwill and fair value adjustments arising on the acquisitions of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate. Exchange differences arising thereof are recognised in OCI.

On consolidation, exchange differences arising from the translation of any net investment in foreign entities, and of borrowings and other financial instruments designated as hedges of such investments, are recognised in OCI. When a foreign operation is sold or any borrowings forming part of the net investment are repaid, the associated exchange differences are reclassified to profit or loss, as part of the gain or loss on disposal.

Audited Financial Statements

Notes to the Financial Statements For The Financial Year Ended 31 December 2019

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(x) Foreign currencies (continued)

(iii) Group companies (Consolidated financial statements) (continued)

On the disposal of a foreign operation (that is, a disposal of the Group's entire interest in a foreign operation, or a disposal involving loss of control over a subsidiary that includes a foreign operation, a disposal involving loss of joint control over a joint venture that includes a foreign operation, or a disposal involving loss of significant influence over an associate that includes a foreign operation), all of the exchange differences relating to that foreign operation previously recognised in consolidated OCI and accumulated in the separate component of equity are reclassified to consolidated profit or loss as part of the gain or loss on disposal. In the case of a partial disposal that does not result in the Group losing control over a subsidiary that includes a foreign operation, the proportionate share of accumulated exchange differences are re-attributed to NCIs and are not recognised in consolidated profit or loss. For all other partial disposals (that is, reductions in the Group's ownership interest in associates or joint ventures that do not result in the Group losing significant influence or joint control) the proportionate share of the accumulated exchange difference is reclassified to profit or loss.

(y) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision maker. The Chief Operating Decision maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors that makes strategic decisions for the Group and the Company.

(z) Government grants

As a Universal Service Provider ("USP"), the Group is entitled to claim certain qualified expenses from the relevant authorities in relation to USP projects. The claim qualifies as a government grant and is recognised at fair value where there is a reasonable assurance that the grant will be received and the Group will comply with all qualifying conditions.

Government grants relating to costs are recognised in the profit or loss over the period necessary to match them with the costs they are intended to compensate.

Government grants relating to the purchase of assets are included in non-current liabilities as deferred income and are credited to the profit or loss on the straight-line basis over the expected life of the related assets.

(aa) Non-current assets (or disposal groups) classified as held-for-sale

Non-current assets (or disposal groups) are classified as assets held-for-sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use and a sale is considered highly probable. They are stated at the lower of carrying amount and fair value less costs to sell, except for assets such as deferred tax assets, assets arising from employee benefits, financial assets and investment property that are carried at fair value and contractual rights under insurance contracts, which are specifically exempt from this requirement.

An impairment loss is recognised for any initial or subsequent write-down of the asset (or disposal group) to fair value less costs to sell. A gain is recognised for any subsequent increases in fair value less costs to sell of an asset (or disposal group), but not in excess of any cumulative impairment loss previously recognised. A gain or loss not previously recognised by the date of the sale of the non-current asset (or disposal group) is recognised at the date of derecognition.

Non-current assets (including those that are part of a disposal group) are not depreciated or amortised while they are classified as held-for-sale. Interest and other expenses attributable to the liabilities of a disposal group classified as held-for-sale continue to be recognised.

Non-current assets classified as held-for-sale and the assets of a disposal group classified as held-for-sale are presented separately from the other assets in the statement of financial position. The liabilities of a disposal group classified as held-for-sale are presented separately from other liabilities in the statements of financial position.

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 co-ordinated plan to dispose off such a line of business or area of operations, or is a subsidiary acquired exclusively with a view to resale.

(ab) Contract assets

A contract asset is the right to consideration in exchange for goods or services transferred to the customers. If the Group performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional. Contract assets is presented within trade and other receivables in the statement of financial position.

(ac) Contract liabilities

A contract liability is the obligation to transfer the goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Group transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities is recognised as revenue when the Group performs the services under the contract. Contract liabilities is presented within trade and other payables in the statements of financial position.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(ad) Contract cost assets

Contract cost assets comprise the incremental costs of obtaining a contract (mainly sales commission paid to dealers) and the costs to fulfil a contract. These costs are capitalised if it can be assumed that the costs will be compensated by future revenue from the contract. Incremental costs of obtaining a contract are additional costs that would have not been incurred had the contract not been concluded. Costs to fulfil a contract are costs relating directly to a contract that are incurred after contract inception and serve the purpose of fulfilling the contract but are incurred prior to fulfilment and cannot be capitalised under any other standard. The Group has elected the practical expedient to recognise contract costs incurred related to contracts with an amortisation period of less than one year as an expense when incurred.

The capitalised contract cost assets are amortised on a systematic basis that is consistent with the transfer to the customer of the goods or services to which the asset relates.

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and judgements 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.

(a) Critical judgements in applying the Group's and Company's accounting policies

In determining and applying accounting policies, judgement is often required in respect of items where the choice of specific policy could materially affect the reported results and financial position of the Group and the Company. The following accounting policies require subjective judgements, often as a result of the need to make estimates about the effect of matters that are inherently uncertain.

Intangible assets – acquired telecommunication licenses with allocated spectrum rights

The Group had applied judgement in determining the treatment of the annual fees payable over ten (10) years in respect of a 3G spectrum license granted to a foreign subsidiary. The annual fee was charged to the profit or loss when incurred based on management's judgement that future annual fees would no longer be payable upon the decision by the subsidiary to return the license. The Group considered the annual payment to be usage fees based on interpretation of the license conditions, written confirmation from the Directorate General of Post and Telecommunication, Indonesia. The annual fees were therefore not considered part of the acquisition cost of the license.

Should the regulations and conditions with regards to the payment of the annual fees be amended in the future with the consequence that payment of the remaining outstanding annual fees could not be avoided upon the subsidiary surrendering the license, the Group would recognise an intangible asset and a corresponding liability at the present value of the remaining annual fees at that point in time.

Intangible assets – estimated useful life of telecommunication licenses with allocated spectrum rights

The telecommunication licenses with allocated spectrum rights acquired by a subsidiary via business combination are not subject to amortisation and are tested annually for impairment as the Group is of the opinion that the licenses can be renewed in perpetuity at negligible cost and the associated spectrum rights, similar to land, have an indefinite economic useful life. The estimated indefinite economic useful life reflects the Group's expectation of the period over which the Group will continuously recover the benefits from the licenses.

(b) Critical accounting estimates and assumptions

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, rarely equal the related actual results. The Group, and to a large extent the activities, are governed by the legal, regulatory and business environment in the countries which the Group operates in and which the Group has investments in. The business of the Group is subject to a number of risks, many of which are beyond the Group's control.

The main risks relating to the Group's business in the countries or regions the Group operates in are as follows:

- Increasing competition in the countries
- Challenges in expanding business in certain emerging markets
- Political, regulatory and social developments in the region
- Significant expansion of capital investments required
- Increasing substitution of traditional voice by data

To enhance the information content of the estimates, certain key variables that are anticipated to have material impact to the Group'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:

(i) Impairment assessment of goodwill

The Group tests goodwill for impairment annually in accordance with its accounting policy or more frequently if events or change in circumstances indicate that this is necessary within the financial year. Recoverable amount is measured at the higher of the FVLCS for that asset and its VIU.

These calculations require the use of estimates. The calculations are inherently judgemental and susceptible to change from period to period because they require the Group to make assumptions about revenue growth, an appropriate discount rate and terminal growth rate.

The assumptions used, results and sensitivities of the impairment assessment of goodwill are disclosed in Note 25 to the financial statements.

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONTINUED)

(b) Critical accounting estimates and assumptions (continued)

(ii) Impairment assessment on non-financial assets (excluding goodwill)

The Group and the Company assess impairment of the assets or CGUs whenever the events or changes in circumstances indicate that the carrying amount of an asset or CGU 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 FVLCS for that asset or CGU and its VIU.

Projected future cash flows used in impairment testing of the assets or CGUs are based on Group's and Company's estimates calculated using historical, sector and industry trends, general market and economic conditions, changes in technology and other available information.

The recoverable amounts of the asset or CGUs are determined based on VIU or FVLCS calculations. These calculations require the use of estimates. The calculations are inherently judgemental and susceptible to change from period to period because they require the Group and the Company to make assumptions about earnings before interest, tax, depreciation and amortisation ("EBITDA") margin, an appropriate discount rate and terminal growth rate.

(iii) Estimated useful lives of PPE

The Group reviews the estimated useful lives of PPE based on network and information technology ("IT") modernisation being planned by the Group. The network and IT modernisation involve estimating when the assets will be upgraded based on the approved modernisation plans and the useful lives of the network and IT assets are revised accordingly. Future results of operations could be materially affected by changes in these estimates brought about by changes in the factors mentioned. A reduction in the estimated useful lives of PPE would increase the recorded depreciation charge and decrease the PPE balance.

(iv) Taxation

Income taxes

The Group and the Company are subject to income tax 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 and the Company recognise 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.

Deferred tax assets

Deferred tax asset is recognised to the extent that it is probable that future taxable profit will be available against which temporary differences can be utilised. This involves judgement regarding future financial performance of a particular entity in which the deferred tax asset has been recognised.

(v) Contingent liabilities

Determination of the treatment of contingent liabilities is based on the Group's view of the expected outcome of contingencies after consulting legal counsel for litigation cases and internal and external experts of the Group for matters in the ordinary course of business. Please refer to Note 40(e) and Note 51 to the financial statements for legal proceedings that the Group is involved in as at the end of each reporting period.

(vi) Fair value of derivatives and other financial instruments

Certain financial instruments such as investments and derivative financial instruments are carried on the statements of financial position at fair value, with changes in fair value reflected in the profit or loss.

Fair values are estimated by reference in part to published price quotations and in part by using valuation techniques. 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 uses its judgement to select a variety of methods and make assumptions that are mainly based on market conditions existing at the end of each financial reporting period.

(vii) Provision for asset retirement

Fair value estimates of provision for asset retirement for dismantling, removal or restoration generally involve discounted future cash flows, and periodic accretion of such liabilities due to the passage of time is recorded as 'finance costs' in profit or loss. The significant assumptions used in estimating the provision are: timing of assets removals; costs of restorations; expected inflation rates; and the discount rates. There can be no assurances that actual costs and the probability of incurring obligations will not differ from these estimates.

Audited Financial Statements

Notes to the Financial Statements For The Financial Year Ended 31 December 2019

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONTINUED)

(b) Critical accounting estimates and assumptions (continued)

(viii) Identification of performance obligation

The Group enters into bundled contracts with customers which include sale of devices and services such as call time, messaging, data and other services. The respective services and devices are accounted for as separate performance obligations when they are distinct i.e. if a service or device is separately identifiable from other items in the bundled contract and if a customer can benefit from it separately. The Group exercises judgement when identifying whether products and services within the bundled contract are distinct as separate performance obligations. The identification of separate performance obligations within a bundled contract affects the allocation of transaction price specified in the contract and the revenue recognised for each performance obligation.

(ix) Determination of stand-alone selling price ("SSP")

The Group estimates SSP based on external inputs; methods for estimating SSP include determining the stand-alone price of similar goods and services sold by the Group, observing the stand-alone prices for similar goods and services when sold by third parties or using a cost-plus reasonable margin approach (which is sometimes the case for handsets and other equipment). Where it is not possible to reliably estimate stand-alone prices due to lack of observable stand-alone sales or highly variable pricing, which is sometimes the case for services, the stand-alone price of an obligation may be determined as the transaction price less the stand-alone prices of other obligations in the contract. The stand-alone price determined for obligations materially impacts the allocation of revenue between obligations.

(x) Determination of lease term

In determining the lease term, the Group and the Company consider all the facts and circumstances that create an economic incentive to exercise an extension option, or not 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 terminated).

The lease term is reassessed if an option is exercised (or not exercised) or the Group and the Company become obligated to exercise (not to exercise) it. The assessment of reasonable certainty is only revised if a significant event or a significant change in circumstances occurred, which affect this assessment, and that is within the control of the lessee.

(xi) Disposal of investment in subsidiaries and investment in associates in exchange of financial assets

In its normal course of business, the Group and the Company dispose or transfer its investment in subsidiaries and associates through various types of transactions including those in exchange of financial assets. The Group and the Company apply significant judgement in assessing whether it has transferred these investments according to appropriate de-recognition criteria by analysing the contractual rights and obligations in connection with such disposals or transfers.

The Group and the Company analyse whether the Group and the Company have relinquished its control and significant influence over these financial assets, and if the Group and the Company have continuing involvement in these financial assets. Significant judgement is applied in the Group's and the Company's assessment with regards to its ability to direct the relevant activities, direct and indirect beneficial interest and returns, and is not able to use its power over the entity to affect those returns.

5. INCORPORATIONS, ACQUISITIONS, DISPOSAL AND DILUTIONS OF INTERESTS

(a) Incorporations, significant acquisitions, disposal and dilutions of interests during the financial year

(i) Disposal of entire equity interest in M1 Limited ("M1")

On 15 February 2019, the Group via its wholly-owned subsidiary, Axiata Investments (Singapore) Limited accepted the Voluntary Conditional General Offer made by Konnectivity Pte. Ltd. in accordance with Rule 15 of the Singapore Code on Take-overs and Mergers on 27 September 2018 to acquire entire equity interest in M1 comprising 265,410,150 ordinary shares at the offer price of SGD2.06 for a total cash consideration of RM1,649.3 million or SGD546.7 million. The disposal was completed on 27 February 2019 and as the result, the Group recognised a total net gain of RM113.4 million.

(ii) Disposal of digital venture investments to Pegasus 7 Ventures Pte. Ltd ("Pegasus 7")

On 21 February 2019, the Company and its wholly-owned subsidiary, Axiata Digital Services Sdn Bhd ("ADS") entered into an application for shares with Pegasus 7 for the disposal of its digital venture investments as below:

- Investment in a subsidiary, Axiata Investments (Mauritius) Limited which was holding Localcube Commerce Pvt Ltd and Localcube Commerce Asia Sdn Bhd completed on 28 March 2019;
- Investment in associates, Milvik AB and Etobee Holding Pte Ltd completed on 25 November 2019 and 11 October 2019 respectively; and
- Financial assets at FVTOCI, Redeemable Convertible Preference Shares in Celcom Planet Sdn Bhd ("Celcom Planet") and Preference Shares in STS Media Inc ("STS Media") completed on 18 November 2019 and 7 October 2019 respectively.

for a non-cash consideration of RM575.8 million or USD140.0 million via the issuance of preference shares by Pegasus 7 to the Group. Accordingly, the Group recognised a total net gain on disposal of RM367.1 million in consolidated profit or loss.

5. INCORPORATIONS, ACQUISITIONS, DISPOSAL AND DILUTIONS OF INTERESTS (CONTINUED)

(a) Incorporations, significant acquisitions, disposal and dilutions of interests during the financial year (continued)

(ii) Disposal of digital ventures investments to Pegasus 7 Ventures Pte. Ltd ("Pegasus 7") (continued)

The Company recognised a total net gain of disposal of RM342.1 million following:

- inter-group transfer of the investment capital ventures above from ADS to the Company. The transfer was settled via offsetting of amount due from ADS of RM194.4 million; and
- novation of its preference shares in Pegasus 7 to its wholly-owned subsidiary, Axiata Investments (Singapore) Limited ("AIS") as part of settlement of amount due to AIS as disclosed in Note 34 to the financial statements.

The Group has determined that it neither has control nor significant influence over Pegasus 7. The Group had analysed the contractual rights and obligations of the Group in connection with such disposals including its ability to direct the relevant activities and the power to obtain direct and indirect beneficial interest and returns. Based on the Group's assessment, it has no ability to use its power over Pegasus 7 to affect returns.

(iii) Capital injection in ADS

Mitsui Co., Ltd. ("Mitsui") had, on 5 April 2019, invested in ADS, for the subscription of 193,050 ordinary shares in ADS for a cash consideration of RM80.6 million or USD20.0 million representing 3.53% of total issued and paid-up share capital of ADS. Subsequent to the said investment, the shareholding of ADS is held by the Company and Mitsui at 96.47% and 3.53% respectively.

The Group recognised an increase in the consolidated retained earnings, foreign exchange reserve and non-controlling interest of RM67.9 million, RM0.2 million and RM12.5 million respectively.

(iv) Subscription of shares in Mekong Tower Company Limited ("MTCL")

edotco Group Sdn Bhd ("edotco Group") via its wholly-owned subsidiary, edotco Investments (Labuan) Limited ("EIL") had on 21 June 2019 completed the subscription of 25,600 ordinary shares of Laotian Kip ("LAK") 500,000 each representing 80.00% of the enlarged issued and paid-up share capital of MTCL for a cash consideration of LAK12.8 billion or RM6.7 million.

The subscription above did not have material impact to the Group during the financial year.

(v) Acquisition of equity interests in edotco Holdings (Labuan) Limited ("EHL")

edotco Group had on 21 June 2019 completed the acquisition of 437 ordinary shares representing 21.85% of the entire equity interests in EHL held by Southern Coast Ventures Inc. for a cash consideration of RM87.2 million or USD21.0 million. Effectively, EHL became a wholly-owned subsidiary of edotco.

The Group recognised a decrease of RM48.6 million in the consolidated retained earnings and non-controlling interest amounting to RM38.6 million accordingly.

(vi) Subscription of Shares in ISOC Asia Telecom Towers, Inc. ("ISOC ASIA")

edotco Group via its wholly-owned subsidiary, EIL had on 18 December 2019 completed the subscription of 260,204,082 common shares of Philippines Peso ("PhP")1.00 each representing 51.00% of the enlarged issued and paid-up share capital of ISOC ASIA for a cash consideration of PhP260.2 million or RM21.4 million.

The acquisition above did not have significant impact to the Group during the financial year.

(vii) Incorporation of subsidiaries

- Apigate Sdn Bhd, a wholly-owned subsidiary of ADS, had on 5 February 2019 completed the incorporation of Apigate India, a private company limited by shares, under the Companies Act 2013.
- Smart Axiata Co., Limited ("Smart"), had on 8 February 2019 completed the incorporation of SmartLuy PLC, a public limited company, under the laws of the Kingdom of Cambodia. Notification of completion of the incorporation process in accordance with the local laws was received on 27 February 2019.
- Robi Axiata Limited ("Robi"), had on 5 November 2019 completed the incorporation of Red Dot Digital Limited, a public company limited by shares, under the Companies Act (Act XVIII) of 1994.
- Dialog Axiata PLC ("Dialog"), had on 17 December 2019 completed the incorporation of Dialog Network Services, a private company limited by shares, under the Companies Act No. 07 of 2007 of Sri Lanka (Act).

The incorporations above did not have significant impact to the Group during the financial year.

Audited Financial Statements

Notes to the Financial Statements For The Financial Year Ended 31 December 2019

5. INCORPORATIONS, ACQUISITIONS, DISPOSAL AND DILUTIONS OF INTERESTS (CONTINUED)

(a) Incorporations, significant acquisitions, disposal and dilutions of interests during the financial year (continued)

(viii) Establishment of an associate

On 27 June 2019, PT XL Axiata Tbk ("XL") entered into an agreement with Princeton Digital Group (Indonesia Alpha) Pte. Limited ("PDG") in which PDG and XL agreed to establish a new company, transfer certain assets, sell subscription shares and partially leaseback such assets for a period of ten years and can be extended for the next five years. The new company was established under the name of PT Princeton Digital Group Data Centres ("PDGDC") based on Deed of Establishment No 13 dated 27 June 2019 as approved by the Minister of Justice of Republic Indonesia dated 1 July 2019.

The establishment above did not have significant impact to the Group during the financial year.

(b) Incorporations, significant acquisitions, disposal and dilutions of interests in the previous financial year

(i) Additional investment in Headstart Private Limited ("Headstart")

Digital Holdings Lanka (Private) Limited ("DHL"), a wholly-owned subsidiary of Dialog proceeded with the conversion to equity the 'Bond type D' in Headstart (Private) Limited ('Headstart'), consisting of 258 ordinary shares on 1 January 2018. Subsequent to the said conversion, the Group's effective shareholding in Headstart has increased from 36.14% to 42.15% consisting of a total of 1,024 ordinary shares. Thereby, Headstart is consolidated as a subsidiary of the Group via the investment in DHL.

The additional investment above did not have a significant impact to the Group in the previous financial year.

(ii) Dilution on equity interest in Idea Cellular Limited ("Idea") [now known as Vodafone Idea Limited ("Vodafone Idea")]

Idea had on:

- 12 February 2018 allotted 326,633,165 equity shares with face value of INR10 each ("Idea Shares") at an issue price of INR99.50 per Idea Share aggregating to INR32.5 billion on preferential basis to several entities to the National Stock Exchange of India Limited; and

- 23 February 2018 further allotted 424,242,424 Idea Shares at an issue price of INR82.50 per Idea Share aggregating to INR35.0 billion to eligible qualified institutional buyers under qualified institutional placement.

Following the non-participation by the Group on these allotments of Idea Shares above, the Group's equity interest in Idea decreased from 19.74% to 16.33%.

The Group recognised a loss on dilution of equity interest amounting to RM357.6 million in the previous financial year.

(iii) Disposal of 10.00% equity interest in Axiata (Cambodia) Holdings Limited ("ACH")

On 12 June 2018, the Group via Axiata Investments (Cambodia) Limited ("AIC") disposed of 10.00% equity interest in ACH to M&Y Asia Telecom Holdings Pte Ltd ("MY Asia") for a cash consideration of RM368.5 million or USD92.4 million in conjunction with the Call Option exercised by MY Asia in accordance with the terms of the Amended and Restated Shareholders' Agreement. Accordingly, AIC and MY Asia respectively holds 72.48% and 20.00% in ACH with the balance of 7.52% held by Southern Coast Ventures Inc.

The Group recognised an increase of RM265.7 million in the consolidated retained earnings and non-controlling interests amounting to RM108.1 million with the decrease in currency translation differences reserve of RM6.4 million accordingly in the previous financial year.

(iv) Acquisition of Tanjung Digital Sdn Bhd ("TDSB")

edotco Malaysia Sdn Bhd ("edotco Malaysia"), a wholly-owned subsidiary of edotco Group, had on 4 May 2018 entered into a Sale and Purchase of Shares Agreement ("SPA") with Utara Jernih Sdn Bhd and Mohd Azam bin Saad for acquisition of 80,002 ordinary shares representing 80.0% of the issued share capital of TDSB. The acquisition was completed on 27 July 2018 for a purchase consideration of RM29.1 million. Effectively, the Group holds 50.40% in TDSB.

The acquisition above did not have a significant impact to the Group in the previous financial year.

(v) Dilution of equity interest in Axiata Digital Advertising Sdn Bhd ("ADA")

Sumitomo Corporation had on 20 July 2018 invested in ADA, a subsidiary of the Company held via Axiata Digital Services Sdn Bhd, for the subscription of 3,334,017 shares at a consideration of RM81.2 million (USD20.0 million) representing 18.31% of total issued and paid-up share capital of ADA.

The Group recognised an increase of RM52.5 million in the consolidated retained earnings and non-controlling interests amounting to RM28.7 million accordingly in the previous financial year.

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Notes to the Financial Statements For The Financial Year Ended 31 December 2019

5. INCORPORATIONS, ACQUISITIONS, DISPOSAL AND DILUTIONS OF INTERESTS (CONTINUED)

(b) Incorporations, significant acquisitions, disposal and dilutions of interests in the previous financial year (continued)

(vi) Dilution of equity interest in edotco Bangladesh Co. Ltd. ("edotco BD")

On 12 May 2018, the Group via edotco Group entered into a Share Subscription Agreement ("SSA") with Greencon Tower Company Limited ("Greencon") for 30.00% of the enlarged share capital of edotco BD which was subsequently amended on 12 November 2018 in which Greencon subscribed 71,651,025 ordinary shares in edotco BD for a consideration of BDT853.0 million or RM41.9 million. edotco Group also had on 12 November 2018 entered into an SSA with BRAC, where BRAC subscribed 465,731,664 ordinary shares in edotco BD for a consideration of BDT5,546.0 million or RM272.3 million.

The subscriptions by Greencon and BRAC were completed on 14 November 2018 in which Greencon and BRAC respectively hold 4.00% and 26.00% of the enlarged share capital of edotco BD. Separately, edotco Group also entered into an Arrangement Fee Agreement under which in consideration for edotco Group arranging the negotiation and signing of the SSA, Greencon shall pay the amount of USD15 million (equivalent to RM62.9 million) to edotco Group. The arrangement fee was treated as a transaction with owner and recognised in the consolidated retained earnings in the previous financial year.

With the completion of the above transactions, the Group's effective shareholding in edotco BD decreased from 50.40% to 44.10% as at the reporting date. As a result, the Group recognised a decrease of RM3.1 million in the consolidated retained earnings and increase in non-controlling interests amounting to RM380.2 million in the previous financial year accordingly.

(vii) Incorporation of subsidiaries and establishment of an associate

In the previous financial year, the Group incorporated and established the following subsidiaries and an associate:

- Axiata Business Services Sdn Bhd, a wholly-owned subsidiary of the Company, had on 22 January 2018 incorporated a new subsidiary, Axiata Global Services Pte Ltd, a private company limited by shares, in Singapore, under the Companies (Amendment) Act 2017.

- Axiata Investments (Labuan) Limited, a wholly-owned subsidiary of the Company, had on 10 July 2018 completed the incorporation of Axiata Digital Labs (Private) Limited, a private company limited by shares, in Sri Lanka, under the Companies Act, No. 7 of 2007 of Sri Lanka.

- Dialog Broadband Networks (Private) Limited ("DBN"), entered into a joint venture partnership with Anthony's Property Developers (Private) Limited ('SAPD'), to establish, operate and manage a data centre, Digital Reality (Private) Limited ('DRP'). Pursuant thereto, DBN and SAPD signed a Shareholders Agreement on 16 March 2018, wherein 17,500 ordinary shares were issued and allotted to DBN on 21 June 2018 for a consideration of SLR131.3 million or RM3.0 million. Effectively the Group holds 29.16% of DRP.

The above incorporations and establishment have no material impact to the Group in the previous financial year.

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Notes to the Financial Statements For The Financial Year Ended 31 December 2019

6. OPERATING REVENUE

	Group		Company	
	2019 RM'000	2018 RM'000 Restated[1]	2019 RM'000	2018 RM'000
Revenue under MFRS 15:				
- Mobile services	**20,684,250**	19,752,747	**-**	-
- Interconnect services	**1,205,398**	1,313,721	**-**	-
- Sale of devices	**664,399**	1,273,518	**-**	-
- Others*	**1,234,492**	941,976	**-**	-
- Technical and management services fees ("TMSA")	**-**	-	**66,077**	83,837
	23,788,539	23,281,962	**66,077**	83,837
Dividend income	**-**	-	**1,011,994**	3,443,800
Infrastructure leasing income	**794,773**	603,819	**-**	-
Total	**24,583,312**	23,885,781	**1,078,071**	3,527,637

* Others include revenue from pay television transmission, broadband services, digital services and technical services.

[1] Restated to conform with current year presentation.

Disaggregation of revenue of the Group and the Company accounted for under MFRS 15 by timing of revenue recognition are as below:

				By categories
			Group	Company
	At a point of time RM'000	Over time RM'000	Total RM'000	Over time RM'000
2019				
Mobile services	**-**	**20,684,250**	**20,684,250**	**-**
Interconnect services	**96,339**	**1,109,059**	**1,205,398**	**-**
Sale of devices	**664,399**	**-**	**664,399**	**-**
Others	**238,677**	**995,815**	**1,234,492**	**-**
TMSA	**-**	**-**	**-**	**66,077**
	999,145	**22,789,124**	**23,788,539**	**66,077**
2018 (Restated[1])				
Mobile services	-	19,752,747	19,752,747	-
Interconnect services	46,908	1,266,813	1,313,721	-
Sale of devices	1,273,518	-	1,273,518	-
Others	152,190	789,786	941,976	-
TMSA	-	-	-	83,837
	1,472,616	21,809,346	23,281,962	83,837

[1] Restated to conform with current year presentation.

6. OPERATING REVENUE (CONTINUED)

Disaggregation of revenue of the Group and the Company accounted for under MFRS 15 by timing of revenue recognition are as below: (continued)

	By segments			
			Group	Company
	At a point of time RM'000	Over time RM'000	Total RM'000	Over time RM'000
2019				
Mobile:				
- Malaysia	**512,647**	**6,138,723**	**6,651,370**	**-**
- Indonesia	**43,130**	**7,067,962**	**7,111,092**	**-**
- Bangladesh	**43,490**	**3,585,488**	**3,628,978**	**-**
- Sri Lanka	**31,764**	**2,667,227**	**2,698,991**	**-**
- Nepal	**27**	**1,974,448**	**1,974,475**	**-**
- Cambodia	**33,341**	**1,245,852**	**1,279,193**	**-**
Infrastructure	**-**	**45,560**	**45,560**	**-**
Others	**335,016**	**63,864**	**398,880**	**66,077**
	999,415	**22,789,124**	**23,788,539**	**66,077**
2018 (Restated[1])				
Mobile:				
- Malaysia	949,532	6,335,100	7,284,632	-
- Indonesia	148,384	6,121,010	6,269,394	-
- Bangladesh	29,616	3,222,676	3,252,292	-
- Sri Lanka	112,019	2,588,030	2,700,049	-
- Nepal	376	2,097,663	2,098,039	-
- Cambodia	33,591	1,110,186	1,143,777	-
Infrastructure	-	154,788	154,788	-
Others	199,098	179,893	378,991	83,837
	1,472,616	21,809,346	23,281,962	83,837

The following table shows revenue in relation to performance obligations that are unsatisfied as at the reporting date.

	Group	
	2019 RM'000	2018 RM'000 Restated[1]
Mobile services	**2,683,588**	2,129,445
Infrastructure services	**334,597**	183,297
Others	**9,855**	15,195

Management expects that approximately all of the transaction price allocated to the unsatisfied performance obligations as at 31 December 2019 will be recognised as revenue as per below:

Mobile services	**1- 2 years**	1- 2 years
Infrastructure services	**1-12 years**	1-12 years
Others	**1 year**	1 year

[1] Restated to conform with current year presentation.

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Notes to the Financial Statements For The Financial Year Ended 31 December 2019

7(a). DEPRECIATION, IMPAIRMENT AND AMORTISATION

		Group		Company	
	Note	2019 RM'000	2018 RM'000	2019 RM'000	2018 RM'000
Amortisation of:					
- contract cost assets	26	**113,245**	81,140	**-**	-
- intangible assets	25	**784,222**	836,834	**-**	-
Depreciation of:					
- PPE	27	**4,539,635**	6,335,435	**7,960**	7,494
- ROU assets	28	**1,626,489**	-	**2,356**	-
Impairment of:					
- advances to a subsidiary	29(b)	**-**	-	**1,404,514**	4,572,003
- an associate	30(b)	**-**	45,592	**-**	-
- goodwill	25	**-**	16,426	**-**	-
- PPE	27	**9,495**	13,416	**-**	-
Others		**236**	17,500	**-**	-
Reversal of impairment of PPE	27	**(89)**	(78,877)	**-**	-
Write-off of PPE	27	**11,003**	377,350	**-**	-
Total		**7,084,236**	7,644,816	**1,414,830**	4,579,497

7(b). OTHER OPERATING COSTS

		Group		Company	
	Note	2019 RM'000	2018 RM'000	2019 RM'000	2018 RM'000
Business license fees		**1,175,911**	1,213,187	**-**	-
Charges and commissions		**143,236**	125,265	**111**	146
Cost of SIM and recharge cards		**140,858**	159,594	**-**	-
Impairment of trade and other receivables	35(f)	**355,437**	246,635	**-**	2,108
Leased circuit charges		**243,539**	315,861	**-**	-
Maintenance		**1,196,795**	1,174,719	**8,341**	6,838
Others[1]		**479,767**	600,715	**30,700**	36,110
Professional fees		**318,436**	228,246	**113,310**	32,131
Rental:					
- equipment		**233,463**	229,395	**340**	457
- land and buildings		**190,027**	1,328,051	**1,843**	5,360
- others		**82,195**	86,895	**16**	23
Revenue sharing outpayment		**537,216**	501,414	**-**	-
Roaming costs		**370,189**	253,686	**-**	-
Supplies and inventories		**915,182**	1,465,988	**-**	211
Transportation and travelling		**111,729**	115,838	**6,153**	6,319
Universal service provision/obligation contribution		**554,798**	582,749	**-**	-
Utilities		**713,457**	299,261	**1,490**	334
Write-off of amount due from a subsidiary		**-**	-	**23,778**	-
Total		**7,762,235**	8,927,499	**186,082**	90,037

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Notes to the Financial Statements For The Financial Year Ended 31 December 2019

7(b). OTHER OPERATING COSTS (CONTINUED)

	Group		Company	
	2019 RM'000	2018 RM'000	2019 RM'000	2018 RM'000
[1]Others include:				
Audit fees:				
- PricewaterhouseCoopers Malaysia ("PwCM"):				
- current year	**5,522**	4,823	**2,148**	2,353
- under provision in prior year	**111**	199	**-**	369
- Member firms of PricewaterhouseCoopers International Limited ("PwCI")*	**6,257**	5,147	**-**	-
- Others	**172**	242	**-**	-
Audit related fees[(i)]:				
- PwCM and PwCI	**4,666**	4,241	**2,941**	1,624
	16,728	14,652	**5,089**	4,346
Other fees paid to PwCM and PwCI:				
- Tax and tax related services[(ii)]	**2,883**	727	**1,649**	29
- Other non-audit services[(iii)]	**10,726**	10,628	**1,780**	271
Total	**30,337**	26,007	**8,518**	4,646

* Separate and independent legal entity from PwCM.

(i) Fees incurred in connection with performance of quarterly reviews, agreed-upon procedures and regulatory compliance.

(ii) Fees incurred for assisting the Group in connection with tax compliance, tax due diligence on potential merger and advisory services.

(iii) Fees incurred primarily in connection to financial due diligences on potential merger and acquisitions, project management and other advisory services mainly incurred by local subsidiaries.

In order to maintain the independence of the external auditors, the Audit Committee has determined policies as to what non-audit services can be provided by external auditors of the Group and the approval processes related to them. Under these policies and guidelines, non-audit services can be offered by external auditors of the Group if there are clear efficiencies and value-added benefits to the Group.

7(c). STAFF COSTS

		Group		Company	
	Note	2019 RM'000	2018 RM'000	2019 RM'000	2018 RM'000
Salaries, allowances, overtime and bonus:					
- current financial year		**1,645,483**	1,526,019	**91,464**	79,587
- prior financial year		**(14,846)**	-	**(14,846)**	-
Termination benefits		**56,777**	22,010	**-**	-
Contribution to EPF		**110,542**	106,969	**12,967**	14,453
Other staff benefits		**356,691**	371,790	**21,849**	19,781
Share-based payment expense	14 (a),(b)	**9,683**	8,196	**10,512**	6,917
Share-based compensation of a subsidiary	14(c)	**15,969**	9,273	**-**	-
Pioneer Grant of a subsidiary	14(d)	**-**	3,663	**-**	-
Long-term Incentive Plan of a subsidiary	14(e)	**28,787**	8,319	**-**	-
Special Grant of a subsidiary	14(f)	**1,141**	1,512	**-**	-
Remuneration of Executive Director of the Company	7(d)	**9,973**	10,382	**9,973**	10,382
Total		**2,220,200**	2,068,133	**131,919**	131,120

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Notes to the Financial Statements For The Financial Year Ended 31 December 2019

7(d). DIRECTORS' REMUNERATION

	Note	Group 2019 RM'000	Group 2018 RM'000	Company 2019 RM'000	Company 2018 RM'000
Remuneration of Executive Director of the Company:					
- salaries, allowances and bonus:					
- current financial year		**7,621**	6,936	**7,621**	6,936
- prior financial year		**(1,150)**	-	**(1,150)**	-
- contribution to EPF		**1,229**	1,318	**1,229**	1,318
- share-based payment expense	14 (a),(b)	**2,273**	2,128	**2,273**	2,128
		9,973	10,382	**9,973**	10,382
Remuneration of Non-Executive Directors of the Company:					
- fees and allowances		**4,425**	4,618	**3,093**	2,723
Total		**14,398**	15,000	**13,066**	13,105

Estimated monetary value of benefits of Directors amounted to RM754,572 (2018: RM742,121) for the Group and the Company.

8. OTHER LOSSES - NET

	Group 2019 RM'000	Group 2018 RM'000 Restated*
Financial assets at FVTPL	**379**	(21)
Derivatives at FVTPL:		
- CCIRS	**(4,601)**	(122,782)
- Call spread options	**(18,379)**	97,561
Total	**(22,601)**	(25,242)

* Restated in conjunction with voluntary change in accounting policy as disclosed in Note 50 to the financial statements.

9. OTHER OPERATING INCOME/(EXPENSE) - NET

	Note	Group 2019 RM'000	Group 2018 RM'000	Company 2019 RM'000	Company 2018 RM'000
Gain/(Loss) on disposal of PPE		**17,488**	(8,606)	**-**	-
Gain on disposal of a subsidiary	5(a)(ii)	**301,145**	-	**291,522**	-
Gain on disposal of associates	5(a)(i),(ii)	**179,394**	-	**50,604**	-
Bad debts recovered		**-**	13	**-**	8,397
Reversal of loss on assets classified as held-for-sale		**-**	18,527	**-**	-
Loss on derecognition of an associate	30(a)	**-**	(3,319,150)	**-**	-
Gain on disposal of rights on right issue of a financial asset at FVTOCI		**96,149**	-	**-**	-
Others^		**212,677**	251,624	**2,421**	7,335
Total		**806,853**	(3,057,592)	**344,547**	15,732

^ Includes:
- amortisation on deferred gain on sale and lease back assets of a subsidiary of RM123.9 million (2018: RM121.3 million),
- success fee income of RM200.4 million, net of provision for impairment of RM134.4 million recognised in the previous financial year.

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Notes to the Financial Statements For The Financial Year Ended 31 December 2019

10. FINANCE INCOME/(COST)

	Note	Group 2019 RM'000	Group 2018 RM'000	Company 2019 RM'000	Company 2018 RM'000
Finance income					
Islamic Financial Instruments		**33,245**	53,779	**7,884**	10,347
Other deposits, cash and bank balances		**191,403**	162,826	**5,410**	776
Finance lease receivables		**5,820**	4,854	**-**	-
Advances to subsidiaries		**-**	-	**409**	-
Total		**230,468**	221,459	**13,703**	11,123
Finance costs					
Other borrowings		**(634,214)**	(764,117)	**(21,760)**	(36,015)
Advances from subsidiaries	34	**-**	-	**(24,578)**	(24,634)
Profit on Sukuks		**(456,332)**	(457,038)	**-**	-
CCIRS - cash flow hedge	18(f)	**(52,609)**	(51,230)	**-**	-
Lease liabilities	24	**(595,318)**	-	**(462)**	-
Total		**(1,738,473)**	(1,272,385)	**(46,800)**	(60,649)

11. TAXATION AND ZAKAT

	Note	Group 2019 RM'000	Group 2018 RM'000	Company 2019 RM'000	Company 2018 RM'000
Current taxation		**944,550**	1,413,973	**3,251**	(51,037)
Deferred taxation		**110,826**	(512,884)	**-**	-
Taxation		**1,055,376**	901,089	**3,251**	(51,037)
Zakat		**1,729**	463	**-**	-
Total		**1,057,105**	901,552	**3,251**	(51,037)
Current taxation:					
- Current financial year		**907,348**	1,478,960	**3,251**	4,963
- Prior financial year		**37,202**	(64,987)	**-**	(56,000)
		944,550	1,413,973	**3,251**	(51,037)
Deferred taxation:					
- Net origination of temporary differences	23	**100,970**	(528,453)	**-**	-
- Other		**9,856**	15,569	**-**	-
		110,826	(512,884)	**-**	-
Taxation		**1,055,376**	901,089	**3,251**	(51,037)
Zakat		**1,729**	463	**-**	-
Total		**1,057,105**	901,552	**3,251**	(51,037)

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Notes to the Financial Statements For The Financial Year Ended 31 December 2019

11. TAXATION AND ZAKAT (CONTINUED)

Numerical reconciliation between taxation and the product of accounting profit multiplied by the Malaysian tax rate:

	Group		Company	
	2019 RM'000	2018 RM'000 Restated*	2019 RM'000	2018 RM'000
Profit/(Loss) before taxation	**2,872,201**	(4,073,140)	**(292,030)**	(1,253,156)
Taxation calculated at the applicable Malaysian tax rate of 24%	**689,328**	(977,554)	**(70,087)**	(300,757)
Tax effects of:				
- income not subject to tax	**(220,204)**	(81,062)	**(341,789)**	(849,714)
- share of results of associates	**155**	6,327	**-**	-
- share of results of joint ventures	**676**	(403)	**-**	-
- change in statutory tax rate	**-**	126,045	**-**	-
- approved tax credit of a subsidiary	**(14,786)**	(23,353)	**-**	-
- different tax rates in other countries	**83,107**	(37,640)	**-**	-
- utilisation of previously unrecognised tax losses	**(7,419)**	(12,096)	**-**	-
- unrecognised deferred tax assets	**125,248**	99,632	**22,714**	11,800
- expenses not deductible for tax purposes	**362,069**	1,866,180	**392,413**	1,133,975
- group relief	**-**	-	**-**	9,659
- prior financial year income tax	**37,202**	(64,987)	**-**	(56,000)
- zakat	**1,729**	463	**-**	-
Total	**1,057,105**	901,552	**3,251**	(51,037)

* Restated in conjunction with the voluntary change in accounting policy as disclosed in Note 50 to the financial statements.

12. EARNINGS PER SHARE

(a) Basic earnings per share ("EPS")

Basic EPS of the Group is calculated by dividing the profit attributable to owners of the Company by the weighted average number of ordinary shares of the Company in issue during the financial year.

	Group	
	2019	2018 Restated*
Profit/(Loss) attributable to owners of the Company (RM'000)	**1,457,550**	(4,762,025)
Weighted average number of ordinary shares in issue ('000)	**9,112,486**	9,058,640
Basic EPS (sen)	**16.0**	(52.6)

12. EARNINGS PER SHARE

(b) Diluted earnings per share

For the diluted EPS calculation, the weighted average number of ordinary shares in issue is adjusted to assume conversion of all dilutive potential ordinary shares. The Company has share options and shares granted to employees under the Performance-Based Employee Share Option Scheme ("ESOS") and Restricted Share Plan and Axiata Group Performance-Based Long Term Incentive Plan ("Axiata PBLTIP") as disclosed in Note 14(a) and (b) to the financial statements which are dilutive potential ordinary shares and is assumed to have been converted into ordinary shares.

In respect of share options over the ordinary shares of the Company, a calculation is performed to determine the number of shares that could have been acquired at fair value based on the monetary value of the subscription rights attached to outstanding share options. The calculation serves to determine the unexercised share options and RSA outstanding for the purpose of computing the dilution. No adjustment is made to profit attributable to owners of the Company for the share options.

	Group	
	2019	**2018 Restated***
Profit/(Loss) attributable to owners of the Company (RM'000)	**1,457,550**	(4,762,025)
Weighted average number of ordinary shares in issue ('000)	**9,112,486**	9,058,640
Adjusted for share-based payment ('000)	**8,221**	29,005
Weighted average number of ordinary shares for the purpose of computing diluted EPS ('000)	**9,120,707**	9,087,645
Diluted EPS (sen)	**16.0**	(52.4)

* Restated in conjunction with voluntary change in accounting policy as disclosed in Note 50 to the financial statements.

13. SHARE CAPITAL

		Group and Company			
		2019		2018	
	Note	No. of shares '000	Value RM'000	No. of shares '000	Value RM'000
Ordinary shares paid-up capital:					
At the beginning of the financial year		9,071,018	13,502,368	9,047,951	13,407,253
Performance-Based ESOS		5,751	21,487	2,755	13,809
Restricted Share Awards ("RSA")		1,548	6,571	384	2,193
Axiata PBLTIP		35	169	-	-
Dividend Reinvestment Scheme	(a)	85,221	326,673	19,928	79,113
At the end of financial year		9,163,573	13,857,268	9,071,018	13,502,368

(a) Dividend Reinvestment Scheme ("DRS")

The shareholder of the Company via Annual General Meeting ("AGM") approved the renewal of the authority for the Directors of the Company to allot and issue new ordinary shares of the Company in relation to the DRS that provided the shareholders of the Company the option to elect to reinvest their full or partial cash dividend entitlement in new ordinary shares of the Company. In the event that only part of the electable portion is reinvested, the shareholders shall receive the remaining portion of the dividend in cash.

The Company has issued the new ordinary shares pursuant to DRS at the conversion price disclosed in Note 48 to the financial statements.

The above mentioned ordinary shares rank pari-passu in all respects with the existing ordinary shares of the Company.

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Notes to the Financial Statements For The Financial Year Ended 31 December 2019

14. EMPLOYEE SHARE OPTION AND SHARE SCHEME

(a) Performance-Based Employee Share Option Scheme and Restricted Share Plan [“Axiata Share Scheme”]

The Performance-Based ESOS of the Company was approved by its shareholders at an Extraordinary General Meeting (“EGM”) held on 24 March 2009. The Performance-Based ESOS was implemented on 16 April 2009.

On 1 June 2011, the Company’s shareholders had, at the Nineteenth (19th) AGM of the Company, approved the amendments to the Bye-Laws of the ESOS to include a Restricted Share Plan (“RSP”). Accordingly, the existing Performance-Based ESOS was renamed as Axiata Share Scheme.

Effective from 15 July 2011, the Company implemented the Axiata Share Scheme and started to offer eligible employees the entitlement to receive RSA under the Restricted Share Plan in the Company on 18 July 2011 instead of ESOS.

The total number of the Performance-Based ESOS granted, percentage exercisable and the vesting periods are as follows:

Options over the Company’s shares					
ESOS	Grant date	Vesting date	% of options exercisable[1]	Number of options granted	Exercise price RM
Grant 1(a), 2009					
Tranche 1	16 April 2009	15 April 2011	50	34,555,750	1.81
Tranche 2	16 April 2009	15 April 2012	50	34,555,750	1.81
Grant 1(b), 2010[2]					
Tranche 1	18 January 2010	17 January 2012	50	2,088,050	3.15
Tranche 2	18 January 2010	17 January 2013	50	2,088,050	3.15
Grant 2, 2010					
Tranche 1	24 February 2010	23 February 2012	50	24,688,750	3.45
Tranche 2	24 February 2010	23 February 2013	50	24,688,750	3.45
Grant 3(a), 2011					
Tranche 1	23 February 2011	22 February 2013	50	32,121,450	5.07
Tranche 2	23 February 2011	22 February 2014	50	32,121,450	5.07

14. EMPLOYEE SHARE OPTION AND SHARE SCHEME (CONTINUED)

(a) Performance-Based Employee Share Option Scheme and Restricted Share Plan ["Axiata Share Scheme"] (continued)

The total number of RSA granted, percentage of shares to be vested and the vesting periods are as follows:

	Entitlement over the Company's shares				
RSA	Reference date	Vesting date[6]	% of shares to be vested[1]	Number of shares granted[3]	Reference price[4] RM
Grant 3(b), 2011[2]					
Tranche 1	18 July 2011	18 July 2013	50	243,350	5.03
Tranche 2	18 July 2011	18 July 2014	50 - 100	526,450	5.03
Grant 4(a), 2012					
Tranche 1	30 Mar 2012	30 Mar 2014	50	6,890,050	5.20
Tranche 2	30 Mar 2012	30 Mar 2015	50 - 100	10,603,550	5.20
Grant 4(b), 2012[2]					
Tranche 1	31 July 2012	31 July 2014	50	122,150	5.86
Tranche 2	31 July 2012	31 July 2015	50 - 100	444,350	5.86
Grant 4(c), 2012[2]					
Tranche 1	30 Nov 2012	30 Nov 2014	50	131,400	5.92
Tranche 2	30 Nov 2012	30 Nov 2015	50 - 100	252,500	5.92
Grant 5(a), 2013					
Tranche 1	20 Feb 2013	20 Feb 2015	50	6,585,950	6.27
Tranche 2	20 Feb 2013	20 Feb 2016	50 - 100	10,374,750	6.27
Grant 5(b), 2013[2]					
Tranche 1	15 Aug 2013	15 Aug 2015	50	268,100	6.90
Tranche 2	15 Aug 2013	15 Aug 2016	50 - 100	440,500	6.90
Grant 6(a), 2014					
Tranche 1	15 Feb 2014	15 Feb 2016	50	6,790,450	6.55
Tranche 2	15 Feb 2014	15 Feb 2017	50 - 100	10,466,650	6.55
Grant 6(b), 2014[2]					
Tranche 1	15 Aug 2014	15 Aug 2016	50	121,950	6.95
Tranche 2	15 Aug 2014	15 Aug 2017	50 - 100	406,650	6.95
Grant 7(a), 2015[5]	15 Feb 2015	15 Feb 2018	100	3,617,000	7.11
Grant 7(b), 2015[2&5]	15 Aug 2015	15 Aug 2018	100	317,200	5.92
Grant 8, 2016[2&5]	15 Feb 2016	15 Feb 2019	100	5,338,000	5.68

1 The Performance-Based ESOS/RSA granted shall become exercisable/vested only upon the fulfilment of certain performance criteria for the Company and individuals.

2 The grant was made to newly hired employees who did not receive the main cycle grants and have been confirmed as at reporting date.

3 Senior and top management can only vest the RSA at the end of the third (3rd) year or contract period whichever is earlier. Number of shares originally granted are excluding the multiplier effects to be offered to management upon fulfilment of certain performance conditions on the day of vesting.

4 Refers to the share price at reference date for the purpose of granting the number of shares to the employees.

5 Effective from financial year 2015, general employees of the Group were awarded a new cash based long term incentive plan instead of Axiata Share Scheme.

6 The unvested RSA after vesting date is subject to retest on quarterly basis until vested or expiry of the scheme whichever is earlier.

14. EMPLOYEE SHARE OPTION AND SHARE SCHEME (CONTINUED)

(a) Performance-Based Employee Share Option Scheme and Restricted Share Plan ["Axiata Share Scheme"] (continued)

The salient terms and conditions of the Axiata Share Scheme are as follows:

(i) Maximum number of new ordinary shares of the Company available under the Axiata Share Scheme

The maximum number of shares which may be:

(a) Offered for subscription and allotted on the exercise of the total amount of Share Options under this Axiata Share Scheme; and

(b) Allotted upon the vesting of RSA under an RSP, (collectively referred to as "Aggregate") shall not be more than 7% of the issued and paid–up ordinary share capital of the Company at any point of time during the duration of this Axiata Share Scheme.

If the Company undertakes a share buy-back exercise or any other corporate proposal resulting in the total number of the Company's shares issued and/or to be issued under the Axiata Share Scheme exceeding 7% of the Company's issued and fully paid-up ordinary share capital, all shares under the Axiata Share Scheme offered and/or granted prior to the said variation of the issued and paid-up ordinary share capital of the Company shall remain valid and exercisable in accordance with the provisions of this Axiata Share Scheme as if that reduction had not occurred.

(ii) 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 Bye-Laws in relation to the Axiata Share Scheme shall be at the absolute discretion of the Board or the Axiata Share Scheme Committee which was folded under the Board Remuneration Committee effective from financial year 2014 that has been established to administer the Axiata Share Scheme from time to time) after taking into consideration such criteria as may be determined by the Board or at the absolute discretion of Axiata Share Scheme Committee.

Further, not more than 50% of the Company's new ordinary shares made available under the Axiata Share Scheme shall be allocated, in aggregate, to Eligible Employees who are Executive Directors of the Company or any corporation within the Group or who are in senior management. In addition, not more than 10% of the Company's new ordinary shares available under the Axiata Share Scheme 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.

(iii) Eligibility

Any employee of the Group (other than subsidiaries which are dormant) shall be eligible to participate in the Axiata Share Scheme if the employee, as at the dates of the respective offers of options:

(a) has attained the age of eighteen (18) years;

(b) has entered into a full-term contract of employment with, and is on the payroll of, a corporation within the Group and whose service has been confirmed;

(c) is not a non-executive or independent Director of the Company; and

(d) fulfils any other criteria as may be set by the Board or at the absolute discretion of Axiata Share Scheme Committee.

Eligibility under the Axiata Share Scheme does not confer on any Eligible Employee any claim, right to participate in, or any other right whatsoever under the Axiata Share Scheme, and an Eligible Employee does not acquire or have any right over, or in connection with, any Performance-Based ESOS or the RSA under this Axiata Share Scheme unless an Offer has been made by the Board to that Eligible Employee and that Eligible Employee has accepted the Offer in accordance with the terms of the Offer and the Bye-Laws governing the Axiata Share Scheme.

14. EMPLOYEE SHARE OPTION AND SHARE SCHEME (CONTINUED)

(a) Performance-Based Employee Share Option Scheme and Restricted Share Plan ["Axiata Share Scheme"] (continued)

The salient terms and conditions of the Axiata Share Scheme are as follows: (continued)

(iv) Option price and RSA reference price

The subscription price payable for each of the Company's shares upon exercise of options is the five (5) day volume weighted average market price of the Company's shares immediately preceding the date of the Offer and is not lower than the nominal value of the Company's shares.

The reference price at which the Grantees shall be allotted new Shares pursuant to an RSA will be based on the fair value of the shares on the date of offer.

(v) Duration of the Axiata Share Scheme

The Axiata Share Scheme shall be in force for a period of eight (8) years from the effective date of implementation of the Performance-Based ESOS and RSP, being a date of full compliance with the relevant requirements of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") in relation to the initial long term Performance-Based ESOS. All Share Options, whether or not exercisable, shall forthwith lapse upon the expiry of the scheme. All unvested Shares under the RSA which are not vested shall forthwith lapse upon the expiry of Axiata Share Scheme on 15 April 2017. On 20 May 2014, the shareholders of the Company via AGM approved the extension of the scheme from eight (8) years to ten (10) years until 15 April 2019.

(vi) Retention period

The new ordinary shares of the Company allotted and issued pursuant to the exercise of any Performance-Based ESOS or upon the vesting of RSA under the Axiata Share Scheme will not be subject to any retention period.

(vii) Ranking of the new shares to be issued under the Axiata Share Scheme

The Company's new shares to be issued pursuant to Axiata Share Scheme shall, upon allotment and issuance, rank pari-passu in all respects with the existing issued shares of the Company except that they shall not be entitled to any dividend, right, allotment and/or other distribution in respect of which the entitlement date is before the date of allotment of such new ordinary shares.

Eligible Employees who are residents in Malaysia and who have been granted share options have the option to elect whether to exercise the options by way of:

(i) Selling Flexibility; or

(ii) To directly subscribe for shares.

Whichever option once selected shall be applicable to the exercise of the Share Options for the full duration of the Axiata Share Scheme unless otherwise determined by the Board in their sole discretion but subject always to the provisions of the Bye-Laws and the terms of the Selling Flexibility.

Eligible Employees who are not residents in Malaysia and who have been granted Share Options shall exercise their Share Options by way of Selling Flexibility for the full duration of the Axiata Share Scheme but subject always to the provisions of the Bye-Laws and the terms of the Selling Flexibility for Foreign Guarantees.

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Notes to the Financial Statements For The Financial Year Ended 31 December 2019

14. EMPLOYEE SHARE OPTION AND SHARE SCHEME (CONTINUED)

(a) Performance-Based Employee Share Option Scheme and Restricted Share Plan ["Axiata Share Scheme"] (continued)

The movement during the financial year and its comparative in the number of options over the new ordinary shares of the Company, in which the employees of the Group and the Company are entitled to, is as follows:

Performance-Based ESOS

Group	Exercise price RM	At 1 January 2019	Exercised	Adjustments[1]	Lapsed[2]	At 31 December 2019	Fair value at grant date RM
Grant 1(a), 2009							
Tranche 1	1.81	**696,600**	(621,850)	-	(74,750)	**-**	0.54
Tranche 2	1.81	**1,513,935**	(1,445,000)	-	(68,935)	**-**	0.57
		2,210,535	(2,066,850)	-	(143,685)	**-**	
Grant 1(b), 2010							
Tranche 1	3.15	**3,500**	(37,850)	34,350	-	**-**	0.93
Tranche 2	3.15	**72,600**	(170,050)	118,150	(20,700)	**-**	0.98
		76,100	(207,900)	152,500	(20,700)	**-**	
Grant 2, 2010							
Tranche 1	3.45	**1,163,350**	(1,099,700)	-	(63,650)	**-**	1.09
Tranche 2	3.45	**2,247,050**	(2,376,450)	351,493	(222,093)	**-**	1.15
		3,410,400	(3,476,150)	351,493	(285,743)	**-**	
Grant 3(a), 2011							
Tranche 1	5.07	**5,012,300**	-	-	(5,012,300)	**-**	1.05
Tranche 2	5.07	**6,582,200**	-	-	(6,582,200)	**-**	1.10
		11,594,500	-	-	(11,594,500)	**-**	
Grand total		**17,291,535**	(5,750,900)	503,993	(12,044,628)	**-**	
Weighted average exercise price		**4.33**	2.85	3.36	4.99	**-**	

[1] Adjustments relating to grant, vest and forfeited in previous financial years.

[2] Lapsed according to expiry of the Axiata Share Scheme on 15 April 2019.

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Notes to the Financial Statements For The Financial Year Ended 31 December 2019

14. EMPLOYEE SHARE OPTION AND SHARE SCHEME (CONTINUED)

(a) Performance-Based Employee Share Option Scheme and Restricted Share Plan ["Axiata Share Scheme"] (continued)

The movement during the financial year and its comparative in the number of options over the new ordinary shares of the Company, in which the employees of the Group and the Company are entitled to, is as follows: (continued)

Performance-Based ESOS

Group	Exercise price RM	At 1 January 2018	Exercised	Forfeited	At 31 December 2018	Fair value at grant date RM
Grant 1(a), 2009						
Tranche 1	1.81	897,400	(72,950)	(127,850)	696,600	0.54
Tranche 2	1.81	1,978,326	(132,440)	(331,951)	1,513,935	0.57
		2,875,726	(205,390)	(459,801)	2,210,535	
Grant 1(b), 2010						
Tranche 1	3.15	3,500	-	-	3,500	0.93
Tranche 2	3.15	72,600	-	-	72,600	0.98
		76,100	-	-	76,100	
Grant 2, 2010						
Tranche 1	3.45	2,103,750	(858,400)	(82,000)	1,163,350	1.09
Tranche 2	3.45	2,939,350	(582,700)	(109,600)	2,247,050	1.15
		5,043,100	(1,441,100)	(191,600)	3,410,400	
Grant 3(a), 2011						
Tranche 1	5.07	5,595,200	(452,500)	(130,400)	5,012,300	1.05
Tranche 2	5.07	7,397,200	(655,900)	(159,100)	6,582,200	1.10
		12,992,400	(1,108,400)	(289,500)	11,594,500	
Grand total		20,987,326	(2,754,890)	(940,901)	17,291,535	
Weighted average exercise price		4.23	3.98	3.15	4.33	

14. EMPLOYEE SHARE OPTION AND SHARE SCHEME (CONTINUED)

(a) Performance-Based Employee Share Option Scheme and Restricted Share Plan ["Axiata Share Scheme"] (continued)

The movement during the financial year and its comparative in the number of options over the new ordinary shares of the Company, in which the employees of the Group and the Company are entitled to, is as follows: (continued)

Performance-Based ESOS

Company	Exercise price RM	At 1 January 2019	Exercised	Adjustments[1]	Lapsed[2]	At 31 December 2019	Fair value at grant date RM
Grant 1(a), 2009							
Tranche 1	1.81	**222,950**	(201,350)	-	(21,600)	-	0.54
Tranche 2	1.81	**337,450**	(337,450)	-	-	-	0.57
		560,400	(538,800)	-	(21,600)	-	
Grant 1(b), 2010							
Tranche 1	3.15	-	(34,350)	34,350	-	-	0.93
Tranche 2	3.15	**42,300**	(160,450)	118,150	-	-	0.98
		42,300	(194,800)	152,500	-	-	
Grant 2, 2010							
Tranche 1	3.45	**402,500**	(386,150)	-	(16,350)	-	1.09
Tranche 2	3.45	**821,600**	(1,109,900)	351,493	(63,193)	-	1.15
		1,224,100	(1,496,050)	351,493	(79,543)	-	
Grant 3(a), 2011							
Tranche 1	5.07	**1,791,900**	-	-	(1,791,900)	-	1.05
Tranche 2	5.07	**1,891,700**	-	-	(1,891,700)	-	1.10
		3,683,600	-	-	(3,683,600)	-	
Grand total		**5,510,400**	(2,229,650)	503,993	(3,784,743)	-	
Weighted average exercise price		**4.36**	3.03	3.36	5.02	-	

[1] Adjustments relating to grant, vest, lapse and forfeited in previous financial years.
[2] Lapsed according to expiry of the Axiata Share Scheme on 15 April 2019.

14. EMPLOYEE SHARE OPTION AND SHARE SCHEME (CONTINUED)

(a) Performance-Based Employee Share Option Scheme and Restricted Share Plan ["Axiata Share Scheme"] (continued)

The movement during the financial year and its comparative in the number of options over the new ordinary shares of the Company, in which the employees of the Group and the Company are entitled to, is as follows: (continued)

Performance-Based ESOS

Company	Exercise price RM	At 1 January 2018	Exercised	Forfeited	At 31 December 2018	Fair value at grant date RM
Grant 1(a), 2009						
Tranche 1	1.81	222,950	-	-	222,950	0.54
Tranche 2	1.81	337,450	-	-	337,450	0.57
		560,400	-	-	560,400	
Grant 1(b), 2010						
Tranche 2	3.15	42,300	-	-	42,300	0.98
Grant 2, 2010						
Tranche 1	3.45	1,176,000	(773,500)	-	402,500	1.09
Tranche 2	3.45	1,248,100	(426,500)	-	821,600	1.15
		2,424,100	(1,200,000)	-	1,224,100	
Grant 3(a), 2011						
Tranche 1	5.07	1,791,900	-	-	1,791,900	1.05
Tranche 2	5.07	1,891,700	-	-	1,891,700	1.10
		3,683,600	-	-	3,683,600	
Grand total		6,710,400	(1,200,000)	-	5,510,400	
Weighted average exercise price		4.20	3.45	-	4.36	

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Notes to the Financial Statements For The Financial Year Ended 31 December 2019

14. EMPLOYEE SHARE OPTION AND SHARE SCHEME (CONTINUED)

(a) Performance-Based Employee Share Option Scheme and Restricted Share Plan ["Axiata Share Scheme"] (continued)

The movement during the financial year in the number of RSA shares of the Company, in which the employees of the Group are entitled to, is as follows:

RSP

Group	Closing price at grant date RM	At 1 January 2019	Vested	Lapsed[1]	At 31 December 2019	Fair value at grant date RM
Grant 3(b), 2011						
Tranche 2	5.03	**20,000**	-	(20,000)	-	3.90
		20,000	-	(20,000)	-	
Grant 4(a), 2012						
Tranche 1	5.39	**62,050**	-	(62,050)	-	4.39
Tranche 2	5.39	**216,150**	-	(216,150)	-	4.26
		278,200	-	(278,200)	-	
Grant 4(b), 2012						
Tranche 1	6.00	**24,350**	-	(24,350)	-	4.93
Tranche 2	6.00	**52,050**	-	(52,050)	-	4.69
		76,400	-	(76,400)	-	
Grant 4(c), 2012						
Tranche 1	6.19	**2,300**	-	(2,300)	-	4.46
Tranche 2	6.19	**134,600**	-	(134,600)	-	4.11
		136,900	-	(136,900)	-	
Grant 5(a), 2013						
Tranche 1	6.60	**235,300**	-	(235,300)	-	4.76
Tranche 2	6.60	**2,256,850**	(88,600)	(2,168,250)	-	4.28
		2,492,150	(88,600)	(2,403,550)	-	
Grant 5(b), 2013						
Tranche 1	6.90	**53,800**	-	(53,800)	-	4.88
Tranche 2	6.90	**194,750**	-	(194,750)	-	4.10
		248,550	-	(248,550)	-	

[1] Lapsed according to expiry of the Axiata Share Scheme on 15 April 2019.

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Notes to the Financial Statements For The Financial Year Ended 31 December 2019

14. EMPLOYEE SHARE OPTION AND SHARE SCHEME (CONTINUED)

(a) Performance-Based Employee Share Option Scheme and Restricted Share Plan ["Axiata Share Scheme"] (continued)

The movement during the financial year in the number of RSA shares of the Company, in which the employees of the Group are entitled to, is as follows: (continued)

RSP

Group	Closing price at grant date RM	At 1 January 2019	Vested	Lapsed[1]	At 31 December 2019	Fair value at grant date RM
Grant 6(a), 2014						
Tranche 1	6.69	**5,780,450**	(136,700)	(5,643,750)	-	4.77
Tranche 2	6.69	**5,554,950**	-	(5,554,950)	-	4.20
		11,335,400	(136,700)	(11,198,700)	-	
Grant 6(b), 2014						
Tranche 1	6.94	**98,850**	(73,300)	(25,550)	-	4.72
Tranche 2	6.94	**315,450**	-	(315,450)	-	3.97
		414,300	(73,300)	(341,000)	-	
Grant 7(a), 2015	7.06	**2,614,200**	(534,700)	(2,079,500)	-	4.46
Grant 7(b), 2015	6.29	**282,000**	(24,300)	(257,700)	-	4.35
Grant 8, 2016	5.88	**2,952,300**	(690,800)	(2,261,500)	-	3.79
Grand total		**20,850,400**	(1,548,400)	(19,302,000)	-	

[1] Lapsed according to expiry of the Axiata Share Scheme on 15 April 2019.

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Notes to the Financial Statements For The Financial Year Ended 31 December 2019

14. EMPLOYEE SHARE OPTION AND SHARE SCHEME (CONTINUED)

(a) Performance-Based Employee Share Option Scheme and Restricted Share Plan ["Axiata Share Scheme"] (continued)

The movement in the previous financial year in the number of RSA shares of the Company, in which the employees of the Group are entitled to, is as follows: (continued)

RSP

Group	Closing price at grant date RM	At 1 January 2018	Vested	Forfeited	At 31 December 2018	Fair value at grant date RM
Grant 3(b), 2011						
Tranche 2	5.03	20,000	-	-	20,000	3.90
		20,000	-	-	20,000	
Grant 4(a), 2012						
Tranche 1	5.39	62,050	-	-	62,050	4.39
Tranche 2	5.39	216,150	-	-	216,150	4.26
		278,200	-	-	278,200	
Grant 4(b), 2012						
Tranche 1	6.00	24,350	-	-	24,350	4.93
Tranche 2	6.00	52,050	-	-	52,050	4.69
		76,400	-	-	76,400	
Grant 4(c), 2012						
Tranche 1	6.19	2,300	-	-	2,300	4.46
Tranche 2	6.19	134,600	-	-	134,600	4.11
		136,900	-	-	136,900	
Grant 5(a), 2013						
Tranche 1	6.60	250,300	-	(15,000)	235,300	4.76
Tranche 2	6.60	2,904,350	-	(647,500)	2,256,850	4.28
		3,154,650	-	(662,500)	2,492,150	
Grant 5(b), 2013						
Tranche 1	6.90	53,800	-	-	53,800	4.88
Tranche 2	6.90	220,550	-	(25,800)	194,750	4.10
		274,350	-	(25,800)	248,550	
Grant 6(a), 2014						
Tranche 1	6.69	6,017,100	-	(236,650)	5,780,450	4.77
Tranche 2	6.69	6,109,800	-	(554,850)	5,554,950	4.20
		12,126,900	-	(791,500)	11,335,400	
Grant 6(b), 2014						
Tranche 1	6.94	103,200	-	(4,350)	98,850	4.72
Tranche 2	6.94	319,800	-	(4,350)	315,450	3.97
		423,000	-	(8,700)	414,300	
Grant 7(a), 2015	7.06	3,036,300	(119,700)	(302,400)	2,614,200	4.46
Grant 7(b), 2015	6.29	317,200	-	(35,200)	282,000	4.35
Grant 8, 2016	5.88	3,831,150	(264,250)	(614,600)	2,952,300	3.79
Grand total		23,675,050	(383,950)	(2,440,700)	20,850,400	

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Notes to the Financial Statements For The Financial Year Ended 31 December 2019

14. EMPLOYEE SHARE OPTION AND SHARE SCHEME (CONTINUED)

(a) Performance-Based Employee Share Option Scheme and Restricted Share Plan ["Axiata Share Scheme"] (continued)

The movement during the financial year in the number of RSA shares of the Company, in which the employees of the Company are entitled to, is as follows:

RSP

Company	Closing price at grant date RM	At 1 January 2019	Vested	Lapsed[1]	At 31 December 2019	Fair value at grant date RM
Grant 4(a), 2012						
Tranche 2	5.39	**132,800**	-	(132,800)	-	4.26
Grant 4(b), 2012						
Tranche 2	6.00	**22,600**	-	(22,600)	-	4.69
Grant 4(c), 2012						
Tranche 2	6.19	**103,600**	-	(103,600)	-	4.11
Grant 5(a), 2013						
Tranche 2	6.60	**1,161,350**	(88,600)	(1,072,750)	-	4.28
Grant 5(b), 2013						
Tranche 1	6.90	**41,250**	-	(41,250)	-	4.88
Tranche 2	6.90	**58,350**	-	(58,350)	-	4.10
		99,600	-	(99,600)	-	
Grant 6(a), 2014						
Tranche 1	6.69	**340,350**	(85,800)	(254,550)	-	4.77
Tranche 2	6.69	**2,165,050**	-	(2,165,050)	-	4.20
		2,505,400	(85,800)	(2,419,600)	-	
Grant 6(b), 2014						
Tranche 1	6.94	**63,450**	(63,450)	-	-	4.72
Tranche 2	6.94	**231,150**	(9,850)	(221,300)	-	3.97
		294,600	(73,300)	(221,300)	-	
Grant 7(a), 2015	7.06	**1,543,700**	(510,400)	(1,033,300)	-	4.46
Grant 7(b), 2015	6.29	**109,000**	(24,300)	(84,700)	-	4.35
Grant 8, 2016	5.88	**1,821,850**	(670,100)	(1,151,750)	-	3.79
Grand total		**7,794,500**	(1,452,500)	(6,342,000)	-	

[1] Lapsed following expiry of the Axiata Share Scheme on 15 April 2019.

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14. EMPLOYEE SHARE OPTION AND SHARE SCHEME (CONTINUED)

(a) Performance-Based Employee Share Option Scheme and Restricted Share Plan ["Axiata Share Scheme"] (continued)

The movement in the previous financial year in the number of RSA shares of the Company, in which the employees of the Company are entitled to, is as follows: (continued)

RSP

Company	Closing price at grant date RM	At 1 January 2018	Vested	Forfeited	At 31 December 2018	Fair value at grant date RM
Grant 4(a), 2012						
Tranche 2	5.39	132,800	-	-	132,800	4.26
Grant 4(b), 2012						
Tranche 2	6.00	22,600	-	-	22,600	4.69
Grant 4(c), 2012						
Tranche 2	6.19	103,600	-	-	103,600	4.11
Grant 5(a), 2013						
Tranche 1	6.60	15,000	-	(15,000)	-	4.76
Tranche 2	6.60	1,488,350	-	(327,000)	1,161,350	4.28
		1,503,350	-	(342,000)	1,161,350	
Grant 5(b), 2013						
Tranche 1	6.90	41,250	-	-	41,250	4.88
Tranche 2	6.90	58,350	-	-	58,350	4.10
		99,600	-	-	99,600	
Grant 6(a), 2014						
Tranche 1	6.69	372,050	-	(31,700)	340,350	4.77
Tranche 2	6.69	2,327,650	-	(162,600)	2,165,050	4.20
		2,699,700	-	(194,300)	2,505,400	
Grant 6(b), 2014						
Tranche 1	6.94	63,450	-	-	63,450	4.72
Tranche 2	6.94	231,150	-	-	231,150	3.97
		294,600	-	-	294,600	
Grant 7(a), 2015	7.06	1,726,700	(107,900)	(75,100)	1,543,700	4.46
Grant 7(b), 2015	6.29	109,000	-	-	109,000	4.35
Grant 8, 2016	5.88	2,234,650	(171,800)	(241,000)	1,821,850	3.79
Grand total		8,926,600	(279,700)	(852,400)	7,794,500	

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Notes to the Financial Statements For The Financial Year Ended 31 December 2019

14. EMPLOYEE SHARE OPTION AND SHARE SCHEME (CONTINUED)

(a) Performance-Based Employee Share Option Scheme and Restricted Share Plan ["Axiata Share Scheme"] (continued)

The fair value of the Performance-Based ESOS granted in which MFRS 2 applies, was determined using the Black-Scholes valuation model. The significant inputs in the model are as follows:

	Options over the Company's shares			
	Grant 1(a)	Grant 1(b)	Grant 2	Grant 3(a)
Exercise price	RM1.81	RM3.15	RM3.45	RM5.07
Option expected term:				
- Tranche 1	5.0 years	4.5 years	4.5 years	4.0 years
- Tranche 2	5.5 years	5.0 years	5.0 years	4.5 years
Weighted average share price at grant date	RM1.81	RM3.15	RM3.45	RM5.07
Expected dividend yield	1%	1%	1%	2%
Risk free interest rates (Yield of Malaysian Government securities)	3.0% - 3.7%	3.0% - 3.7%	3.0% - 3.9%	3.3% - 3.6%
Expected volatility	31.3%[1]	31.1%[1]	34.4%	24.7%

[1] The expected volatility rate of the Company's options was derived after considering the pattern and level of historical volatility of entities in the same industry since the Company did not have sufficient information on historical volatility as it was only listed on the Bursa Securities on 28 April 2008.

The fair value of the RSA granted in which MFRS 2 applies, was determined using the Monte Carlo valuation model. The significant inputs in the model are as follows:

	Entitlement over the Company's shares			
	Grant 3(b)	Grant 4(a)	Grant 4(b)	Grant 4(c)
Reference price	RM5.03	RM5.20	RM5.86	RM5.92
Grant date at valuation*	18 Jul 2011	16 Apr 2012	17 Aug 2012	10 Dec 2012
Vesting date:				
- Tranche 1	18 Jul 2013	30 Mar 2014	31 Jul 2014	30 Nov 2014
- Tranche 2	18 Jul 2014	30 Mar 2015	31 Jul 2015	30 Nov 2015
Closing share price at grant date*	RM5.03	RM5.39	RM6.00	RM6.19
Expected dividend yield	2.54%	4.23%	4.06%	4.15%
Risk free interest rates (Yield of Malaysian Government Securities)	3.19%-3.32%	3.09%-3.18%	2.97%-3.04%	3.00%-3.08%
Expected volatility#	19.9%	27.5%	19.2%	18.6%

	Entitlement over the Company's shares			
	Grant 5(a)	Grant 5(b)	Grant 6(a)	Grant 6(b)
Reference price	RM6.27	RM6.90	RM6.55	RM6.95
Grant date at valuation*	29 Mar 2013	15 Aug 2013	07 Apr 2014	02 Sep 2014
Vesting date:				
- Tranche 1	20 Feb 2015	15 Aug 2015	15 Feb 2016	15 Aug 2016
- Tranche 2	20 Feb 2016	15 Aug 2016	15 Feb 2017	15 Aug 2017
Closing share price at grant date*	RM6.60	RM6.90	RM6.69	RM6.94
Expected dividend yield	4.58%	4.20%	3.79%	3.89%
Risk free interest rates (Yield of Malaysian Government Securities)	2.88%-3.09%	3.17%-3.36%	3.00%-3.38%	3.46%
Expected volatility#	18.7%	17.4%	16.5%	15.8%

* Grant date refers to the date where majority of employees accepted the offer.

\# The expected volatility rate of the Company's RSA was derived using three (3) years historical volatility due to availability of data with more data points to increase the credibility of assumptions.

14. EMPLOYEE SHARE OPTION AND SHARE SCHEME (CONTINUED)

(a) Performance-Based Employee Share Option Scheme and Restricted Share Plan [“Axiata Share Scheme”] (continued)

The fair value of the RSA granted in which MFRS 2 applies, was determined using the Monte Carlo valuation model. The significant inputs in the model are as follows: (continued)

	Entitlement over the Company’s shares		
	Grant 7(a)	Grant 7(b)	Grant 8
Reference price	RM7.11	RM5.92	RM5.68
Grant date at valuation*	09 Apr 2015	17 Sep 2015	14 Apr 2016
Vesting date:			
- Tranche 1	-	-	-
- Tranche 2	15 Feb 2018	15 Aug 2018	15 Feb 2019
Closing share price at grant date*	RM7.06	RM6.29	RM5.88
Expected dividend yield	3.96%	3.96%	4.08%
Risk free interest rates (Yield of Malaysian Government Securities)	3.57%	3.76%	3.22%
Expected volatility#	14.26%	15.20%	16.1%

* Grant date refers to the date where majority of employees accepted the offer.

\# The expected volatility rate of the Company’s RSA was derived using three (3) years period on daily basis historical volatility due to availability of data with more data points to increase the credibility of assumptions.

The amounts recognised in the financial statements as disclosed in Note 7(c) and 7(d) to the financial statements for all employees (including eligible Directors) arising from the Performance-Based ESOS and RSA are summarised as below:

	Group		Company	
	2019 RM’000	2018 RM’000	2019 RM’000	2018 RM’000
Share-based payment expense*	**(1,372)**	1,325	**(794)**	747

* Included reversal of previous financial year expense.

(b) Axiata Group Performance Based Long Term Incentive Plan (“Axiata PBLTIP”)

On 25 May 2016, shareholders of the Company had approved the Axiata PBLTIP and it was implemented on 30 September 2016. Effectively, the Group and the Company started to offer eligible employees the entitlement to receive Axiata PBLTIP.

The total number of Axiata PBLTIP shares granted, percentage of shares to be vested and the vesting period are as follows:

	Entitlement over the Company’s shares				
	Reference date	Vesting date	% of shares to be vested[1]	Number of shares granted[3]	Reference price[4] RM
Grant 1(a), 2017	28 Feb 2017	28 Feb 2020	100	4,680,100	4.43
Grant 1(b), 2017[2]	15 Aug 2017	15 Aug 2020	100	496,600	4.83
Grant 2, 2018	28 Feb 2018	28 Feb 2021	100	1,992,100	5.40
Grant 3(a), 2019	21 Feb 2019	21 Feb 2020	100	607,600	4.30
Grant 3(b), 2019	21 Feb 2019	21 Feb 2022	100	2,295,400	4.30

1 The Axiata PBLTIP granted shall become exercisable only upon the fulfilment of certain performance criteria for the Company and individuals.

2 The grant was made to newly hired employees who did not receive the main cycle grant and have been confirmed as at reporting dates.

3 Senior and top management can only vest the Axiata PBLTIP shares at the end of the third (3rd) year. Number of shares originally granted are excluding the multiplier effects to be offered to management upon fulfilment of certain performance conditions on the day of vesting.

4 Refers to the share price at reference date for the purpose of granting the number of shares to the employees.

14. EMPLOYEE SHARE OPTION AND SHARE SCHEME (CONTINUED)

(b) Axiata Group Performance Based Long Term Incentive Plan ("Axiata PBLTIP") (continued)

The salient terms and conditions of the Axiata PBLTIP are as follows:

(i) Maximum number of new ordinary shares of the Company available under the Axiata PBLTIP

The maximum number of shares which may be allotted upon the vesting of Axiata PBLTIP shares, (collectively referred to as "Aggregate") shall not be more than 7% of the issued and paid–up ordinary share capital of the Company at any point of time during the duration of this Axiata PBLTIP.

If the Company undertakes a share buy-back exercise or any other corporate proposal resulting in the total number of the Company's shares issued and/or to be issued under the Axiata PBLTIP exceeding 7% of the Company's issued and fully paid-up ordinary share capital, all shares under the Axiata PBLTIP offered and/or granted prior to the said variation of the issued and paid-up ordinary share capital of the Company shall remain valid and exercisable in accordance with the provisions of this Axiata PBLTIP as if that reduction had not occurred.

(ii) 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 one of the Eligible Employees (as defined in the Bye-Laws in relation to the Axiata PBLTIP shall be at the absolute discretion of the Board of Remuneration Committee that has been established to administer the Axiata PBLTIP from time to time) after taking into consideration such criteria as may be determined by the Board or the Board Remuneration Committee at their absolute discretion.

Not more than 10% of the Company's new ordinary shares available under the Axiata PBLTIP 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 paid-up share capital.

(iii) Eligibility

Any employee of the Group (other than subsidiaries which are dormant) shall be eligible to participate in the Axiata PBLTIP if the employee, as at the dates of the respective offers of options:

(a) has attained the age of eighteen (18) years;

(b) has entered into a full-term contract of employment with, and is on the payroll of, a corporation within the Group and whose service has been confirmed;

(c) is not a non-executive or independent Director of the Company; and

(d) fulfils any other criteria as may be set by the Board in its absolute discretion.

Eligibility under the Axiata PBLTIP does not confer on any Eligible Employee any claim, right to participate in, or any other right whatsoever under the Axiata PBLTIP and an Eligible Employee does not acquire or have any right over, or in connection with, any shares under this Axiata PBLTIP unless an Offer has been made by the Board to that Eligible Employee and that Eligible Employee has accepted the Offer in accordance with the terms of the Offer and the Bye-Laws governing the Axiata PBLTIP.

(iv) Axiata PBLTIP shares reference price

The reference price at which the Grantees shall be allotted new Shares will be based on the fair value of the shares on the date of offer.

(v) Duration of the Axiata PBLTIP

The Axiata PBLTIP shall be in force for a period of ten (10) years from the effective date of implementation, being a date of full compliance with the relevant requirements of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities"). All shares, whether or not exercisable, shall forthwith lapse upon the expiry of the scheme. All unvested Shares under the Axiata PBLTIP which are not vested shall forthwith lapse upon the expiry of the scheme on 30 September 2026.

14. EMPLOYEE SHARE OPTION AND SHARE SCHEME (CONTINUED)

(b) Axiata Group Performance Based Long Term Incentive Plan ("Axiata PBLTIP") (continued)

The movement during the financial year in the number of shares under Axiata PBLTIP, in which the employees of the Group and Company are entitled to, is as follows:

	At 1 January	Granted	Vested	Lapsed/ forfeited	At 31 December	Weighted average fair value at grant date RM
Group						
2019						
Grant 1(a), 2017	**4,377,200**	**-**	**(34,900)**	**(196,900)**	**4,145,400**	**4.31**
Grant 1(b), 2017	**496,600**	**-**	**-**	**-**	**496,600**	**4.56**
Grant 2, 2018	**1,992,100**	**-**	**-**	**-**	**1,992,100**	**4.67**
Grant 3 (a), 2019	**-**	**607,600**	**-**	**-**	**607,600**	**4.11**
Grant 3 (b), 2019	**-**	**2,295,400**	**-**	**-**	**2,295,400**	**4.36**
Grand total	**6,865,900**	**2,903,000**	**(34,900)**	**(196,900)**	**9,537,100**	
2018						
Grant 1(a), 2017	4,629,100	-	-	(251,900)	4,377,200	4.31
Grant 1(b), 2017	496,600	-	-	-	496,600	4.56
Grant 2, 2018	-	1,992,100	-	-	1,992,100	4.67
Grand total	5,125,700	1,992,100	-	(251,900)	6,865,900	
Company						
2019						
Grant 1(a), 2017	**3,695,800**	**-**	**(34,900)**	**(100,900)**	**3,560,000**	**4.31**
Grant 1(b), 2017	**496,600**	**-**	**-**	**-**	**496,600**	**4.56**
Grant 2, 2018	**1,992,100**	**-**	**-**	**-**	**1,992,100**	**4.67**
Grant 3 (a), 2019	**-**	**607,600**	**-**	**-**	**607,600**	**4.11**
Grant 3 (b), 2019	**-**	**2,295,400**	**-**	**-**	**2,295,400**	**4.36**
Grand total	**6,184,500**	**2,903,000**	**(34,900)**	**(100,900)**	**8,951,700**	
2018						
Grant 1(a), 2017	3,790,700	-	-	(94,900)	3,695,800	4.31
Grant 1(b), 2017	496,600	-	-	-	496,600	4.56
Grant 2, 2018	-	1,992,100	-	-	1,992,100	4.67
Grand total	4,287,300	1,992,100	-	(94,900)	6,184,500	

14. EMPLOYEE SHARE OPTION AND SHARE SCHEME (CONTINUED)

(b) Axiata Group Performance Based Long Term Incentive Plan ("Axiata PBLTIP") (continued)

The fair value of the Axiata PBLTIP shares granted in which MFRS 2 applies, were determined using the Monte Carlo valuation model. The significant inputs in the model are as follows:

	Entitlement over the Company's shares				
	Grant 1(a)	**Grant 1(b)**	**Grant 2**	**Grant 3(a)**	**Grant 3(b)**
Reference price	4.43	4.83	5.40	4.30	4.30
Grant date at valuation*	14 Apr 2017	13 Oct 2017	27 Apr 2018	17 May 2019	17 May 2019
Vesting date	28 Feb 2020	15 Aug 2020	28 Feb 2021	21 Feb 2020	21 Feb 2022
Closing share price at grant date*	RM5.06	RM5.27	RM5.30	RM4.44	RM4.44
Expected dividend yield	2.02%	2.02%	3.42%	2.79%	2.79%
Risk free interest rates (Yield of Malaysian Government Securities)	3.48%	3.46%	3.73%	3.18%	3.42%
Expected volatility#	20.56%	22.06%	22.84%	43.10%	31.10%

* Grant date refers to the date where majority of employees accepted the offer.

\# The expected volatility rate of the Company's shares was derived using three (3) years period on daily basis historical volatility due to availability of data with more data points to increase the credibility of assumptions.

The amounts recognised in the financial statements as disclosed in Note 7(c) and 7(d) to the financial statements for all employees (including Directors) arising from the Axiata PBLTIP are summarised as below:

	Group		Company	
	2019 RM'000	**2018 RM'000**	**2019 RM'000**	**2018 RM'000**
Share-based payment expense	**13,328**	8,999	**13,579**	8,298

(c) Share-based compensation plan of XL

On 10 December 2015, Board of Commissioners of XL approved a long term incentive programme 2016-2020 under which XL's shares without pre-emptive rights or cash consideration are to be awarded as retention programme to motivate employees to enhance performance. The programme was approved by the EGM of shareholders of XL on 10 March 2016.

Under the new scheme, the eligible employees will be contingently granted certain amount of new shares or cash consideration which will vest only if prescribed company performance target is met and the individual employees attaining certain performance rating. XL's performance is measured based on return on capital employed. Employee's performance is measured based on average employee's performance ratings over the relevant vesting period. In addition the employees are required to be with XL up to the end of the relevant vesting period to receive the granted shares issued under this programme. The shares will be issued at the end of the relevent vesting period and are locked up for one (1) year in accordance with prevailing regulation in Indonesia Stock Exchange. The cash consideration will be distributed at the same time with the release date of the shares previously mentioned.

Total share-based payment compensation expense recognised in staff costs of the Group for the financial year ended 31 December 2019 was RM16.0 million (2018: RM9.3 million) as disclosed in Note 7(c) to the financial statements.

Total share-based payment liabilities recognised in trade and other payables of the Group for the financial year ended 31 December 2019 was RM26.6 million (2018: RM10.6 million).

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14. EMPLOYEE SHARE OPTION AND SHARE SCHEME (CONTINUED)

(d) Pioneer Grant of edotco Group

On 8 December 2014, edotco Group approved the edotco Pioneer Grant to the eligible employees of edotco Group and its subsidiaries. The plan was to motivate the employees to drive value creation for edotco Group. Pursuant to the grant letter issued to the eligible employees, the Pioneer Grant would be settled in cash or new ordinary shares of edotco Group upon occurrence of certain events during the vesting period, otherwise the award would be settled in cash based on independent valuation.

On 31 March 2015, edotco Group issued grant letters to eligible employees. The movement in the number of ordinary shares of edotco Group, in which the employees are entitled to in the previous financial year was as follows:

Group	At 1 January	Grant	Paid	Lapsed/ Forfeited	At 31 December
2018	12,861,800	-	(12,861,800)	-	-

Total share-based payment compensation expense recognised in staff costs of the Group in the previous financial year was RM3.7 million.

(e) Long-term Incentive Plan ("LTIP") of edotco Group

edotco Group has developed and implemented a performance based LTIP for senior management of edotco Group and its subsidiaries. Under the plan, eligible senior management are entitled to ordinary shares of edotco Group for no cash consideration upon the occurrence of certain event during the vesting period, otherwise, the award will be settled in cash, based on an independent valuation.

The number of ordinary shares granted, their respective grant date and vesting period is summarised as follows:

LTIP for Senior Management	Grant date	Units granted[1]	Vesting date
Grant 1(a), 2017	17 Mar 2017	1,713,700	31 Mar 2019
Grant 1(b), 2017	17 Mar 2017	66,800	14 Aug 2019
Grant 1(c), 2017	17 Mar 2017	1,203,600	31 Mar 2020
Grant 2(a), 2017	15 Aug 2017	192,900	14 Aug 2020
Grant 3(a), 2018	31 Mar 2018	2,302,400	31 Mar 2021
Grant 3(b), 2018	31 Aug 2018	202,551	31 Aug 2021
Grant 4(a), 2019	31 Mar 2019	2,539,800	31 Mar 2022
Grant 4(b), 2019	15 Aug 2019	146,900	31 Aug 2022

[1] The number of equity instruments initially granted excludes the multiplier effects which will be offered to eligible employees based on edotco Group's and individual's performance for the award period.

The movement in the number of ordinary shares granted during the financial year, in which the employees of edotco Group is entitled to is as follows:

2019	At 1 January	Granted	Lapsed/ Forfeited	Paid	At 31 December
Grant 1(a), 2017	**1,481,300**	**-**	**-**	**(1,481,300)**	**-**
Grant 1(b), 2017	**66,800**	**-**	**-**	**(66,800)**	**-**
Grant 1(c), 2017	**1,203,600**	**-**	**(128,600)**	**-**	**1,075,000**
Grant 2(a), 2017	**192,900**	**-**	**-**	**-**	**192,900**
Grant 3(a), 2018	**2,234,300**	**-**	**(263,737)**	**-**	**1,970,563**
Grant 3(b), 2018	**202,551**	**-**	**(58,951)**	**-**	**143,600**
Grant 4(a), 2019	**-**	**2,539,800**	**(223,300)**	**-**	**2,316,500**
Grant 4(b), 2019	**-**	**146,900**	**-**	**-**	**146,900**
	5,381,451	**2,686,700**	**(674,588)**	**(1,548,100)**	**5,845,463**

14. EMPLOYEE SHARE OPTION AND SHARE SCHEME (CONTINUED)

(e) Long-term Incentive Plan ("LTIP") of edotco Group (continued)

The movement in the number of ordinary shares granted during the financial year, in which the employees of edotco Group is entitled to is as follows: (continued)

2018	At 1 January	Granted	Forfeited	At 31 December
Grant 1(a), 2017	1,481,300	-	-	1,481,300
Grant 1(b), 2017	66,800	-	-	66,800
Grant 1(c), 2017	1,203,600	-	-	1,203,600
Grant 2(a), 2017	192,900	-	-	192,900
Grant 3(a), 2018	-	2,302,400	(68,100)	2,234,300
Grant 3(b), 2018	-	202,551	-	202,551
	2,944,600	2,504,951	(68,100)	5,381,451

The share-based compensation expense recognised in staff costs for the financial year ended 31 December 2019 was RM28.8 million (2018: RM8.3 million).

The share-based payment liabilities recognised in trade and other payables of the Group for the financial year ended 31 December 2019 was RM24.6 million (2018: RM11.0 million).

(f) Special grant of edotco Group

On 1 October 2018, edotco Group granted a one-off special grant to the eligible general employees and senior management of edotco Group (the "Special Grant"). The plan is aimed at motivating employees and driving the continued growth and performance of edotco Group.

The Special Grant will vest upon the occurrence of certain events between 1 October 2018 to 30 September 2023 (the "Validity Events"). This grant will be null and void upon the non-occurrence of the Validity Events after 30 September 2023. The vesting date of the Special Grant is one (1) year from the date of occurrence of any of the Validity Events or as determined by the Board thereafter.

The Special Grant offered to general employees of edotco Group will be paid out in cash on the vesting date based on edotco Group's independent valuation. The grant to senior management will be paid out in ordinary shares of edotco Group for no cash consideration upon the occurrence of the Validity Events on its vesting date, otherwise, the award will be settled in cash, based on an independent valuation.

The movement of number of Special Grant instruments granted during the financial year, in which the employees of edotco Group is entitled to, is as follows:

	At 1 January	Granted[1]	Forfeited	At 31 December
2019	**6,883,500**	**176,300**	**(1,060,970)**	**5,998,830**
2018	-	6,883,500	-	6,883,500

[1] The number of equity instruments initially granted excludes the multiplier effects which will be offered to eligible employees based on the Group's and individual's performance for the award period.

The share-based compensation expense recognised in staff costs of the Group for the financial year ended 31 December 2019 was RM1.1 million (2018: RM1.5 million).

The share-based compensation liabilities recognised in trade and other payables of the Group for the financial year ended 31 December 2019 was RM2.9 million (2018: RM3.7 million).

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15. RESERVES

	Note	Group 2019 RM'000	Group 2018 RM'000 Restated*	Company 2019 RM'000	Company 2018 RM'000
Retained earnings		**6,646,972**	6,011,291	**1,363,494**	2,412,312
Currency translation differences arising from translation of:					
- subsidiaries		**(560,873)**	(388,515)	**-**	-
- associates		**(307)**	59,318	**-**	-
		(561,180)	(329,197)	**-**	-
Reserves:					
- Capital contribution	(a)	**16,598**	16,598	**16,598**	16,598
- Merger	(b)	**346,774**	346,774	**-**	-
- Hedging	(c)	**(9,705)**	(70,863)	**-**	-
- Cost of hedging	(d)	**(5,862)**	770	**-**	-
- Share-based payment	(e)	**27,351**	138,652	**27,351**	138,652
- Actuarial		**28,512**	26,982	**-**	-
- Other reserve	(f)	**(2,027,497)**	(1,626,561)	**-**	-
- FVTOCI	(g)	**(2,138,438)**	(540,015)	**-**	-
		(3,762,267)	(1,707,663)	**43,949**	155,250
Total		**2,323,525**	3,974,431	**1,407,443**	2,567,562

* Restated in conjunction with voluntary change in accounting policy as disclosed in Note 50 to the financial statements.

(a) The Group's and the Company's capital contribution reserve relates to the ESOS of Telekom Malaysia Berhad, former holding company, which were made available to the employees of the Group and the Company.

(b) The Group's merger reserve relates to the credit difference arising from the business combination accounted under the predecessor method of accounting upon completion of a Group's restructuring exercise on 25 April 2008.

(c) The Group's hedging reserve consists of cash flow hedge arising from effective hedges as disclosed in Note 18(f) to the financial statements.

(d) The Group's cost of hedging reserve represents the change in the foreign currency basis spread of the CCIRS as disclosed in Note 18(f) to the financial statements. The balances remaining in cash flow hedge in Note 18(f) are still continuing.

(e) The Group's and the Company's share-based payment reserve relates to the Axiata Share Scheme and Axiata PBLTIP of the Company, which were made available to the employees of the Group and the Company as disclosed in Note14(a) and (b) to the financial statements.

(f) The Group's other reserve relates to the put option liabilities over shares held by NCI as disclosed in Note 18(d) and (e) to the financial statements. The voluntary change in accounting policy on put option liabilities is disclosed in Note 50 to the financial statements.

(g) The Group's FVTOCI reserve is the fair value changes of financial assets at FVTOCI as disclosed in Note 32 to the financial statements.

15. RESERVES (CONTINUED)

The movement of Reserves of the Group attributable to the owners of the Company is as below:

	Note	Capital contribution RM'000	Merger RM'000	Hedging RM'000	Cost of hedging RM'000	Actuarial RM'000	Share-based payment RM'000	FVTOCI RM'000	Other RM'000	Total RM'000
Group										
At 1 January 2019		16,598	346,774	(70,863)	770	26,982	138,652	(540,015)	(1,258,051)	(1,339,153)
- change in accounting policy	50	-	-	-	-	-	-	-	(368,510)	(368,510)
- as restated		16,598	346,774	(70,863)	770	26,982	138,652	(540,015)	(1,626,561)	(1,707,663)
Other comprehensive income/(expense):										
- Net cash flow hedge	18(f)	-	-	61,158	-	-	-	-	-	61,158
- Net cost of hedging	18(f)	-	-	-	(6,632)	-	-	-	-	(6,632)
- Actuarial gain, net of tax		-	-	-	-	1,530	-	-	-	1,530
- Revaluation of financial assets at FVTOCI		-	-	-	-	-	-	(1,598,423)	-	(1,598,423)
Total other comprehensive income/(expense)		-	-	61,158	(6,632)	1,530	-	(1,598,423)	-	(1,542,367)
Transactions with owners:										
- Termination of put option		-	-	-	-	-	-	-	98,729	98,729
- Revaluation of put option		-	-	-	-	-	-	-	(499,665)	(499,665)
- Share-based payment expense		-	-	-	-	-	11,956	-	-	11,956
- Transferred from share-based payment reserve upon:										
- exercise/vest		-	-	-	-	-	(11,838)	-	-	(11,838)
- lapsed		-	-	-	-	-	(111,419)	-	-	(111,419)
Total transaction with owners		-	-	-	-	-	(111,301)	-	(400,936)	(512,237)
At 31 December 2019		16,598	346,774	(9,705)	(5,862)	28,512	27,351	(2,138,438)	(2,027,497)	(3,762,267)

15. RESERVES (CONTINUED)

The movement of Reserves of the Group attributable to the owners of the Company is as below: (continued)

	Note	Capital contribution RM'000	Merger RM'000	Hedging RM'000	Cost of hedging RM'000	Actuarial RM'000	Share- based payment RM'000	FVTOCI RM'000	Other RM'000	Total RM'000
At 1 January 2018:										
- as previously reported		16,598	346,774	(61,677)	43,764	23,996	133,367	34,640	(1,258,051)	(720,589)
- changes in accounting policy	50	-	-	-	-	-	-	-	(95,962)	(95,962)
- as restated		16,598	346,774	(61,677)	43,764	23,996	133,367	34,640	(1,354,013)	(816,551)
Other comprehensive income/(expense):										
- Net investment hedge		-	-	15,801	-	-	-	-	-	15,801
- Net cash flow hedge		-	-	(24,987)	-	-	-	-	-	(24,987)
- Net cost of hedging		-	-	-	(42,994)	-	-	-	-	(42,994)
- Actuarial gain, net of tax		-	-	-	-	2,986	-	-	-	2,986
- Revaluation of financial assets at FVTOCI		-	-	-	-	-	-	(574,655)	-	(574,655)
Total other comprehensive (expense)/income		-	-	(9,186)	(42,994)	2,986	-	(574,655)	-	(623,849)
Transaction with owners:										
- Revaluation of put option		-	-	-	-	-	-	-	(272,548)	(272,548)
- Share-based payment expense		-	-	-	-	-	10,324	-	-	10,324
- Transferred from share-based payment reserve upon exercise/vest		-	-	-	-	-	(5,039)	-	-	(5,039)
Total transactions with owners		-	-	-	-	-	5,285	-	(272,548)	(267,263)
At 31 December 2018 (restated)		16,598	346,774	(70,863)	770	26,982	138,652	(540,015)	(1,626,561)	(1,707, 663)

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Notes to the Financial Statements For The Financial Year Ended 31 December 2019

16. BORROWINGS

	Note	2019 W.A.R.F %	2019 Non-current RM'000	2019 Current RM'000	2019 Total RM'000	2018 W.A.R.F %	2018 Non-current RM'000	2018 Current RM'000	2018 Total RM'000
Group									
Overseas									
Secured:									
- Borrowings from financial institutions	(a)	**9.34**	**67,215**	**20,613**	**87,828**	9.82	43,887	45,621	89,508
- Bank overdrafts		**11.54**	**-**	**58,343**	**58,343**	10.33	-	16,439	16,439
Unsecured:									
- Borrowings from financial institutions		**7.29**	**2,351,684**	**2,258,501**	**4,610,185**	7.72	3,773,262	1,284,106	5,057,368
- Sukuk Ijarah	(c)(iii)	**9.35**	**616,205**	**317,255**	**933,460**	9.44	721,595	101,939	823,534
- Bonds	(d)	**8.95**	**292,773**	**91,413**	**384,186**	9.04	191,141	93,376	284,517
- Bank overdrafts		**0.97**	**-**	**76,099**	**76,099**	-	-	86,861	86,861
		7.69	**3,327,877**	**2,822,224**	**6,150,101**	7.93	4,729,885	1,628,342	6,358,227
Malaysia									
Secured:									
- Borrowings from financial institutions	(e)	**3.87**	**324,026**	**248**	**324,274**	3.90	-	813,560	813,560
Unsecured:									
- Notes	(b)	**5.33**	**-**	**1,243,676**	**1,243,676**	5.34	1,244,023	11,787	1,255,810
- Borrowings from financial institutions		**3.97**	**1,200,000**	**227,416**	**1,427,416**	3.26	1,039,375	428,990	1,468,365
- Sukuk	(c)(i),(ii)	**4.13**	**4,342,587**	**3,338,189**	**7,680,776**	4.06	7,633,270	1,600,518	9,233,788
		4.24	**5,866,613**	**4,809,529**	**10,676,142**	4.09	9,916,668	2,854,855	12,771,523
Total		**5.50**	**9,194,490**	**7,631,753**	**16,826,243**	5.37	14,646,553	4,483,197	19,129,750
Company									
Unsecured:									
- Borrowings from financial institutions		**2.63**	**-**	**206,284**	**206,284**	3.26	1,039,375	428,990	1,468,365

W.A.R.F. - Weighted Average Rate of Finance as at reporting date

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Notes to the Financial Statements For The Financial Year Ended 31 December 2019

16. BORROWINGS (CONTINUED)

(a) Secured by way of fixed charge on certain PPE and deposits with financial institutions of certain subsidiaries, as disclosed in Note 27(a) and Note 37 to the financial statements respectively.

(b) USD300.0 million (RM964.8 million) Guaranteed Notes ("Notes") maturing on 28 April 2020 are guaranteed by the Company. The Notes, which were issued by Axiata SPV 1 (Labuan) Limited ("SPV1") at 99.94%, carry a coupon rate of 5.375% per annum ("p.a.") (payable semi-annually in arrears) and have a tenure of 10 years from the date of issuance.

(c) Sukuk of the Group consist of a Multi-Currency Sukuk Programme, a Sukuk Murabahah Programme and a Sukuk Ijarah Programme issued as follows:

(i) Multi-currency Sukuk

The Group established a Multi-Currency Sukuk Programme involving the issuance of up to USD1.5 billion (or its equivalent in other currencies based on Islamic Principle). On 19 November 2015, the Group successfully priced the issuance USD500.0 million (RM2,181.8 million) Sukuk pursuant to the Sukuk Programme. The Sukuk, which was issued at par, carries a coupon rate of 3.466% p.a. (payable semi-annually in arrears) and has a tenure of five (5) years from the date of issuance.

On 20 November 2015, the Sukuk was listed and quoted on Bursa Malaysia (under the Exempt Regime) and on the Singapore Exchange Securities Trading Limited.

On 24 March 2016, the Group successfully priced the issuance USD500.0 million (RM1,996.8 million) Sukuk pursuant to the Sukuk Programme. The Sukuk, which was issued at par, carries a coupon rate of 4.357% p.a. (payable semi-annually in arrears) and has a tenure of ten (10) years from the date of issuance.

Subsequently, on 25 March 2016, the Sukuk was listed and quoted on Bursa Malaysia (under the Exempt Regime) and on the Singapore Exchange Securities Trading Limited.

(ii) Sukuk Murabahah

On 14 August 2012, Celcom Axiata Berhad ("Celcom") via its wholly-owned subsidiary, Celcom Networks Sdn Bhd ("Celcom Networks") established a Sukuk Murabahah Programme of up to RM5.0 billion in nominal value.

The details of the Sukuk Murabahah as at 31 December are as follows:

	Contractual profit rate[1] %	Maturity date	Notional amount 2019 RM'million	2018 RM'million
Series 3	3.75	29 Aug 2019	-	1,500.0
Series 4	3.90	28 Aug 2020	**1,200.0**	1,200.0
Series 5	4.05	27 Aug 2021	**400.0**	400.0
Series 6	4.20	29 Aug 2022	**400.0**	400.0
Series 7	4.85	28 Oct 2021	**150.0**	150.0
Series 8	5.27	28 Oct 2026	**350.0**	350.0
Series 9	4.85	29 Aug 2022	**200.0**	200.0
Series 10	5.05	29 Aug 2024	**350.0**	350.0
Series 11	5.20	29 Aug 2027	**450.0**	450.0
			3,500.0	5,000.0

[1] payable semi-annually

During the financial year, Celcom Networks completed the issuance of a new borrowing, Commodity Murabahah Financing Term-i amounting to RM1.2 billion to finance the repayment of Series 3 of Sukuk borrowing of RM1.5 billion which had fallen due.

(iii) Sukuk Ijarah

On 28 October 2015, XL established a Sukuk Ijarah Programme of up to IDR5.0 trillion in nominal value. The Sukuk Programme was established under a 2-year shelf registration programme. The issuance of Shelf Sukuk Ijarah I XL Axiata Tranche I Year 2015 ("Sukuk Ijarah I, Tranche I") amounting up to IDR1.5 trillion (RM466.5 million) was based on the Shariah principle of Ijarah with the payment of Ujrah to be made quarterly in arrears. On 3 December 2015, Tranche I Sukuk was listed and quoted on Indonesian Stock Exchange ("IDX").

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16. BORROWINGS (CONTINUED)

(c) Sukuk of the Group consist of a Multi-Currency Sukuk Programme, a Sukuk Murabahah Programme and a Sukuk Ijarah Programme issued as follows: (continued)

(iii) Sukuk Ijarah (continued)

The details of Sukuk Ijarah I, Tranche I are as below:

	Annual fixed Ijarah return IDR' million	Maturity date	Nominal value 2019 RM'million	Nominal value 2018 RM'million
Series C	33,915	2 Dec 2020	**95.3**	92.4
Series D	46,750	2 Dec 2022	**125.4**	121.6
			220.7	214.0

Revenue sharing of Sukuk Ijarah I, Tranche I is paid on a quarterly basis where the first payment was due on 2 March 2016 and the last payment will be paid simultaneously with payment of principal of each series of the Sukuk Ijarah.

On 28 April 2017, XL issued Sukuk Ijarah namely Shelf Sukuk Ijarah I XL Axiata Tranche II Year 2017 ("Sukuk Ijarah I, Tranche II") amounting to IDR2.8 trillion (RM712.9 million) with maturity period between three hundred seventy six (376) days and ten (10) years and was registered in Indonesia Stock Exchange on 2 May 2017.

The details of Sukuk Ijarah I, Tranche II are as below:

	Annual fixed Ijarah return IDR' million	Maturity date	Nominal value 2019 RM'million	Nominal value 2018 RM'million
Series B	33,768	28 Apr 2020	**118.6**	115.0
Series C	12,425	28 Apr 2022	**41.9**	40.6
Series D	23,660	28 Apr 2024	**76.7**	74.4
Series E	31,584	28 Apr 2027	**99.1**	96.1
			336.3	326.1

Revenue sharing of Sukuk Ijarah I, Tranche II is paid on a quarterly basis where the first payment was due on 28 July 2017 and the last payment will be paid simultaneously with payment of principal of each series of the Sukuk Ijarah.

On 8 October 2018, XL issued Sukuk Ijarah namely Shelf Sukuk Ijarah II XL Axiata Tranche I Year 2018 ("Sukuk Ijarah II, Tranche I") amounting to IDR1.0 trillion (RM273.0 million) with maturity period between three hundred seventy (370) days and ten (10) years and was registered in Indonesia Stock Exchange on 17 October 2018.

The details of Sukuk Ijarah II, Tranche I are as below:

	Annual fixed Ijarah return IDR' million	Maturity date	Nominal value 2019 RM'million	Nominal value 2018 RM'million
Series A	29,535	26 Oct 2019	**-**	102.4
Series B	36,909	16 Oct 2021	**117.7**	114.1
Series C	14,304	16 Oct 2023	**44.0**	42.6
Series D	3,434	16 Oct 2025	**10.0**	9.8
Series E	6,180	16 Oct 2028	**17.7**	17.2
			189.4	286.1

Revenue sharing of Sukuk Ijarah II, Tranche I is paid on a quarterly basis where the first payment is due on 16 January 2019 and the last payment is paid simultaneously with payment of principal of each series of the Sukuk Ijarah.

On 8 February 2019, XL issued Sukuk Ijarah namely Shelf Sukuk Ijarah II XL Axiata Tranche II Year 2019 ("Sukuk Ijarah II, Tranche II") amounting to IDR640.0 billion (RM186.2 million) with maturity period between three hundred seventy (370) days and ten (10) years and was registered in Indonesia Stock Exchange on 11 February 2019.

16. BORROWINGS (CONTINUED)

(c) Sukuk of the Group consist of a Multi-Currency Sukuk Programme, a Sukuk Murabahah Programme and a Sukuk Ijarah Programme issued as follows: (continued)

(iii) Sukuk Ijarah (continued)

The details of Sukuk Ijarah II, Tranche II are as below:

	Annual fixed Ijarah return IDR' million	Maturity date	Nominal value 2019 RM'million
Series A	27,729	18 Feb 2020	**103.5**
Series B	9,515	8 Feb 2022	**32.5**
Series C	12,765	8 Feb 2024	**40.7**
Series D	1,455	8 Feb 2026	**4.4**
Series E	2,600	8 Feb 2029	**7.7**
			188.8

Revenue sharing of Sukuk Ijarah II, Tranche II is paid on a quarterly basis where the first payment is due on 8 May 2019 and the last payment is paid simultaneously with payment of principal of each series of the Sukuk Ijarah.

(d) Bonds

On 8 October 2018, XL issued a series of bonds namely Shelf Public Offering Shelf Bond I Tranche I Year 2018 XL Axiata ("Bond I, Tranche I") amounting to IDR1.0 trillion (RM286.0 million) with maturity period between three hundred seventy (370) days and ten (10) years.

The details of Bond I, Tranche I are as below:

	Annual fixed interest rate %	Maturity date	Nominal value 2019 RM'million	Nominal value 2018 RM'million
Series A	8.25	26 Oct 2019	**-**	93.8
Series B	9.10	16 Oct 2021	**132.8**	128.7
Series C	9.60	16 Oct 2023	**38.6**	37.5
Series D	10.10	16 Oct 2025	**5.6**	5.4
Series E	10.30	16 Oct 2028	**21.2**	20.6
			198.2	286.0

Interest payment of Bond I Tranche I is paid on quarterly basis with the first payment on 16 January 2019 and the last payment will do simultaneously with payment of principal of each series of the Bond.

On 8 February 2019, XL issued a series of bonds namely Shelf Bond I Tranche II Year 2019 XL Axiata ("Bond I, Tranche II") amounting to IDR634.0 billion (RM184.5 million) with maturity period between three hundred seventy (370) days and ten (10) years.

The details of Bond I, Tranche II are as below:

	Annual fixed interest rate %	Maturity date	Nominal value 2019 RM'million
Series A	7.90	18 Feb 2020	**91.5**
Series B	8.65	8 Feb 2022	**56.3**
Series C	9.25	8 Feb 2024	**11.8**
Series D	10.00	8 Feb 2029	**27.4**
			187.0

Interest payment of Bond I Tranche II is paid on quarterly basis with the first payment on 8 May 2019 and the last payment will do simultaneously with payment of principal of each series of the Bond.

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Notes to the Financial Statements For The Financial Year Ended 31 December 2019

16. BORROWINGS (CONTINUED)

(e) Borrowings are secured by way of fixed charge on certain PPE as disclosed in Note 27(a) and charges over shares of a subsidiary.

(f) Borrowings of the Group are subject to certain covenants. These covenants require that certain ratios (debts over assets, EBITDA to borrowings/finance costs and debts to EBITDA) to be met, limitation to certain asset sales or transferred and maintaining majority ownership in certain subsidiaries held by the Group. The Group is in compliance with these covenants at each reporting date.

(g) Total floating interest rate borrowings of the Group are RM5,108.1 million (2018: RM7,019.1 million) as at the reporting date.

(h) The Group and Company net movements in borrowings are analysed below:

	Group		Company	
	2019 RM'000	2018 RM'000	2019 RM'000	2018 RM'000
At 1 January	**19,129,750**	19,183,989	**1,468,365**	1,689,672
Proceeds from borrowings and Sukuk	**3,702,681**	6,779,461	**209,000**	1,392,625
Repayments of borrowings and Sukuk	**(6,054,944)**	(7,036,886)	**(1,447,100)**	(1,630,204)
Bank overdrafts	**31,141**	10,476	**-**	-
Foreign exchange (gains)/losses	**(77,932)**	404,127	**(12,275)**	9,694
Net finance costs and transaction costs (net of payment)	**14,284**	61,684	**(11,706)**	6,578
Acquisition of subsidiaries	**-**	111,449	**-**	-
Currency translation differences	**81,263**	(384,550)	**-**	-
At 31 December	**16,826,243**	19,129,750	**206,284**	1,468,365

16. BORROWINGS (CONTINUED)

The currency profiles of the borrowings of the Group and the Company are as follows:

	2019						2018					
	Group entities' functional currency						Group entities' functional currency					
	RM RM'000	IDR RM'000	SLR RM'000	BDT RM'000	Others RM'000	Total RM'000	RM RM'000	IDR RM'000	SLR RM'000	BDT RM'000	Others RM'000	Total RM'000
Group												
RM	**4,766,467**	**-**	**-**	**-**	**-**	**4,766,467**	5,053,126	-	-	-	-	5,053,126
USD	**5,935,444**	**-**	**748,523**	**254,132**	**-**	**6,938,099**	7,718,397	40,943	760,966	363,898	10,394	8,894,598
IDR	**-**	**3,903,883**	**-**	**-**	**-**	**3,903,883**	-	3,648,248	-	-	-	3,648,248
SLR	**-**	**-**	**332,021**	**-**	**-**	**332,021**	-	-	369,474	-	6,805	376,279
BDT	**-**	**-**	**-**	**778,295**	**-**	**778,295**	-	-	-	1,101,182	1,501	1,102,683
PKR	**-**	**-**	**-**	**-**	**105,659**	**105,659**	-	-	-	-	53,682	53,682
THB	**-**	**-**	**-**	**-**	**1,819**	**1,819**	-	-	-	-	1,134	1,134
Total	**10,701,911**	**3,903,883**	**1,080,544**	**1,032,427**	**107,478**	**16,826,243**	12,771,523	3,689,191	1,130,440	1,465,080	73,516	19,129,750
Company												
USD	**206,284**	**-**	**-**	**-**	**-**	**206,284**	1,468,365	-	-	-	-	1,468,365

USD : United States Dollar
IDR : Indonesian Rupiah
SLR : Sri Lankan Rupee
BDT : Bangladeshi Taka
PKR : Pakistani Rupee
THB : Thai Baht

16. BORROWINGS (CONTINUED)

The carrying amounts and fair value of the Group's and the Company's borrowings are as follows:

	2019		2018	
	Carrying amount RM'000	Fair value RM'000	Carrying amount RM'000	Fair value RM'000
Group				
Overseas:				
- Borrowings from financial institutions[1]	**4,832,455**	**4,832,455**	5,250,176	5,250,176
- Sukuk Ijarah [2]	**933,460**	**997,224**	823,534	868,908
- Bonds[3]	**384,186**	**409,129**	284,517	297,269
	6,150,101	**6,238,808**	6,358,227	6,416,353
Malaysia:				
- Borrowings from financial institutions[1]	**1,751,690**	**1,751,690**	2,281,925	2,281,925
- Notes[2]	**1,243,676**	**1,243,676**	1,255,810	1,290,443
- Multi-currency Sukuk [2]	**4,135,440**	**4,246,658**	4,180,662	4,196,573
- Sukuk Murabahah[2]	**3,545,336**	**3,622,270**	5,053,126	5,097,068
	10,676,142	**10,864,294**	12,771,523	12,866,009
	16,826,243	**17,103,102**	19,129,750	19,282,362
Company				
Malaysia:				
- Borrowings from financial institutions[1]	**206,284**	**206,284**	1,468,365	1,468,365

1 The fair values are calculated based on cash flows discounted using a rate based on the borrowing rate which ranges from 1.64% to 13.50% (2018: 1.64% to 11.92%) p.a. and are within level 2 of the fair value hierarchy.

2 The fair values are based on quoted prices in an active market and is within level 1 of the fair value hierarchy.

3 The fair values are calculated based on cash flows discounted using a rate based on the bond annual fixed interest rate which ranges from 7.90% to 10.30% p.a and are within level 2 of the fair value hierarchy.

17. FINANCIAL INSTRUMENTS BY CATEGORIES

		2019				2018			
	Note	Financial assets classified as amortised cost RM'000	Assets at FVTPL RM'000	Assets at FVTOCI RM'000	Total RM'000	Financial assets classified as amortised cost RM'000 Restated[1]	Assets at FVTPL RM'000	Assets at FVTOCI RM'000	Total RM'000
Group									
Financial assets									
Derivative financial instruments*	18	**-**	**24,503**	**-**	**24,503**	-	238,506	-	238,506
Trade and other receivables		**3,358,980**	**-**	**-**	**3,358,980**	3,556,473	-	-	3,556,473
Financial assets at FVTPL		**-**	**63,876**	**-**	**63,876**	-	38	-	38
Financial assets at FVTOCI	32	**-**	**-**	**301,347**	**301,347**	-	-	1,659,412	1,659,412
Deposits, cash and bank balances	37	**4,231,099**	**-**	**-**	**4,231,099**	5,071,448	-	-	5,071,448
Total		**7,590,079**	**88,379**	**301,347**	**7,979,805**	8,627,921	238,544	1,659,412	10,525,877

* Includes derivative financial instruments under hedge accounting as disclosed in Note 18(f) to the financial statements.
1 Restated to conform with current year presentation.

17. FINANCIAL INSTRUMENTS BY CATEGORIES (CONTINUED)

	Note	2019 Financial liabilities classified as amortised cost RM'000	2019 Liabilities at FVTPL RM'000	2019 Total RM'000	2018 Financial liabilities classified as amortised cost RM'000 Restated[1]	2018 Liabilities at FVTPL RM'000	2018 Total RM'000
Group							
Financial liabilities							
Borrowings	16	**16,826,243**	**-**	**16,826,243**	**19,129,750**	**-**	**19,129,750**
Derivative financial instruments*	18	**2,027,497**	**124,520**	**2,152,017**	**1,673,344**	**181,279**	**1,854,623**
Trade and other payables		**7,987,482**	**-**	**7,987,482**	**8,501,657**	**-**	**8,501,657**
Total		**26,841,222**	**124,520**	**26,965,742**	**29,304,751**	**181,279**	**29,486,030**

* Includes derivative financial instruments under hedge accounting as disclosed in Note 18(f) to the financial statements.

[1] Restated to conform with current year presentation.

	Note	Financial assets classified as amortised cost 2019 RM'000	Financial assets classified as amortised cost 2018 RM'000 Restated[1]
Company			
Financial assets			
Amounts due from subsidiaries	34	**253,136**	261,694
Trade and other receivables		**7,742**	12,881
Deposits, cash and bank balances	37	**199,240**	452,182
Total		**460,118**	726,757

[1] Restated to conform with current year presentation.

	Note	Financial liabilities classified as amortised cost 2019 RM'000	Financial liabilities classified as amortised cost 2018 RM'000
Financial liabilities			
Trade and other payables		**47,882**	59,090
Borrowings	16	**206,284**	1,468,365
Amounts due to subsidiaries	34	**5,691,143**	5,375,516
Total		**5,945,309**	6,902,971

18. DERIVATIVE FINANCIAL INSTRUMENTS

		Group			
		2019		2018	
	Note	Assets RM'000	Liabilities RM'000	Assets RM'000	Liabilities RM'000
Non-current					
Non-hedging derivatives:					
- CCIRS	(a)	-	-	-	(39,613)
- Convertible warrants in an associate	(c)	8,343	-	-	-
- Put option over shares held by NCI	(d)	-	-	-	(1,527,832)
		8,343	-	-	(1,567,445)
Derivatives designated as hedging instruments:					
- CCIRS	(f)	6,913	(110,818)	-	(131,277)
Total non-current		15,256	(110,818)	-	(1,698,722)
Current					
Non-hedging derivatives:					
- CCIRS	(a)	-	-	1,935	-
- Call spread options	(b)	-	-	228,228	-
- Convertible warrants in an associate	(c)	-	-	8,343	-
- Put option over shares held by NCI	(d), (e)	-	(2,027,497)	-	(145,512)
		-	(2,027,497)	238,506	(145,512)
Derivatives designated as hedging instruments:					
- CCIRS	(f)	9,247	(13,702)	-	(10,389)
Total current		9,247	(2,041,199)	238,506	(155,901)
Total		24,503	(2,152,017)	238,506	(1,854,623)

Non-hedging derivatives are classified as current/non-current assets or liabilities. The full fair value of a hedging derivative is classified as a non-current asset or liability if the remaining maturity of the hedged item is more than twelve (12) months and, as a current asset or liability, if the maturity of the hedged items is less than twelve (12) months.

Non-hedging derivatives

(a) CCIRS

Information relating to a CCIRS of a subsidiary of the Group are as follows:

Counterparties	Notional amount USD' million	Notional amount SGD' million	Period	Exchange period	Fixed interest rate paid on SGD notional %	Fixed interest rate received on USD notional %	Fair value liabilities 2019 RM'000	Fair value liabilities 2018 RM'000
Hong Kong and Shanghai Banking Corporation	150.0	210.7	28 Oct 2010- 28 Apr 2020	Semi-annually	4.315	5.375	-	18,673
Goldman Sachs	150.0	210.7	28 Oct 2010- 28 Apr 2020	Semi-annually	4.350	5.375	-	19,005

The Group early settled the derivative during the financial year.

(b) Call spread options

Information relating to call spread options of a subsidiary of the Group are as follows:

Counterparties	Notional amount USD' million	Period	Strike/ cap rate 1USD:	Premium per annum %	Start of optional termination date
Bank of America Merrill Lynch -Singapore	100.0	29 May 2014- 9 Jan 2019	IDR11,580- IDR14,580	3.33	9 Oct 2015
DBS Bank Ltd. Singapore	200.0	30 May 2014 - 14 Mar 2019	IDR11,600- IDR14,600	3.22	17 March 2015

18. DERIVATIVE FINANCIAL INSTRUMENTS (CONTINUED)

Non-hedging derivatives (continued)

(c) Convertible warrants in an associate

Sacofa Sdn Bhd ("Sacofa"), an associate company of the Group undertook a refinancing exercise which entails amongst others, the issuance of up to RM400.0 million Islamic Medium Term Notes, the issuance of up to RM50.0 million Islamic Commercial Paper and the 64.2 million bonus issue of warrants on the entitlement basis of one (1) free warrant for every one (1) existing Sacofa ordinary share held. During the financial year, the exercise period of the convertible warrants is extended another three (3) years.

Counterparty	Underlying number of shares	Period	Strike price
Sacofa	12,834,327	28 Jan 2009 - 25 Jan 2022	RM1.50/share + any adjustments

(d) Put option over shares held by NCI in Robi

In conjunction with the amalgamation/merger of Airtel Bangladesh Limited with Robi on 16 November 2016, the Group granted a non-controlling shareholder a put option which requires the Group to purchase all the shares held by this non-controlling shareholder, at a price determined to be lower of EBITDA with a fixed multiple or EBITDA with comparable companies' multiple. The put option is exercisable four (4) years from 16 November 2016, for a period of two (2) years. The Group estimated the price at EBITDA with a fixed multiple.

The present value of the put option liability is estimated by reference to the following assumptions:

(i) Discount rate

The Group determines the appropriate discount rate at the end of each financial year. In choosing the appropriate discount rate, the Group exercises judgement in selecting the interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid and that have terms to maturity approximating the terms of the related put option obligation.

(ii) EBITDA

The Group determines the EBITDA based on actual results [2018: forecasts and projections approved by the management for one (1) year].

(e) Put option over shares held by NCI in edotco Investment Singapore Pte. Ltd. ("edotco SG")

Pursuant to a shareholder agreement entered into with YSH Finance Limited ("Yoma"), a non-controlling shareholder of the Group, the Group granted Yoma an irrevocable and unconditional right to require the Group to purchase all of the shares of edotco SG held by Yoma and all of the shareholder loans provided by Yoma for a purchase price of USD35.0 million or such other price as the Group and Yoma may agree.

The shareholder agreement was terminated on 28 November 2019 following the completion of the sale by Yoma of its entire 12.5% stake in edotco SG to Sojitz Global Investment B.V. Hence, the Group has derecognised the put option liability of RM146.1 million, with a corresponding adjustment of RM92.4 million to equity attributable to the owners of the Company and RM54.2 million consolidation allocation to NCI of edotco, the immediate holding company of edotco SG.

Derivatives designated as hedging instrument

(f) Cash flow hedge – CCIRS

The Group enters into CCIRS that have similar critical terms as the hedged item, such as reference rate, reset dates, payment dates, maturities and notional amount. The Group does not hedge 100% of its borrowings, therefore the hedged item is identified as a proportion of the outstanding borrowings up to the notional amount of the swaps. As all critical terms matched, there is an economic relationship.

The underlying debt instrument for the CCIRS is the Group's Multi-currency Sukuk as disclosed in Note 16(c)(i) to the financial statements. The hedging instrument is designated to hedge against foreign currency risk.

The CCIRS is designated as cash flow hedge to hedge the currency risk of borrowings denominated in USD. The hedge has been fully effective from inception and during the financial year. Hedge ineffectiveness may occur due to:

- the credit value/debit value adjustment on the interest rate swaps which is not matched by the borrowings, and
- differences in critical terms between the interest rate swaps and loans.

The Group recognised a gain of RM54.5 million (2018: loss of RM67.5 million) in OCI after reclassification of fair value loss of RM18.7 million (2018: gains of RM64.8 million) on the CCIRS from the OCI to the profit or loss – foreign exchange gain/(loss) on financing activities.

The fair value changes of the derivative are attributable to future exchange rates stated above and interest rate movements as disclosed in Note 10 to the financial statements.

18. **DERIVATIVE FINANCIAL INSTRUMENTS (CONTINUED)**

Derivatives designated as hedging instrument (continued)

(f) Cash flow hedge – CCIRS (continued)

Information relating to the CCIRS of a subsidiary of the Group as at 31 December are as follows:

Counterparties	Notional amount USD' million	Exchange rate	Notional amount RM' million	Notional carrying amount as at 31 December 2019 RM' million	Notional carrying amount as at 31 December 2018 RM' million	Period	Semi-annually fixed interest rate paid on RM notional %	Semi-annually fixed interest rate received on USD notional %	Fair value assets/ (liabilities)as at 31 December 2019 RM'000	Fair value assets/ (liabilities)as at 31 December 2018 RM'000
Sukuk maturing on 19 November 2020										
CIMB Bank Berhad	255.0	4.021	1,025.3	**1,048.1**	1,060.2	30 Sep 2016-19 Nov 2020	5.440	3.466	**7,037**	(774)
Hong Kong and Shanghai Banking Corporation	30.0	4.083	122.5	**123.3**	124.7	8 Sep 2016-19 Nov 2020	5.350	3.466	**(1,021)**	(1,871)
	285.0		1,147.8	**1,171.4**	1,184.9				**6,016**	(2,645)
Weighted average		4.028					5.431	3.466		
Sukuk maturing on 26 March 2026										
CIMB Bank Berhad	130.0	4.193	545.1	**534.3**	540.5	20 Dec 2016-24 Mar 2026	6.656	3.466	**(53,976)**	(62,556)
	50.0	4.070	203.5	**205.5**	-	25 Mar 2019-24 Mar 2026	5.600	4.357	**(33)**	-
	46.0	4.080	187.7	**189.1**	-	25 Mar 2019-24 Mar 2026	5.480	4.357	**774**	-
Hong Kong and Shanghai Banking Corporation	20.0	4.160	83.2	**82.2**	83.2	28 Oct 2016-24 Mar 2026	6.730	4.357	**(7,841)**	(9,211)
	50.0	4.060	203.0	**205.5**	-	25 Mar 2019-24 Mar 2026	5.470	4.357	**1,905**	-
Bank of Tokyo Mitsubishi / Mitsubishi UFJ Group	154.0	4.160	640.7	**632.9**	640.3	27 Dec 2016-24 Mar 2026	6.641	4.357	**(57,110)**	(67,255)
	50.0	4.060	203.0	**205.5**	-	21 Mar 2019-24 Mar 2026	5.470	4.357	**1,905**	-
	500.0		2,066.2	**2,055.0**	1,264.0				**(114,376)**	(139,022)
Weighted average		4.132					6.203	4.357		

19. DEFERRED INCOME

	Group	
	2019 RM'000	2018 RM'000
At 1 January	**363,196**	270,915
Received	**93,397**	178,270
Released to profit or loss	**(73,371)**	(81,269)
Currency translation differences	**115**	(4,720)
At 31 December	**383,337**	363,196

The deferred income relates to the government grants received by subsidiaries for the purchase of certain qualifying assets.

20. DEFERRED GAIN ON SALE AND LEASE BACK ASSETS

Deferred gain arising from tower sale and finance lease back transaction where the gain is deferred and amortised over lease back period of ten (10) years. The remaining useful life is five (5) to seven (7) years [2018: six (6) to eight (8) years].

21. TRADE AND OTHER PAYABLES

		Group		Company	
	Note	2019 RM'000	2018 RM'000 Restated[1]	2019 RM'000	2018 RM'000 Restated[1]
Non-current:					
Defined benefit plans	(a)	**113,730**	92,737	**-**	-
Finance lease payables	(b)	**-**	2,670,267	**-**	-
Contract liabilities	(c)	**13,110**	18,528	**-**	-
Business license payable		**323,532**	75,040	**-**	-
Payroll liabilities		**134,924**	84,919	**9,414**	11,409
Other payables		**22,671**	46,353	**-**	-
Total non-current		**607,967**	2,987,844	**9,414**	11,409
Current:					
Trade payables		**2,644,463**	3,226,013	**-**	-
Trade accruals		**4,365,638**	4,711,062	**25,563**	21,760
Customer deposits		**146,641**	109,916	**-**	-
Business license payable		**259,641**	155,993	**-**	-
Payroll liabilities		**669,503**	580,206	**44,264**	46,673
Other accruals		**471,786**	488,226	**-**	-
Other payables		**981,662**	588,916	**22,319**	37,330
Finance lease payables	(b)	**-**	424,005	**-**	-
USP payables		**462,819**	559,713	**-**	-
Contract liabilities	(c)	**1,783,556**	1,295,243	**-**	-
Taxes		**368,357**	309,989	**18,808**	19,057
Deferred revenue		**24,196**	35,162	**-**	-
Total current		**12,178,262**	12,484,444	**110,954**	124,820
Total		**12,786,229**	15,472,288	**120,368**	136,229

1 Restated to conform with current year presentation.

21. TRADE AND OTHER PAYABLES (CONTINUED)

(a) Defined benefit plans

The Group operates defined benefit plans in Indonesia, Sri Lanka and Bangladesh under mobile segment and infrastructure segment. The movements in the present value of defined benefits obligations of the defined benefit plans are as follows:

	Group	
	2019 RM'000	**2018 RM'000**
At 1 January	**92,737**	91,126
Acquisition of a subsidiary	**-**	67
Additions	**868**	7,061
Charge to profit or loss:		
- current services	**18,913**	17,799
- interest costs	**9,291**	6,634
- past service cost	**19,589**	(9,738)
	47,793	14,695
Benefit paid	**(18,225)**	(7,517)
Charge to OCI:		
- actuarial gains	**(10,067)**	(4,092)
Currency translation differences	**624**	(8,603)
At 31 December	**113,730**	92,737

Present value of the defined benefit obligations are calculated annually by independent actuaries using the projected unit credit method. The principal actuarial valuation assumptions used are as follows:

	Group			
	2019		2018	
	Discount rate (p.a.)	Salary increment rate (p.a.)	Discount rate (p.a.)	Salary increment rate (p.a.)
Mobile segment:				
- Indonesia	**7.8%**	**8.5%**	8.3%	8.5%
- Sri Lanka	**9.9% - 10.3%**	**7.0% - 10.0%**	12.4%	7.0%
- Bangladesh	**9.0%**	**6.0%**	8.0%	6.5%
Infrastructure segment	**9.8%**	**7.5%**	0.0%	0.0%

21. TRADE AND OTHER PAYABLES (CONTINUED)

(b) Finance lease payables

Details of the finance lease payables according to the maturity schedule was as follows:

	Group
	2018 RM'000
Within one (1) year	424,005
Between one (1) and five (5) years	1,331,070
More than five (5) years	1,339,197
Finance lease payables	3,094,272

The movement in finance lease payables was as below:

	Group
	2018 RM'000
At 1 January	1,421,190
Additions	1,907,560
Interest accrued	149,532
Repayments:	
- leases	(208,300)
- interest	(119,561)
Currency translation differences	(56,149)
	3,094,272

The fair value of finance lease payables as at 31 December 2018 was RM3,253.0 million.

Finance lease payables have been reclassified to lease liabilities as disclosed in Note 49 to the financial statements following the adoption of MFRS 16.

(c) Contract liabilities

The movements of contract liabilities of the Group are as follows:

	Group	
	2019 RM'000	2018 RM'000
At 1 January	**1,313,771**	-
First time adoption adjustment - MFRS 15	**-**	1,101,471
	1,313,771	1,101,471
Revenue recognised that was included in the contract liability balance at the beginning of the financial year	**(1,313,771)**	(1,101,471)
Increases due to cash received, excluding amounts recognised as revenue during the financial year	**1,776,237**	1,441,021
Currency translation differences	**20,429**	(127,250)
At 31 December	**1,796,666**	1,313,771
Current	**1,783,556**	1,295,243
Non-current	**13,110**	18,528
	1,796,666	1,313,771

21. TRADE AND OTHER PAYABLES (CONTINUED)

The currency profiles of trade and other payables are as follows:

	2019							2018						
	Functional currency							Functional currency						
	RM RM'000	IDR RM'000	SLR RM'000	BDT RM'000	NPR RM'000	Others RM'000	Total RM'000	RM RM'000	IDR RM'000	SLR RM'000	BDT RM'000	NPR RM'000	Others RM'000	Total RM'000
Group														
RM	**3,896,006**	**11,499**	**-**	**-**	**-**	**-**	**3,907,505**	3,696,943	5,445	-	-	-	-	3,702,388
USD	**23,812**	**91,170**	**76,232**	**-**	**42,807**	**550,325**	**784,346**	45,314	113,983	99,114	-	178,547	643,957	1,080,915
IDR	**-**	**3,663,845**	**-**	**-**	**-**	**-**	**3,663,845**	-	6,878,950	-	-	-	-	6,878,950
SLR	**-**	**-**	**911,894**	**-**	**-**	**-**	**911,894**	-	-	836,143	-	-	-	836,143
BDT	**-**	**-**	**-**	**2,173,610**	**-**	**-**	**2,173,610**	-	-	-	2,261,721	-	-	2,261,721
NPR	**-**	**-**	**-**	**-**	**1,305,303**	**-**	**1,305,303**	-	-	-	-	674,161	-	674,161
Others	**38,070**	**126**	**51**	**-**	**1,479**	**-**	**39,726**	34,145	921	-	-	-	2,944	38,010
	3,957,888	**3,766,640**	**988,177**	**2,173,610**	**1,349,589**	**550,325**	**12,786,229**	3,776,402	6,999,299	935,257	2,261,721	852,708	646,901	15,472,288
Company														
RM	**116,648**	**-**	**-**	**-**	**-**	**-**	**116,648**	120,279	-	-	-	-	-	120,279
USD	**3,358**	**-**	**-**	**-**	**-**	**-**	**3,358**	14,637	-	-	-	-	-	14,637
Others	**360**	**-**	**-**	**-**	**-**	**-**	**360**	1,313	-	-	-	-	-	1,313
	120,366	**-**	**-**	**-**	**-**	**-**	**120,366**	136,229	-	-	-	-	-	136,229

NPR: Nepalese Rupee

Credit terms of trade and other payables for the Group and the Company vary from thirty (30) to ninety (90) days [2018: thirty (30) to ninety (90) days] depending on the terms of the contracts respectively.

Notes to the Financial Statements For The Financial Year Ended 31 December 2019

22. PROVISION FOR ASSET RETIREMENT

	Note	Group 2019 RM'000	Group 2018 RM'000	Company 2019 RM'000
At 1 January		**487,394**	468,920	**-**
Provision for the financial year		**47,234**	35,854	**766**
Acquisition of subsidiaries		**-**	2,081	**-**
Accretion of finance costs		**14,340**	7,812	**13**
Reclassified to liability classified as held-for-sale	39	**(19,017)**	-	**-**
Currency translation differences		**2,032**	(13,100)	**-**
		531,983	501,567	**779**
Utilised during the financial year		**(14,695)**	(14,173)	**-**
At 31 December		**517,288**	487,394	**779**

The provision of asset retirement of the Group largely relates to provision for dismantling costs of existing telecommunication network and equipment as disclosed in the significant accounting policies in Note 3(p) to the financial statements.

23. DEFERRED TAXATION

Deferred tax assets and liabilities of the Group are offsetted 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 shown in the statements of financial position:

	Group 2019 RM'000	Group 2018 RM'000
Deferred tax assets	**(324,187)**	(586,961)
Deferred tax liabilities	**1,205,422**	1,391,214
Net deferred tax liabilities	**881,235**	804,253

The movements in net deferred tax liabilities are as follows:

	Note	Group 2019 RM'000	Group 2018 RM'000
At 1 January:			
- as previously reported		**804,253**	1,356,671
- first time adoption adjustments	49	**(16,285)**	-
		787,968	1,356,671
Charge/(credit) to profit or loss:			
- PPE and intangible assets		**34,378**	(416,766)
- Tax losses		**184,942**	(52,748)
- Leases		**(63,395)**	-
- Provision and others		**(54,955)**	(58,939)
	11	**100,970**	(528,453)
Acquisition of subsidiaries		**-**	28,661
Debit to OCI:			
- actuarial losses		**6,497**	1,600
- FVTOCI		**562**	-
Currency translation differences		**(14,762)**	(54,226)
At 31 December		**881,235**	804,253

23. DEFERRED TAXATION (CONTINUED)

Breakdown of cumulative balances by each type of temporary differences are as follows:

	Group	
	2019 RM'000	2018 RM'000
Deferred tax assets:		
- PPE and intangible assets	**12,281**	47,635
- Tax losses	**449,223**	464,272
- Leases	**85,565**	-
- Provision and others	**714,636**	710,594
	1,261,705	1,222,501
Offsetting	**(937,518)**	(635,540)
	324,187	586,961
Deferred tax liabilities:		
- PPE and intangible assets	**2,104,597**	2,024,223
- Others	**38,343**	2,531
	2,142,940	2,026,754
Offsetting	**(937,518)**	(635,540)
	1,205,422	1,391,214

The amounts of deductible temporary differences and unutilised tax losses for which no deferred tax asset is recognised in the statements of financial position are as follows:

		Group		Company	
	Note	2019 RM'000	2018 RM'000 Restated*	2019 RM'000	2018 RM'000 Restated*
Unutilised tax losses	(a)	**1,359,596**	868,305	**256,935**	162,690
Deductible temporary differences		**368,789**	354,523	**87,067**	86,669
		1,728,385	1,222,828	**344,002**	249,359
Tax effect calculated at applicable Malaysian tax rate of 24%		**414,812**	293,479	**82,560**	59,846

* Restated to be consistent with actual tax submission.

(a) The tax losses are available for set off against future taxable profit with a time limit of utilisation are as below:

	Group		Company	
	2019 RM'000	2018 RM'000 Restated*	2019 RM'000	2018 RM'000 Restated*
Expiring in the financial year ending:				
- 2023	**2,431**	-	**-**	-
- 2024	**74,111**	68,961	**-**	-
- 2025	**782,831**	786,212	**162,690**	162,690
- 2026	**376,120**	-	**94,245**	-
	1,235,493	855,173	**256,935**	162,690

* Restated to be consistent with actual tax submission.

24. LEASE LIABILITIES

Details of the lease liabilities according to the maturity schedule are as follows:

	2019	
	Group RM'000	Company RM'000
Non-current	7,397,617	14,571
Current	1,442,700	3,519
	8,840,317	18,090

The movements in lease liabilities are as below:

		2019	
	Note	Group RM'000	Company RM'000
At 1 January			
- as previously reported		-	-
- first time adoption adjustments	49	7,981,853	304
		7,981,853	304
Additions		1,920,617	19,757
Finance costs	10	595,318	462
Repayments:			
- principal		(1,207,992)	(1,971)
- interest		(570,511)	(462)
Remeasurement		4,462	-
Reclassification		(11,375)	-
Termination		(29,049)	-
Currency translation differences		156,994	-
At 31 December		8,840,317	18,090

The Group leases site space for installation of network equipment, telecommunication structures, retail outlets, land and office buildings. Rental contracts duration are typically between one (1) to forty (40) with extension options. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions.

The Company leases office building with a lease term of five (5) years, including extension options.

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Notes to the Financial Statements For The Financial Year Ended 31 December 2019

25. INTANGIBLE ASSETS

		Group			
	Note	Goodwill RM'000	Licenses RM'000	Others* RM'000	Total RM'000
Net book value					
At 1 January		**13,238,212**	**7,095,594**	**592,897**	**20,926,703**
- first time adoption adjustments	49	**-**	**(42,141)**	**-**	**(42,141)**
		13,238,212	**7,053,453**	**592,897**	**20,884,562**
Acquisition of a subsidiary		**96**	**-**	**-**	**96**
Additions^		**(8,434)**	**718,103**	**40,260**	**749,929**
Amortisation	7(a)	**-**	**(741,637)**	**(42,585)**	**(784,222)**
Disposals		**-**	**(1,051)**	**-**	**(1,051)**
Currency translation differences		**(58,801)**	**(55,313)**	**(10,839)**	**(124,953)**
At 31 December 2019		**13,171,073**	**6,973,555**	**579,733**	**20,724,361**
Cost		**13,264,996**	**11,179,513**	**1,174,792**	**25,619,301**
Accumulated amortisation		**-**	**(4,205,958)**	**(595,059)**	**(4,801,017)**
Accumulated impairment losses		**(93,923)**	**-**	**-**	**(93,923)**
At 31 December 2019		**13,171,073**	**6,973,555**	**579,733**	**20,724,361**
At 1 January 2018		13,755,420	7,468,643	759,716	21,983,779
Acquisition of subsidiaries		41,038	-	91,455	132,493
Additions		-	464,948	37,828	502,776
Amortisation	7(a)	-	(803,118)	(33,716)	(836,834)
Impairment	7(a)	(16,426)	-	-	(16,426)
Inter-classification		-	257,508	(257,508)	-
Currency translation differences		(541,820)	(292,387)	(4,878)	(839,085)
At 31 December 2018		13,238,212	7,095,594	592,897	20,926,703
Cost		13,332,135	10,647,177	1,150,639	25,129,951
Accumulated amortisation		-	(3,551,583)	(557,742)	(4,109,325)
Accumulated impairment losses		(93,923)	-	-	(93,923)
At 31 December 2018		13,238,212	7,095,594	592,897	20,926,703

* Others are brands, customer contracts and the related customer relationship.

^ Additions in goodwill include an adjustment of contingent consideration relating to the acquisition of a subsidiary in the previous financial year and additions in licenses include telecommunication licenses of a subsidiary of RM635.7 million or NPR17.7 billion. Out of which, RM405.2 million or NPR11.3 billion will be paid over the next four (4) years.

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25. INTANGIBLE ASSETS (CONTINUED)

The remaining amortisation period of acquired telecommunication licenses with allocated spectrum rights which are individually material range from five (5) years to twenty four (24) years [2018: One (1) year to twenty five (25) years].

The carrying amount of the telecommunication licenses of a subsidiary which belongs to Indonesia's CGU having an indefinite useful life amounts to RM1,685.1 million (2018: RM1,633.7 million).

Impairment tests for goodwill

The Group undertakes an annual test for impairment of its goodwill allocated to the CGUs identified according to operating segment.

The following CGUs, being the lowest level of asset for which the management monitors the goodwill of the Group:

	2019 RM'000	2018 RM'000
Mobile segment:		
- Malaysia	**4,031,110**	4,031,110
- Indonesia	**5,185,803**	5,125,671
- Sri Lanka	**219,287**	219,287
- Cambodia	**206,520**	208,907
- Nepal	**3,169,401**	3,265,798
Infrastructure segment	**291,635**	308,218
Others	**67,317**	79,221
	13,171,073	13,238,212

Key assumptions used

The recoverable amount of Malaysia's, Indonesia's, Sri Lanka's, Cambodia's and Nepal's CGU under mobile segment and infrastructure segment including goodwill in this test is determined as below:

	Type of business	2019	2018
Mobile segment:			
- Malaysia	Mobile business	**VIU**	VIU
- Indonesia	Mobile business	**VIU**	VIU
- Sri Lanka	Fixed communication business (consist of fixed telephone and data) and television business	**VIU**	VIU
- Cambodia	Mobile business	**VIU**	VIU
- Nepal	Mobile business	**FVLCS**	FVLCS
Infrastructure segment	Telecommunication infrastructure and services	**FVLCS**	FVLCS

The VIU calculations apply a discounted cash flow model using cash flow projections based on forecasts and projections approved by management covering:

- a three (3) year period for the mobile business in Malaysia and Cambodia;
- a five (5) year period for mobile business in Indonesia, and
- a five (5) year period for the fixed telecommunication and television business in Sri Lanka.

The FVLCS calculations apply a discounted cash flow model based on market's participants' view [level three (3) in fair value hierarchy] covering a three (3) year period for the mobile business in Nepal and ten (10) year period for Infrastructure segment in Pakistan, Myanmar and Malaysia due to long-term customer contracts, intensive capital required in the initial phase and expected market penetration growth in these countries.

The forecasts and projections reflect management's expectation of revenue growth, operating costs and margins based on past experience and future outlook of the respective CGUs. Cash flows beyond the third (3rd) year for the mobile businesses in Malaysia, Nepal, Cambodia, fifth (5th) year for the mobile business in Indonesia, Sri Lanka and tenth (10th) year for the Infrastructure segment are extrapolated in perpetuity using estimated terminal growth rates which takes into consideration the current Gross Domestic Product, inflation and average growth rates for the telecommunication industry. These rates have been determined with regards to projected growth rates for the market in which the CGUs participate and are not expected to exceed the long term average growth rates for these markets.

25. INTANGIBLE ASSETS (CONTINUED)

Impairment tests for goodwill (continued)

Key assumptions used (continued)

The following assumptions have been applied in the VIU and FVLCS calculations:

	Infrastructure segment	Mobile segment				
		Nepal	Cambodia	Sri Lanka	Indonesia	Malaysia
2019						
Discount rate	**8.0% to 14.5%**	**11.0%**	**13.3%***	**11.8% to 11.9%***	**9.7%***	**11.0%***
Terminal growth rate	**2.0% to 5.0%**	**4.0%**	**2.0%**	**3.0%**	**3.0%**	**0.0%**
Revenue growth rate	**2.0% to 41.0% over 10 years**	**0.4% to 2.1% over 3 years**	**-1.9% to 1.4% over 3 years**	**4.8% to 14.0% over 5 years**	**4.0% to 7.7% over 5 years**	**0.8% to 1.6% over 3 years**
2018						
Discount rate	8.2% to 15.0%	11.5%	13.7%	15.8% to 26.53%	12.8%	15.4%
Terminal growth rate	2.0% to 5.0%	4.0%	2.0%	3.0%	3.0%	0.0%
Revenue growth rate	-12.0% to 25.0% over 10 years	-2.0% to 1.7% over 3 years	3.1% to 3.7% over 3 years	3.7% to 12.7% over 5 years	5.5% to 6.7% over 5 years	0.9% to 1.5% over 3 years

* Pre-tax discount rates applied to the cash flow forecasts are derived from the pre-tax cash flows at the date of assessment of the respective CGU that reflects the risk of the CGU.

Based on the assessment above, the Malaysia, Indonesia, Sri Lanka, Nepal, Cambodia and Infrastructure segment CGUs' goodwill are not impaired as the recoverable amounts exceeds the carrying amounts included in the financial statements.

The Group's review includes an impact assessment of changes in key assumptions. Based on the sensitivity analysis performed, the Directors concluded that no reasonable change in the base case assumptions would cause the carrying amounts of the CGUs to exceed its recoverable amounts except for the Nepal CGU.

The Group's review of the Nepal CGU included an impact assessment of changes in assumptions in relation to the EBITDA margin, capital expenditure ("CAPEX") and discount rate. A sensitivity analysis was performed where changes in the following assumptions would result in the recoverable amount falling to an amount equal to the carrying amount:

- If discount rate increases by 0.8% to 11.8% from 11.0% assuming all else remains constant.
- If terminal year EBITDA margin decreases by 4.8% assuming all else remains constant.
- If terminal year CAPEX increases by 45.0% assuming all else remains constant.

26. CONTRACT COST ASSETS

		Group					
		2019			2018		
	Note	Contract acquisition cost RM'000	Contract fulfillment cost RM'000	Total RM'000	Contract acquisition cost RM'000	Contract fulfillment cost RM'000	Total RM'000
At 1 January		**52,661**	**55,842**	**108,503**	-	-	-
First time adoption adjustments- MFRS 15		**-**	**-**	**-**	49,145	55,105	104,250
		52,661	**55,842**	**108,503**	49,145	55,105	104,250
Additions		**60,349**	**124,480**	**184,829**	54,207	39,105	93,312
Amortisation	7(a)	**(57,418)**	**(55,827)**	**(113,245)**	(47,835)	(33,305)	(81,140)
Currency translation differences		**1,412**	**1,409**	**2,821**	(2,856)	(5,063)	(7,919)
At 31 December		**57,004**	**125,904**	**182,908**	52,661	55,842	108,503

Contract acquisition costs comprise mainly of sales commission paid to dealers. Contract fulfillment cost comprise mainly of set-top boxes and routers. The contract cost assets are expected to be amortised over twenty (20) to forty three (43) months [2018: twenty (20) to thirty six (36) months].

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27. PROPERTY, PLANT AND EQUIPMENT

	Note	Land RM'000	Buildings RM'000	Telecom-munication network equipment RM'000	Movable plant and equipment RM'000	Computer support systems RM'000	Capital work-in-progress RM'000	Total RM'000
Group								
Net book value								
At 1 January 2019								
- as previously reported		**394,913**	**198,993**	**22,686,881**	**473,140**	**856,960**	**2,679,571**	**27,290,458**
- first time adoption adjustments	49	**(323,017)**	**-**	**(2,934,030)**	**-**	**-**	**-**	**(3,257,047)**
		71,896	**198,993**	**19,752,851**	**473,140**	**856,960**	**2,679,571**	**24,033,411**
Additions		**2,937**	**18,929**	**5,168,084**	**270,881**	**541,849**	**199,279**	**6,201,959**
Inter-classification		**(709)**	**(1,571)**	**(20,489)**	**22,957**	**(188)**	**-**	**-**
Acquisition of subsidiaries		**-**	**-**	**-**	**13**	**-**	**680**	**693**
Disposals		**-**	**(27,533)**	**(18,558)**	**(1,827)**	**(1,817)**	**158**	**(49,577)**
Written off	7(a)	**-**	**-**	**(8,697)**	**(951)**	**-**	**(1,355)**	**(11,003)**
Depreciation	7(a)	**-**	**(33,775)**	**(3,867,784)**	**(178,844)**	**(459,232)**	**-**	**(4,539,635)**
Impairment	7(a)	**-**	**-**	**(2,048)**	**-**	**-**	**(7,447)**	**(9,495)**
Reversal of impairment	7(a)	**-**	**-**	**-**	**89**	**-**	**-**	**89**
Reclassified to assets classified as held-for-sale under MFRS 5	39	**-**	**-**	**(20,254)**	**-**	**-**	**-**	**(20,254)**
Currency translation differences		**(1,424)**	**752**	**14,147**	**(3,580)**	**3,121**	**14,019**	**27,035**
At 31 December 2019		**72,700**	**155,795**	**20,997,252**	**581,878**	**940,693**	**2,884,905**	**25,633,223**
At 1 January 2018		419,338	222,599	22,220,298	556,257	877,815	2,613,663	26,909,970
Additions*		70,767	25,882	7,121,127	160,804	534,636	96,632	8,009,848
Acquisition of subsidiaries		-	-	37,961	81	640	1,430	40,112
Disposals		-	(108)	(44,549)	(1,333)	(1,763)	(18,265)	(66,018)
Written off	7(a)	-	-	(286,466)	(53,888)	(33,906)	(3,090)	(377,350)
Depreciation	7(a)	(76,828)	(33,088)	(5,562,713)	(180,587)	(482,219)	-	(6,335,435)
Impairment	7(a)	-	-	(13,416)	-	-	-	(13,416)
Reversal of impairment	7(a)	-	-	6,009	57	-	72,811	78,877
Currency translation differences		(18,364)	(16,292)	(791,370)	(8,251)	(38,243)	(83,610)	(956,130)
At 31 December 2018		394,913	198,993	22,686,881	473,140	856,960	2,679,571	27,290,458

* Included in additions are finance lease arrangement of subsidiaries amounting to RM1,907.6 million.

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Notes to the Financial Statements For The Financial Year Ended 31 December 2019

27. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

	Land RM'000	Buildings RM'000	Telecom-munication network equipment RM'000	Movable plant and equipment RM'000	Computer support systems RM'000	Capital work-in-progress RM'000	Total RM'000
Group							
At 31 December 2019							
Cost	**79,764**	**405,187**	**52,212,155**	**1,483,581**	**5,014,367**	**2,954,848**	**62,149,902**
Accumulated depreciation	**-**	**(222,463)**	**(30,859,278)**	**(895,859)**	**(4,062,504)**	**-**	**(36,040,104)**
Accumulated impairment losses	**(7,064)**	**(26,929)**	**(355,625)**	**(5,844)**	**(11,170)**	**(69,943)**	**(476,575)**
	72,700	**155,795**	**20,997,252**	**581,878**	**940,693**	**2,884,905**	**25,633,223**
At 31 December 2018							
Cost	1,316,016	493,118	50,759,647	1,274,044	4,491,691	2,758,387	61,092,903
Accumulated depreciation	(914,038)	(267,196)	(27,705,674)	(792,311)	(3,622,547)	-	(33,301,766)
Accumulated impairment losses	(7,065)	(26,929)	(367,092)	(8,593)	(12,184)	(78,816)	(500,679)
	394,913	198,993	22,686,881	473,140	856,960	2,679,571	27,290,458

(a) Net book value of PPE of certain subsidiaries pledged as security for borrowings as disclosed in Note 16(a) and (e) to the financial statements are as follows:

	Group 2019 RM'000	Group 2018 RM'000
Telecommunication network equipment	**4,517,037**	4,218,062
Movable plant and equipment	**200,473**	175,912
Computer support systems	**5,282**	4,526
Land	**14,160**	14,534
Buildings	**5,734**	7,153
	4,742,686	4,420,187

(b) In the previous financial year, the Group reviewed the estimated useful life of certain telecommunication network equipment of subsidiaries. The revision was accounted for as a change in accounting estimate and has increased the depreciation of the Group by RM1,457.7 million. In addition to the above, the Group had further written off and impaired its property, plant and equipment of RM345.4 million and RM 13.4 million respectively.

(c) In the previous financial year, included in the net book value of telecommunication network equipment of the Group were finance are leased assets amounting to RM 2,925.4 million.

(d) During the financial year, included in net book value of telecommunication network equipment are assets that have been leased out by the Group amounting to RM2,189.4 million.

27. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

	Note	Movable plant and equipment					
		Office equipment RM'000	Furniture and fitting RM'000	Mobile equipment RM'000	Motor vehicle RM'000	Capital work-in-progress RM'000	Total RM'000
Company							
Net book value							
At 1 January 2019		**16,826**	**4,462**	**-**	**-**	**-**	**21,288**
Additions		**2,667**	**1,090**	**-**	**-**	**313**	**4,070**
Depreciation	7(a)	**(6,344)**	**(1,616)**	**-**	**-**	**-**	**(7,960)**
At 31 December 2019		**13,149**	**3,936**	**-**	**-**	**313**	**17,398**
At 1 January 2018		12,120	2,931	-	93	-	15,144
Additions		11,608	2,030	-	-	-	13,638
Depreciation	7(a)	(6,902)	(499)	-	(93)	-	(7,494)
At 31 December 2018		16,826	4,462	-	-	-	21,288
At 31 December 2019							
Cost		**28,160**	**12,104**	**-**	**665**	**313**	**41,242**
Accumulated depreciation		**(15,011)**	**(8,168)**	**-**	**(665)**	**-**	**(23,844)**
		13,149	**3,936**	**-**	**-**	**313**	**17,398**
At 31 December 2018							
Cost		55,711	12,649	558	671	-	69,589
Accumulated depreciation		(38,885)	(8,187)	(558)	(671)	-	(48,301)
		16,826	4,462	-	-	-	21,288

During the financial year, fully depreciated assets amounting to RM32.4 million have been written off.

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Notes to the Financial Statements For The Financial Year Ended 31 December 2019

28. RIGHT-OF-USE ASSETS

	Note	Land RM'000	Buildings RM'000	Telecommunication network sites and equipment RM'000	Others RM'000	Total RM'000
Net book value						
Group						
First time adoption adjustments	49	1,477,532	638,981	6,482,397	16,407	8,615,317
Additions		350,915	108,545	1,500,556	19,292	1,979,308
Disposal/termination		(19,601)	-	(23,329)	-	(42,930)
Depreciation		(364,415)	(90,453)	(1,158,373)	(13,248)	(1,626,489)
Remeasurement		(1,150)	1,106	(10,982)	-	(11,026)
Reclassified to assets classified as held-for-sale under MFRS 5	39	(150,615)	-	-	-	(150,615)
Currency translation differences		10,802	1,622	161,686	31	174,141
At 31 December 2019		1,303,468	659,801	6,951,955	22,482	8,937,706
Company						
First time adoption adjustments	49	-	304	-	-	304
Additions		-	20,523	-	-	20,523
Depreciation		-	(2,356)	-	-	(2,356)
At 31 December 2019		-	18,471	-	-	18,471

Amounts recognised in the statement of comprehensive income related to lease agreements during the financial year included in other operating costs are as follows:

	2019 Group RM'000	2019 Company RM'000
Short-term leases/low value assets	252,600	1,859
Variable lease payment	19,622	-
	272,222	1,859

The Group is also exposed to potential future cash outflow on variable lease payments, which are not included in the lease liability until the event or condition that triggers those payments occurs. The variable lease payments are in relation to the number of equipment installed on network sites.

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Notes to the Financial Statements For The Financial Year Ended 31 December 2019

29. SUBSIDIARIES

		2019			2018		
	Note	Malaysia RM'000	Overseas RM'000	Total RM'000	Malaysia RM'000	Overseas RM'000	Total RM'000
Company							
Unquoted shares, at cost	(a)	**14,498,174**	**6,489,023**	**20,987,197**	6,868,234	182,925	7,051,159
Accumulated impairment losses		**(3,996)**	**(181,851)**	**(185,847)**	(3,996)	(181,851)	(185,847)
Net cost of investment in subsidiaries		**14,494,178**	**6,307,172**	**20,801,350**	6,864,238	1,074	6,865,312
Quasi-investments		**233,140**	**7,579,799**	**7,812,939**	7,763,988	14,076,728	21,840,716
Accumulated impairment losses	(b)	**(233,140)**	**(7,579,799)**	**(7,812,939)**	(233,140)	(6,175,285)	(6,408,425)
Quasi-investments		**-**	**-**	**-**	7,530,848	7,901,443	15,432,291
Total		**14,494,178**	**6,307,172**	**20,801,350**	14,395,086	7,902,517	22,297,603

The Group's and the Company's equity interests in subsidiaries, their respective principal activities and countries of incorporation are listed in Note 44 to the financial statements.

(a) During the financial year, the Company has converted the quasi-investments to cost of investment in subsidiaries via issuance of ordinary shares by subsidiaries amounting to RM13,936.0 million.

(b) During the financial year, the Company impaired certain quasi-investments amounting to RM1,404.5 million (2018: RM4,572.0 million) due to the decline of share price of the underlying investment of the subsidiaries. The recoverable amount was determined based on the FVLCS which was considered to result in a "level 2" valuation. FVLCS was determined based on the market value of the underlying investment of the subsidiaries.

(c) The quasi-investments of RM15,432.3 million in the previous financial year were denominated in RM.

29. SUBSIDIARIES (CONTINUED)

(d) NCI

The total NCI of the Group as at reporting date is RM6,039.2 million (2018: RM5,737.9 million), of which the segments that have material NCI to the Group are:

- RM1,855.4 million (2018: RM1,750.3 million) is attributable to mobile segment-Indonesia,
- RM796.5 million (2018: RM741.2 million) is attributable to mobile segment-Nepal,
- RM931.5 million (2018: RM954.3 million) is attributable to mobile segment-Bangladesh; and
- RM1,662.7 million (2018: RM1,562.0 million) is attributable to Infrastructure segment.

The remaining NCI of the Group are immaterial individually.

The financial information (before inter-company eliminations) of the segments that have material NCI to the Group are as follows:

(i) The summarised statements of comprehensive income for the financial year ended 31 December

		Infrastructure business		Mobile business					
				Indonesia		Bangladesh		Nepal	
	Note	2019 RM'000	2018 RM'000	2019 RM'000	2018 RM'000	2019 RM'000	2018 RM'000	2019 RM'000	2018 RM'000
Profit/(Loss) for the financial year	42	**251,870**	208,419	**143,696**	(939,835)	**8,302**	103,370	**557,568**	694,244
OCI		**(52,207)**	(46,518)	**168,531**	(259,509)	**(72,440)**	18,586	**(85,357)**	(194,381)
Total comprehensive income/(expense)		**199,663**	161,901	**312,227**	(1,199,344)	**(64,138)**	121,956	**472,211**	499,863
Profit/(Loss) for the financial year attributable to NCI		**126,945**	94,487	**48,339**	(316,161)	**2,599**	32,365	**111,514**	138,849
Dividend paid to NCI		**24,326**	-	**-**	-	**-**	-	**-**	120,833

(ii) The summarised statements of financial position as at 31 December

	Infrastructure business		Mobile business					
			Indonesia		Bangladesh		Nepal	
	2019 RM'000	2018 RM'000	2019 RM'000	2018 RM'000	2019 RM'000	2018 RM'000	2019 RM'000	2018 RM'000
Non-current assets	**4,218,276**	3,215,598	**18,342,905**	14,420,658	**7,436,907**	6,439,794	**2,503,636**	1,634,912
Current assets	**1,978,975**	2,433,971	**1,848,476**	2,021,397	**849,487**	712,065	**1,114,520**	1,944,393
Non-current liabilities	**(1,363,458)**	(322,395)	**(8,058,250)**	(6,731,743)	**(1,874,804)**	(609,327)	**(409,198)**	(115,207)
Current liabilities	**(1,120,309)**	(1,845,214)	**(6,620,995)**	(4,510,404)	**(3,497,193)**	(3,501,730)	**(240,524)**	(967,877)
Net assets	**3,713,484**	3,481,960	**5,512,136**	5,199,908	**2,914,397**	3,040,802	**2,968,434**	2,496,221

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Notes to the Financial Statements For The Financial Year Ended 31 December 2019

29. SUBSIDIARIES (CONTINUED)

(d) NCI (continued)

The financial information (before inter-company eliminations) of the segments that have material NCI to the Group are as follows: (continued)

(iii) The summarised statements of cash flows as at 31 December

	Infrastructure business		Mobile business					
			Indonesia		Bangladesh		Nepal	
	2019 RM'000	2018 RM'000 Restated[1]	2019 RM'000	2018 RM'000	2019 RM'000	2018 RM'000 Restated[1]	2019 RM'000	2018 RM'000
Net cash flow from operating activities	**882,259**	397,640	**3,645,323**	2,676,327	**1,385,764**	1,091,878	**583,125**	917,942
Net cash flow used in investing activities	**(243,567)**	(1,320,584)	**(2,564,262)**	(1,774,159)	**(642,487)**	(850,879)	**(257,269)**	(226,795)
Net cash flow (used in)/from financing activities	**(766,099)**	280,920	**(911,772)**	(1,312,082)	**(653,040)**	(178,280)	**(15,482)**	(1,601,229)
Net (decrease)/increase in cash and cash equivalent	**(127,407)**	(642,024)	**169,289**	(409,914)	**90,237**	62,719	**310,374**	(910,082)
Effect of exchange rate changes on cash and cash equivalents	**(7,738)**	17,455	**4,253**	(22,304)	**(3,358)**	430	**(437)**	(96,521)
Cash and cash equivalents at beginning of financial year	**708,645**	1,333,214	**299,476**	731,694	**130,765**	67,616	**680,792**	1,687,395
Cash and cash equivalents at the end of financial year	**573,500**	708,645	**473,018**	299,476	**217,644**	130,765	**990,729**	680,792

[1] Restated to conform with current year presentation.

30. ASSOCIATES

	2019			2018		
	Malaysia RM'000	Overseas RM'000	Total RM'000	Malaysia RM'000	Overseas RM'000	Total RM'000
Group						
Unquoted investments	**205,620**	**55,360**	**260,980**	199,526	254,117	453,643
Share of post-acquisition results and reserves	**(52,448)**	**(531)**	**(52,979)**	(54,674)	(78,855)	(133,529)
	153,172	**54,829**	**208,001**	144,852	175,262	320,114
Accumulated impairment losses	**-**	**(749)**	**(749)**	-	(45,592)	(45,592)
Currency translation differences	**-**	**105**	**105**	-	(8,047)	(8,047)
Total	**153,172**	**54,185**	**207,357**	144,852	121,623	266,475

The Group's equity interest in the associates, their respective principal activities and countries of incorporation are listed in Note 45 to the financial statements.

30. ASSOCIATES (CONTINUED)

(a) Provision of loss and derecognition of Idea as an associate in the previous financial year

On 20 March 2017, the Group announced Idea and Vodafone India Limited ("VIL") were to merge under a scheme of amalgamation. The scheme provided for the amalgamation of Idea with VIL and Vodafone Mobile Services Limited ("VMSL"), a wholly-owned subsidiary of VIL. Idea being the resultant entity was to issue an allotment of fully paid-up equity shares of Idea to the equity shareholders of VIL and VMSL. The amalgamation, once completed, resulted in a dilution of the Group's effective interest in Idea from 16.33% to 8.15%. As a result, the Group had classified a portion of its investment in Idea as a non-current asset classified as held-for-sale as at 30 June 2018 as the amalgamation between Idea and VIL was highly probable to be completed in the next twelve (12) months. Prior to the reclassification, the Group had performed an impairment assessment in accordance with MFRS 136. The Group recorded a non-cash impairment of RM3,275.1 million of its entire investment in Idea as at 30 June 2018 based on the adjusted fair value of quoted investments which was considered to result in a "level 2" valuation.

On 16 August 2018, the Group relinquished some of its rights under the Subscription Agreement dated 25 June 2008 between the Group and Idea in relation to the subscription of Idea's shares by the Group. Amongst others, the Group relinquished its right to appoint an Axiata representative to the Board and anti-dilution rights. Accordingly, the Group ceased to have significant influence over Idea and re-designated its entire investment in Idea of RM2,170.0 million as a financial asset at FVTOCI. The Group recognised an additional loss on derecognition of an associate of RM44.1 million based on the market value of Idea on that date.

(b) In the previous financial year, the Group impaired a total amount of RM45.6 million of its investment in associates mainly due to voluntary administration of an associate.

(c) Reclassification of M1 as non-current asset classified as held-for-sale in the previous financial year.

On 28 December 2018, the Group classified its investment in an associate, M1 Limited of RM1,602.8 million as "Assets classified as held-for-sale" under MFRS 5 "Non-current Assets Held-for-Sale and Discontinued Operations" as disclosed in Note 39(a) to the financial statements.

(d) The Group's share of loss of other immaterial associates is RM1.0 million (2018: RM8.2 million). There are no individually material associates for the financial year ended 31 December 2019.

The summarised statements of comprehensive income for the financial year ended 31 December 2018 (adjusted for differences in accounting policies between the Group and the associates) of material associates of the Group were as follows:

	2018	
	Idea RM'000	**M1 RM'000**
Revenue	9,483,709	3,273,989
(Loss)/Profit	(1,493,659)	390,893
Group's share of (loss)/profit	(185,747)	167,577
Dividend received from associates	-	90,187

(e) The details of carrying amount of the associates of the Group are as follows:

	2019 RM'000	**2018 RM'000**
Group's share of net assets	**207,343**	177,694
Goodwill	**14**	130,843
Accumulated impairment losses (net of currency translation differences)	**-**	(42,062)
At 31 December	**207,357**	266,475

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31. JOINT VENTURES

	Group	
	2019 RM'000	2018 RM'000
Unquoted investments	**29,190**	29,190
Share of post-acquisition reserves	**(7,481)**	(1,491)
Total	**21,709**	27,699

The summarised statements of comprehensive income for the financial year ended 31 December are as follows:

	Group	
	2019 RM'000	2018 RM'000
Revenue	**128,750**	149,300
(Loss)/Profit	**(14,095)**	8,390
Group's share of (loss)/profit	**(2,819)**	1,678

The Group's equity interests in the joint ventures, their respective principal activities and countries of incorporation are listed in Note 46 to the financial statements.

32. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

Financial assets at FVTOCI comprise the following investments:

		Group	
		2019 RM'000	2018 RM'000
Quoted security:			
- Vodafone Idea	(i)	**-**	1,595,345
Unquoted securities:			
- Pegasus 7	(ii)	**295,484**	-
- Others		**5,863**	64,067
Total		**301,347**	1,659,412

The Group has irrevocably elected non-trading equity securities above at initial recognition to present its fair value changes in OCI. The Group considers this classification to be more relevant as these instruments are strategic investments of the Group and not held for trading purpose.

During the financial year, the Group has disposed of the following investments:

(i) 1.43% equity interest in Vodafone Idea, following the decision to exit the Indian market. The shares sold had a fair value of INR2,982.1 million (RM173.6 million). Subsequently, the Group reclassified its remaining equity interest in Vodafone Idea as asset classified as held-for-sale as disclosed in Note 39(b) to the financial statements.

(ii) Celcom Planet and STS Media following the Group's decision to realise its non-strategic digital venture investments as disclosed in Note 5(a)(ii) for a fair value of RM20.8 million and RM64.9 million respectively.

The cumulative gain or loss recognised in FVOCI reserves in relation to the investments disposed during the year are loss of RM1,077.8 million for Vodafone Idea and a gain of RM38.3 million for digital venture investments.

33. INVENTORIES

	Group	
	2019 RM'000	2018 RM'000
Trading inventories	**206,005**	250,024
Allowance for inventory obsolescence	**(51,677)**	(30,894)
Total	**154,328**	219,130

Inventories mainly comprise of SIM cards, handsets and other consumables.

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34. AMOUNTS DUE FROM/TO SUBSIDIARIES

The currency profiles of the amounts due from/to subsidiaries are as follows:

	2019			2018		
	RM RM'000	USD RM'000	Total RM'000	RM RM'000	USD RM'000	Total RM'000
Amounts due from subsidiaries:[1]						
- Non-current	**-**	**77,266**	**77,266**	-	92,178	92,178
- Current	**14,835**	**161,035**	**175,870**	99,227	70,289	169,516
	14,835	**238,301**	**253,136**	99,227	162,467	261,694
Amounts due to subsidiaries:[2]						
- Current	**801,830**	**4,889,313**	**5,691,143**	1,436,747	3,938,769	5,375,516

1 Included an amount due from a subsidiary of RM 68.2 million (2018: nil) which bears an interest at 6.00% p.a..

2 Included an amount due to a subsidiary of RM786.3 million (2018: RM807.7 million) which bears an interest at 3.05% p.a. (2018: 3.05% p.a.).

Except as disclosed otherwise above, amounts due from/to subsidiaries are unsecured, interest free and repayable on demand.

Generally, the Company considers the amounts due from subsidiaries to have low credit risk as the subsidiaries have strong capacity to meet their contractual cash flow obligations in the near term and adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the subsidiaries to fulfil its contractual cash flow obligations. The Company determines their probability of default individually using internal information available and collection received subsequent to the reporting date. No loss allowance is provided for the amounts due from subsidiaries as their ECL are considered insignificant. Details of the measurement of ECL is similar as other receivables are disclosed in Note 35(h) to the financial statements.

The movement in the amount due to subsidiaries are as follows:

		Company	
	Note	2019 RM'000	2018 RM'000
As at 1 January		**5,375,516**	5,133,757
Advances from subsidiaries		**1,747,301**	222,988
Repayments:			
- Cash		**(337,067)**	(219,585)
- Offset with dividend receivable from subsidiaries		**(520,986)**	-
Finance costs	10	**24,578**	24,634
Novation of:			
- Preference shares to a subsidiary	5(a)(ii)	**(537,489)**	-
- Amounts due from a subsidiary	(a)	**-**	140,000
Others		**(13,138)**	(31,644)
Foreign exchange (gains)/losses		**(47,572)**	105,366
As at 31 December		**5,691,143**	5,375,516

(a) In the previous financial year, a subsidiary of the Company novated an amount of RM140.0 million due from another subsidiary to the Company.

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35. TRADE AND OTHER RECEIVABLES

	Note	Group 2019 RM'000	Group 2018 RM'000 Restated[1]	Company 2019 RM'000	Company 2018 RM'000
Finance lease receivables	(a)	**93,575**	74,330	**-**	-
Accrued lease receivables	(b)	**88,396**	74,173	**-**	-
Less: Provision for impairment	(f)	**(2,128)**	-	**-**	-
		86,268	74,173	**-**	-
Long term prepayment	(c)	**434,808**	374,199	**-**	-
Contract assets	(d)	**236,178**	201,160	**-**	-
Less: Provision for impairment	(f)	**(51,951)**	(33,531)	**-**	-
		184,227	167,629	**-**	-
Trade receivables	(e)	**2,799,901**	2,774,231	**-**	-
Less: Provision for impairment	(f)	**(702,765)**	(568,127)	**-**	-
		2,097,136	2,206,104	**-**	-
Deposits		**409,431**	420,022	**2,272**	6,425
Less: Provision for impairment	(f)	**(81,317)**	(71,743)	**-**	-
		328,114	348,279	**2,272**	6,425
Other receivables		**746,400**	722,772	**7,578**	8,564
Less: Provision for impairment	(f)	**(183,592)**	(115,454)	**(2,108)**	(2,108)
		562,808	607,318	**5,470**	6,456
Prepayments		**1,098,672**	1,464,990	**1,485**	2,551
Staff loans		**2,286**	2,527	**-**	-
USP receivables		**368,554**	393,774	**-**	-
Advances		**122,164**	88,711	**2,553**	1,841
Total		**5,378,612**	5,802,034	**11,780**	17,273
Current		**4,721,973**	5,115,230	**9,780**	15,273
Non-current		**656,639**	686,804	**2,000**	2,000
		5,378,612	5,802,034	**11,780**	17,273

[1] Restated to conform with current year presentation.

35. TRADE AND OTHER RECEIVABLES (CONTINUED)

(a) Finance lease receivables are receivables related to the lease of fiber optic cable and telecommunication infrastructures and equipment of subsidiaries.

The movements in finance lease receivables are as follows:

	Group	
	2019 RM'000	2018 RM'000
At 1 January	**74,330**	80,450
New leases entered	**29,063**	-
Lease payments received	**(12,157)**	(2,881)
Currency translation differences	**2,339**	(3,239)
At 31 December	**93,575**	74,330

Details of the finance lease receivables according to the maturity schedule are as follows:

	Group	
	2019 RM'000	2018 RM'000
Within 1 year	**35,727**	28,745
In the 2nd year	**23,404**	14,140
In the 3rd year	**23,404**	14,140
In the 4th year	**23,404**	14,140
In the 5th year	**8,123**	14,141
	114,062	85,306
Unearned finance lease income	**(20,487)**	(10,976)
	93,575	74,330
Current	**27,906**	24,613
Non-current	**65,669**	49,717
	93,575	74,330

(b) Accrued lease receivables are related to the effect of fixed escalation clauses that is spread on a straight-line basis over the lease term.

(c) Long term prepayment consists of prepayment for transmission of a subsidiary.

(d) The movement in contract assets are as follows:

		Group	
	Note	2019 RM'000	2018 RM'000
At 1 January		**167,629**	-
First time adoption adjustments - MFRS 15		**-**	73,445
		167,629	73,445
Transfer to trade receivables		**(155,705)**	(95,873)
Increase as a result of increased subscriptions		**190,723**	213,777
Provision for impairment		**(18,420)**	(23,720)
At 31 December		**184,227**	167,629
Current		**149,040**	109,873
Non-current		**35,187**	57,756
		184,227	167,629

35. TRADE AND OTHER RECEIVABLES (CONTINUED)

(e) The Group's trade receivables include receivables on deferred payment terms which allow customers to purchase devices with twenty four (24) monthly installment payments.

(f) The movements in provision for impairment of certain component of trade and other receivables are as follows:

		Group		Company	
	Note	2019 RM'000	2018 RM'000	2019 RM'000	2018 RM'000
Accrued lease receivables					
At 1 January		**-**	-	**-**	-
Provision for impairment	7(b)	**2,217**	-	**-**	-
Currency translation differences		**(89)**	-	**-**	-
At 31 December		**2,128**	-	**-**	-
Contract assets					
At 1 January		**33,531**	-	**-**	-
First time adoption adjustments - MFRS 9		**-**	9,811	**-**	-
		33,531	9,811	**-**	-
Provision for impairment	7(b)	**18,420**	23,720	**-**	-
At 31 December		**51,951**	33,531	**-**	-
Trade receivables					
At 1 January		**568,127**	404,550	**-**	-
First time adoption adjustments - MFRS 15		**-**	61,238	**-**	-
		568,127	465,788	**-**	-
Provision for impairment	7(b)	**297,552**	217,142	**-**	-
Written off		**(137,405)**	(15,296)	**-**	-
Currency translation differences		**(25,509)**	(99,507)	**-**	-
At 31 December		**702,765**	568,127	**-**	-
Deposits and other receivables					
At 1 January		**187,197**	63,642	**2,108**	-
First time adoption adjustments - MFRS 9		**-**	13,973	**-**	-
		187,197	77,615	**2,108**	-
Provision for impairment^	7(b)	**37,248**	140,190	**-**	2,108
Currency translation differences		**40,464**	(30,608)	**-**	-
		264,909	187,197	**2,108**	2,108

^ In the previous financial year, provision includes RM5.8 million of provision for impairment of other receivables as disclosed in Note 7(b) and RM134.4 million of provision for impairment of success fee receivable as disclosed in Note 9 to the financial statements.

(g) The carrying amounts of trade and other receivables approximate their fair value. Credit terms of trade receivables for the Group range from five (5) to ninety (90) days [2018: five (5) to ninety (90) days].

(h) Measurement of ECL

(i) Finance lease receivables, accrued lease receivables, contract assets and trade receivables - simplified approach

The expected loss rates are based on the payment profiles of sales over a period of twenty four (24) months before 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 factors affecting the ability of the customers to settle the receivables. The Group has identified the Gross Domestic Product ("GDP") and Consumer Price Index ("CPI") to be the most relevant factor, and accordingly adjusts the historical loss rates based on expected changes in these factors. There is no significant change to estimation techniques or assumptions used.

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35. TRADE AND OTHER RECEIVABLES (CONTINUED)

(h) Measurement of ECL (continued)

(ii) Deposits and other receivables - general 3-stage approach

The Group and the Company use three categories for other receivables which reflect their 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 definition of categories	Basis of recognising ECL
Performing	Debtors have a low risk of default and a strong capacity to meet contractual cash flows	12 month ECL
Underperforming	Debtors for which there is a significant increase in credit risk is presumed if interest and/or principal repayments are thirty (30) days past due	Lifetime ECL
Non-performing	Interest and/or principal repayments are ninety (90) days past due or there is evidence indicating the asset is credit-impaired	Lifetime ECL

Based on the above, loss allowance is measured on either twelve (12) month ECL or lifetime ECL using a PD x LGD x EAD methodology as follows:

- 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 receivable by categories and adjusts for forward-looking macroeconomic data. The Group and the Company have identified GDP to be the most relevant factor, and accordingly adjusts 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. There is no significant change to estimation techniques or assumptions used.

(i) Maximum exposure to credit risk

(i) Contract assets and trade receivables - simplified approach - collective assessment

The gross carrying amount of receivables below also represent the maximum exposure to credit risk to the Group are as follows:

	Current	Past due			Total
		0-3 months	4-6 months	Over 6 months	
2019	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**
Expected loss rate	**0.0%-22.3%**	**2.0%-45.9%**	**5.0%-65.0%**	**72.0%-88.0%**	
Gross trade receivables	**1,163,575**	**400,002**	**438,133**	**324,167**	**2,325,877**
Provision for impairment	**(118,012)**	**(60,734)**	**(250,194)**	**(251,507)**	**(680,447)**
Net trade receivables	**1,045,563**	**339,268**	**187,939**	**72,660**	**1,645,430**
Gross contract assets	**236,178**	**-**	**-**	**-**	**236,178**
Provision for impairment	**(51,951)**	**-**	**-**	**-**	**(51,951)**
Net contract assets	**184,227**	**-**	**-**	**-**	**184,227**
2018					
(Restated[1])					
Expected loss rate	0.0%-10.4%	3.0%-19.0%	9.0%-45.0%	41.0%-100.0%	
Gross trade receivables	726,743	742,669	170,996	757,901	2,398,309
Provision for impairment	(35,433)	(53,491)	(39,047)	(436,178)	(564,149)
Net trade receivables	691,310	689,178	131,949	321,723	1,834,160
Gross contract assets	12,498	24,101	11,701	152,860	201,160
Provision for impairment	(2,172)	(4,144)	(1,996)	(25,219)	(33,531)
Net contract assets	10,326	19,957	9,705	127,641	167,629

[1] Restated to conform with current year presentation.

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Notes to the Financial Statements For The Financial Year Ended 31 December 2019

35. TRADE AND OTHER RECEIVABLES (CONTINUED)

(i) Maximum exposure to credit risk (continued)

(ii) Accrued lease receivables and trade receivables - simplified approach - individual assessment

The gross carrying amount of accrued lease receivables and trade receivables (with individually significant balances which are separately assessed for ECL measurement) represent maximum exposure to credit risk to the Group are as follows:

	Group	
	2019 RM'000	2018 RM'000
Accrued lease receivables		
Current (not past due)	**88,396**	74,173
Credit impaired – individually	**(2,128)**	-
	86,268	74,173
Trade receivables		
Current (not past due)	**278,594**	246,190
Up to 3 months past due	**118,048**	87,264
3 to 6 months past due	**48,817**	28,016
More than 6 months past due	**28,565**	14,452
Credit impaired – collectively	**(454)**	(553)
Credit impaired – individually	**(21,864)**	(3,425)
	451,706	371,944

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35. TRADE AND OTHER RECEIVABLES (CONTINUED)

(i) Maximum exposure to credit risk (continued)

(iii) Deposits and other receivables - 3 stage approach - individual assessment

The gross carrying amount of deposits and other receivables (with individually significant balances which are separately assessed for ECL measurement) represent maximum exposure to credit risk to the Group and the Company are as follows:

	Expected credit loss rate	Basis for recognition of expected credit loss provision	Estimated gross carrying amount at default RM'000	Loss allowance RM'000	Carrying amount (net of impairment provision) RM'000
2019					
Group					
Performing	**-**	**12 month ECL**	**737,018**	**-**	**737,018**
Underperforming	**45%**	**Lifetime ECL**	**278,231**	**(124,327)**	**153,904**
Non-performing	**100%**	**Lifetime ECL**	**140,582**	**(140,582)**	**-**
Company					
Performing	**-**	**12 month ECL**	**7,742**	**-**	**7,742**
Non-performing	**100%**	**Lifetime ECL**	**2,108**	**(2,108)**	**-**
2018 (Restated[1])					
Group					
Performing	-	12 month ECL	753,910	-	753,910
Underperforming	21%	Lifetime ECL	254,467	(52,780)	201,687
Non-performing	100%	Lifetime ECL	134,417	(134,417)	-
Company					
Performing	-	12 month ECL	12,881	-	12,881
Non-performing	100%	Lifetime ECL	2,108	(2,108)	-

[1] Restated to conform with current year presentation.

In respect to the other receivables that are performing, the risk of default is immaterial if debtors have a strong capacity to meet their contractual cash flow obligations in the near term and adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the debtors to fulfill their contractual cash flow obligations.

35. TRADE AND OTHER RECEIVABLES (CONTINUED)

The currency profile of trade and other receivables are as follows:

	2019							2018						
	Functional currency							Functional currency						
	RM RM'000	IDR RM'000	SLR RM'000	BDT RM'000	NPR RM'000	Others RM'000	Total RM'000	RM RM'000	IDR RM'000	SLR RM'000	BDT RM'000	NPR RM'000	Others RM'000	Total RM'000
Group														
RM	**2,256,957**	**-**	**-**	**-**	**-**	**-**	**2,256,957**	2,349,292	-	18	-	-	-	2,349,310
USD	**27,179**	**45,126**	**91,547**	**2,772**	**90,588**	**120,943**	**378,155**	28,473	35,670	91,979	5,265	157,080	138,968	457,435
IDR	**-**	**1,083,723**	**-**	**-**	**-**	**-**	**1,083,723**	-	1,391,470	-	-	-	-	1,391,470
SLR	**-**	**-**	**369,721**	**-**	**-**	**-**	**369,721**	-	-	304,299	-	-	-	304,299
BDT	**-**	**-**	**-**	**583,191**	**-**	**-**	**583,191**	-	-	-	540,664	-	-	540,664
NPR	**-**	**-**	**-**	**-**	**202,968**	**-**	**202,968**	-	-	-	-	170,938	-	170,938
Others	**503,882**	**15**	**-**	**-**	**-**	**-**	**503,897**	587,863	55	-	-	-	-	587,918
Total	**2,788,018**	**1,128,864**	**461,268**	**585,963**	**293,556**	**120,943**	**5,378,612**	2,965,628	1,427,195	396,296	545,929	328,018	138,968	5,802,034
Company														
RM	**9,223**	**-**	**-**	**-**	**-**	**-**	**9,223**	4,806	-	-	-	-	-	4,806
USD	**2,557**	**-**	**-**	**-**	**-**	**-**	**2,557**	6,847	-	-	-	-	-	6,847
Others	**-**	**-**	**-**	**-**	**-**	**-**	**-**	5,620	-	-	-	-	-	5,620
Total	**11,780**	**-**	**-**	**-**	**-**	**-**	**11,780**	17,273	-	-	-	-	-	17,273

36. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

Included in the financial assets at fair value through profit or loss of the Group are trust funds that are highly liquid money market instruments with licensed financial institutions in Malaysia which are redeemable with one (1) day notice without exit penalty or redemption charges amounting to RM60.4 million. The redemption value is based on the net asset value of the funds, which is subject to insignificant risk of changes in value. These funds are denominated in RM and measured using level one (1) valuation technique.

37. DEPOSITS, CASH AND BANK BALANCES

		Group		Company	
	Note	2019 RM'000	2018 RM'000	2019 RM'000	2018 RM'000
Deposits with licensed banks		**953,773**	1,834,625	**102,750**	-
Deposits under Islamic principles		**482,415**	972,177	**-**	227,128
Total deposits		**1,436,188**	2,806,802	**102,750**	227,128
Cash and bank balances		**2,794,911**	2,264,646	**96,490**	225,054
Total deposits, cash and bank balances		**4,231,099**	5,071,448	**199,240**	452,182
Represented by:					
Cash and cash equivalents in banks		**3,089,171**	3,891,048	**199,240**	352,182
Deposits pledged	16(a)	**101,188**	54,593	**-**	-
Deposit in Escrow Account		**137,684**	25,180	**-**	-
Deposit on investment in a subsidiary of the Group		**-**	63,953	**-**	-
Deposits maturing more than three (3) months		**903,056**	1,036,674	**-**	100,000
Total deposits, cash and bank balances		**4,231,099**	5,071,448	**199,240**	452,182

The deposits are placed mainly with a number of creditworthy financial institutions. There is no major concentration of deposits in any single financial institution. Maturity range of deposits are as follows:

	Group		Company	
(In days)	From	To	From	To
Financial year ended 31 December 2019	**Overnight**	**365**	**Overnight**	**16**
Financial year ended 31 December 2018	Overnight	273	Overnight	116

The effective interest rates on deposits for the Group and Company range from 1.65% to 9.25% (2018: 1.85% to 12.00%) per annum.

The Group and the Company placed its cash and bank balances with licensed financial institutions with credit rating range from P1 to B3 (2018: from P1 to B3) in managing its credit exposure.

37. DEPOSITS, CASH AND BANK BALANCES (CONTINUED)

The currency profile of deposits, cash and bank balances are as follows:

	2019							2018						
	Functional currency							Functional currency						
	RM RM'000	IDR RM'000	SLR RM'000	BDT RM'000	NPR RM'000	Others RM'000	Total RM'000	RM RM'000	IDR RM'000	SLR RM'000	BDT RM'000	NPR RM'000	Others RM'000	Total RM'000
Group														
RM	**1,358,761**	**-**	**-**	**-**	**-**	**-**	**1,358,761**	2,215,686	-	-	-	-	85	2,215,771
USD	**233,428**	**124,091**	**39,150**	**7,971**	**433,352**	**325,042**	**1,163,034**	803,891	111,288	55,005	8,181	400,904	296,726	1,675,995
IDR	**79**	**360,173**	**-**	**-**	**-**	**-**	**360,252**	77	199,604	-	-	-	-	199,681
SLR	**4,032**	**-**	**133,319**	**-**	**-**	**90**	**137,441**	1,334	-	173,199	-	-	-	174,533
BDT	**456,110**	**-**	**-**	**226,709**	**-**	**-**	**682,819**	313,827	-	-	140,040	-	-	453,867
Others	**73,534**	**-**	**-**	**-**	**383,468**	**71,790**	**528,792**	71,401	-	-	-	280,200	-	351,601
Total	**2,125,944**	**484,264**	**172,469**	**234,680**	**816,820**	**396,922**	**4,231,099**	3,406,216	310,892	228,204	148,221	681,104	296,811	5,071,448
Company														
RM	**72,597**	**-**	**-**	**-**	**-**	**-**	**72,597**	252,476	-	-	-	-	-	252,476
USD	**126,643**	**-**	**-**	**-**	**-**	**-**	**126,643**	199,706	-	-	-	-	-	199,706
Total	**199,240**	**-**	**-**	**-**	**-**	**-**	**199,240**	452,182	-	-	-	-	-	452,182

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Notes to the Financial Statements For The Financial Year Ended 31 December 2019

38. CASH FLOWS FROM/(USED IN) OPERATING, INVESTING AND FINANCING ACTIVITIES

	Group		Company	
	2019 RM'000	2018 RM'000	2019 RM'000	2018 RM'000 Restated[1]
Receipt from customers	**24,875,636**	24,510,506	**-**	-
Payments to suppliers and employees	**(13,413,645)**	(16,222,297)	**(283,305)**	(250,130)
Payment of finance costs	**(1,689,589)**	(1,176,600)	**(33,915)**	(60,649)
Payment of income taxes and zakat (net of refunds)	**(1,233,788)**	(1,141,763)	**-**	-
Total cash flows from/(used in) operating activities	**8,538,614**	5,969,846	**(317,220)**	(310,779)
Proceeds from disposal of PPE	**28,485**	57,412	**-**	-
Purchase of PPE	**(6,799,221)**	(6,670,495)	**(4,070)**	(13,638)
Acquisition of intangible assets	**(429,628)**	(540,640)	**-**	-
Investment in deposits maturing more than three (3) months	**133,618**	(970,029)	**100,000**	(100,000)
Investment in subsidiaries (net of cash acquired)	**21,451**	(20,075)	**-**	-
Investment in associates	**(8,570)**	-	**-**	-
Additional investment in associates	**(6,094)**	(59,551)	**-**	-
Disposal of an associate	**1,649,256**	-	**-**	-
Interest received	**230,232**	223,962	**14,165**	11,123
Purchase of other investments	**(33,030)**	-	**-**	-
Disposal of other investments	**97,500**	-	**-**	-
Settlement of divestment in a subsidiary	**-**	(83,435)	**-**	-
Disposal of rights on right issue of a financial asset at FVTOCI	**96,149**	-	**-**	-
Dividends received from an associate	**-**	90,187	**-**	-
Dividends received from subsidiaries	**-**	-	**491,008**	943,800
Repayment from/(Advances to) employees	**241**	(395)	**-**	-
Payments for acquisition of ROU assets	**(41,336)**	-	**-**	-
Settlement of derivative financial instrument	**(38,712)**	-	**-**	-
Advances to subsidiaries	**-**	-	**(310,204)**	(699,114)
Repayment from subsidiaries	**-**	-	**230,336**	1,053,328
Total cash flows (used in)/from investing activities	**(5,099,659)**	(7,973,059)	**521,235**	1,195,499

[1] Restated to conform with current year presentation.

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Notes to the Financial Statements For The Financial Year Ended 31 December 2019

38. CASH FLOWS FROM/(USED IN) OPERATING, INVESTING AND FINANCING ACTIVITIES (CONTINUED)

	Group		Company	
	2019 RM'000	2018 RM'000	2019 RM'000	2018 RM'000 Restated[1]
Proceeds from borrowings	**3,513,881**	6,779,461	**209,000**	1,392,625
Repayment of borrowings	**(4,448,260)**	(7,036,886)	**(1,447,100)**	(1,630,204)
Repayment of Sukuk	**(1,606,684)**	-	**-**	-
Proceeds from Sukuk	**188,800**	-	**-**	-
Partial disposal of subsidiaries (net of transaction costs)	**-**	367,434	**-**	-
Additional investment in subsidiaries	**(90,704)**	(1,289)	**-**	-
Additional investment in a subsidiary by NCI	**82,444**	396,456	**-**	-
Advances from subsidiaries	**-**	-	**1,747,301**	222,988
Repayment of advances from subsidiaries	**-**	-	**(337,067)**	(219,585)
Repayment of lease liabilities	**(1,207,992)**	(208,300)	**(1,971)**	-
Proceeds from issuance of shares under Axiata Share Scheme	**16,389**	10,963	**16,389**	10,963
Dividends paid to NCI	**(75,386)**	(164,331)	**-**	-
Dividends paid to shareholders	**(538,283)**	(691,114)	**(538,283)**	(691,114)
Total cash flows used in financing activities	**(4,165,795)**	(547,606)	**(351,731)**	(914,327)

1 Restated to conform with current year presentation.

39. ASSETS/LIABILITIES CLASSIFIED AS HELD-FOR-SALE

		Group	
	Note	2019 RM'000	2018 RM'000
Assets classified as held-for-sale			
Investment in an associate	(a)	**-**	1,602,800
Financial assets at FVTOCI	(b)	**106,774**	-
PPE	27, (c)	**20,254**	-
ROU assets	28, (c)	**150,615**	-
		277,643	1,602,800
Liability classified as held-for-sale			
Provision for asset retirement	22, (c)	**19,017**	-

(a) Investment in M1

On 28 December 2018, the pre-conditional voluntary conditional general offer on M1 by Konnectivity Pte Ltd had been satisfied. Hence disposal of M1 by the Group was highly probable as at the end of the previous reporting date. Accordingly, the Group classified its investment in M1 as held-for-sale in the previous financial year.

On 15 February 2019, the Group completed the disposal as disclosed in Note 5(a)(i) to the financial statements.

(b) Investment in Vodafone Idea

Following the intention of the Group to dispose its remaining 1.05% equity interest in Vodafone Idea, the Group classified its investment in Vodafone Idea as held-for-sale as at reporting date.

The Group completed the disposal of 1.05% equity interest in Vodafone Idea by 13 March 2020 as disclosed on Note 52(b) to the financial statements.

(c) Sale and leaseback of telecommunication towers by XL

Certain asset and liability balances were classified as held-for-sale at the reporting date following the announcement made by XL to enter into a transaction to sell 2,782 telecommunication towers and leaseback some of such assets. It is assessed that the transaction is highly probable to be completed within one (1) year from reporting date.

40. CONTINGENCIES AND COMMITMENTS

(a) Capital commitments

	Group	
	2019 RM'000	2018 RM'000
PPE		
Commitments in respect of expenditure approved and contracted for	**2,541,573**	2,092,594

(b) Operating lease commitments – The Group as a lessee

The Group entered into non-cancellable office and tower rental and lease agreements with various terms and the total commitments were as follows:

	Group
	2018 RM'000
Payable within one (1) year	272,402
Payable more than one (1) year and no later than five (5) years	732,418
Payable more than five (5) years	646,250
Total	1,651,070

The rental expenses related to the commitment for the financial year ended 31 December 2018 amounted to RM374.5 million.

As disclosed in Note 49 to the financial statements, the Group has adopted MFRS 16 on 1 January 2019, these lease payments have been recognised as ROU assets and lease liabilities except for short-term and low value leases.

(c) 3G annual fees commitment

XL has committed to pay annual fees within ten (10) years, as long as XL holds the 3G license. The amount of annual payment is based on the scheme of payment set out in Regulation No. 07/PER/M.KOMINFO/2/2006 of the Minister of Communication & Information and Decree No.323/KEP/M.KOMINFO/09/2010 of the Minister of Communication & Information. No penalty will be imposed in the event that XL returns the license.

(d) Operating lease - The Group as a lessor

The Group leases out its telecommunication towers, sites and network equipment. The Group classified these leases as operating leases, because they do not transfer substantially all of the risks and rewards incidental to the ownership of the assets. The following tables sets out the maturity schedule of undiscounted lease payments to be received after the reporting date.

	Group	
	2019 RM'000	2018 RM'000
Within 1 year	**514,562**	447,268
In the 2nd year	**491,194**	432,931
In the 3rd year	**441,559**	365,911
In the 4th year	**430,523**	354,740
In the 5th year	**411,484**	352,259
Later than 5 years	**1,859,047**	1,795,303
Total undiscounted lease payments to be received	**4,148,369**	3,748,412

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Notes to the Financial Statements For The Financial Year Ended 31 December 2019

40. CONTINGENCIES AND COMMITMENTS (CONTINUED)

(e) Lists of contingent liabilities of subsidiaries of the Group as at 31 December are as follows:

	Potential exposure	
	2019	**2018**
Description	**RM'million**	**RM'million**
1. Celcom Malaysia Berhad [now known as Celcom Axiata Berhad] ("Celcom") & Technology Resources Industries Berhad [now known as Celcom Resources Berhad] ("Celcom Resources") vs Tan Sri Dato' Tajudin Ramli ("TSDTR") & 6 others (Conspiracy Suit)	**7,215.0**	7,215.0
In 2008, Celcom and Celcom Resources initiated a claim against 5 of its former directors, DeTeAsia Holding GmbH, and Beringin Murni Sdn Bhd ("Defendants") for conspiring with each other to injure Celcom and Celcom Resources by causing and/or committing them to enter into various agreements in relation to certain rights issue shares in Celcom Resources. Celcom and Celcom Resources are seeking damages for conspiracy against the Defendants.		
Two (2) of the Defendants, TSDTR and Dato' Bistamam Ramli filed a counterclaim against Celcom and Celcom Resources for damages for breach of an alleged global settlement involving, inter-alia, the present action, and also for conspiracy and misrepresentation in inducing TSDTR to withdraw a counterclaim in another suit. Full trial of the case commenced on 22 January 2018 and is still on-going at the High Court level.		
The Directors, based on legal advice received, are of the view that it has good prospects of successfully defending the counterclaim.		
2. Celcom & Celcom Resources vs TSDTR & 8 others (Indemnity Suit)	**7,215.0**	7,215.0
In 2006, Celcom and Celcom Resources initiated a claim against 9 of its former directors ("Defendants") seeking inter-alia, for indemnity in respect of the sums paid out to Dete Asia under the Award dated 2 August 2005 handed down by the Tribunal of the International Court of Arbitration of the International Chamber of Commerce in Paris and damages for breach of their fiduciary duties. Two (2) of the Defendants, TSDTR and Dato' Bistamam Ramli filed a counterclaim against Celcom and Celcom Resources for damages for breach of an alleged global settlement involving, inter-alia, the present action, and also for conspiracy and misrepresentation in inducing TSDTR to withdraw a counterclaim in another suit. Full trial of the case commenced on 22 January 2018 and is still on-going at the High Court level.		
The Directors, based on legal advice received, are of the view that it has good prospects of successfully defending the counterclaim during the trial.		
3. Claim on Robi by National Board of Revenue of Bangladesh ("NBR") 2007-2011	**199.7**	205.3
On 17 May 2015, the Large Taxpayers Unit, Value Added Tax ("LTU-VAT") of the National Board of Revenue of Bangladesh ("NBR") issued a revised demand letter for BDT4.1 billion (RM199.7 million) [from the earlier demand letter dated 23 February 2012 for BDT6.5 billion (RM315.6 million)] ("2007 to 2011 Revised Claim") to Robi alleging that Robi had evaded payment of supplementary duty and VAT levied on the issuance of a certain number of SIM cards to new customers of Robi during the years 2007 to 2011 when such SIM cards were issued as replacement cards to existing subscribers of Robi.		
In August 2015, Robi filed an appeal against the 2007 to 2011 Revised Claim to the Customs, Excise and VAT Appellate Tribunal. This appeal was first heard on 28 September 2016 by the Customs, Excise and VAT Appellate Tribunal and later reheard on 11 April 2017 by a reconstituted bench of the Customs, Excise and VAT Appellate Tribunal. The Customs, Excise and VAT Appellate Tribunal dismissed Robi's appeal.		
In September 2017, Robi filed an appeal to the High Court of Bangladesh against the Customs, Excise and VAT Appellate Tribunal's decision ("VAT Appeal"). This VAT Appeal is currently pending for hearing before the High Court of Bangladesh.		
The Board of Directors, based on legal advice received, are of the view that it has good prospects of succeeding on the claim.		

40. CONTINGENCIES AND COMMITMENTS (CONTINUED)

(e) Lists of contingent liabilities of subsidiaries of the Group as at 31 December are as follows: (continued)

Description	Potential exposure 2019 RM'million	Potential exposure 2018 RM'million
4. Claim on Robi by National Board of Revenue of Bangladesh ("NBR") July 2012 – July 2015	**137.4**	-
On 20 November 2017, the LTU-VAT of the National Board of Revenue of Bangladesh ("NBR") issued a demand letter for BDT2.9 billion (RM137.4 million) ("2012 to 2015 Claim") to Robi alleging that Robi had evaded payment of supplementary duty and VAT levied on the issuance of certain number of SIM cards to new customers of Robi for the duration from July 2012 to June 2015 when such SIM cards were issued as replacement cards to existing subscribers of Robi.		
On 18 February 2018, Robi filed an appeal against the 2012 to 2015 Claim to the Customs, Excise and VAT Appellate Tribunal on the basis that replacement cards do not establish new connections and do not change existing subscribers' numbers. This appeal was dismissed by the Customs, Excise and VAT Appellate Tribunal.		
Robi has filed an appeal to the High Court against the Customs, Excise and VAT Appellate Tribunal's decision and it is now pending hearing.		
The Board of Directors, based on legal advice received, are of the view that it has good prospects of succeeding on the claim.		
5. Robi's tax position	**289.8**	310.2
Robi has claimed for SIM tax subsidy as a deductible expense in its tax provision computations for FY 2005 to 2015 (2018: FY 2005 to 2015). The National Board of Revenue has challenged this claim and regarded the SIM tax subsidy as non-deductible, on grounds that the subsidies are collectible from the customers and hence is not a 'business expense'.		
Based on legal advice received, the Board of Directors are of the view that Robi has good prospects of succeeding on the claim.		
In addition, there are Airtel cases amounting to BDT707.7 million (RM34.1 million) which are indemnified by a third-party arising from the business combination.		

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40. CONTINGENCIES AND COMMITMENTS (CONTINUED)

(e) Lists of contingent liabilities of subsidiaries of the Group as at 31 December are as follows: (continued)

Description	Potential exposure 2019 RM'million	Potential exposure 2018 RM'million
6. Claim on Robi by NBR on VAT	**445.5**	457.2

NBR issued 5 show-cause cum demand notices to Robi for a total amount of BDT9.2 billion (RM445.5 million). Robi filed writ petitions on 3 May 2018 to challenge these claims. The details are as below. The NBR referred the matter to the Directorate General of Audit Intelligence and Investigation to re-examine the claims and as such, Robi is not pursuing the writ petitions.

(i) The 1st show-cause cum demand notice for BDT7.1 billion (RM343.0 million) was issued based on the credit balance of VAT payable General Ledger ("GL") and VAT Return and VAT payable for the period from 2013 to 2016. While conducting its audit, NBR asked for month on month movement of output and withholding GL from Systems, Applications and Products i.e., SAP (Opening balance, debit balance during the month, credit balance during the month and closing balance). Robi had submitted the required documents. The NBR just considered the total credit balance of SAP GL as payable and compared it with VAT return without considering the documents or explanation submitted by Robi. The solicitors are of the opinion that the claims of NBR is without basis.

(ii) The 2nd show-cause cum demand notice for BDT910.5 million (RM43.9 million) alleges unpaid VAT on merger and spectrum fee. NBR has collected merger fee/spectrum information from BTRC in relation to the merger, thereafter arbitrarily calculated VAT without considering Robi's documents and information regarding actual payment to BTRC. This issue has already been covered in item (i) nevertheless NBR still arbitrarily made the same claim separately.

(iii) The 3rd show-cause cum demand notice for BDT16.5 million (RM0.8 million) is to claim that VAT is payable on Interconnection charge from Bangladesh Telecommunications Limited (BTCL) for 2012. The output VAT for BTCL service to customer is centrally collected by NBR and that BTCL cannot adjust input VAT on interconnection charge payable to Robi/ Multinational Organizations (MNOs). Therefore, BTCL does not pay the VAT on same to Robi/MNOs. BTCL & MNOs are pursuing NBR for resolving the issue which is still pending. This issue has already been covered in item (i) nonetheless NBR still arbitrarily made the same claim separately.

(iv) The 4th show-cause cum demand notice for BDT35.7 million (RM1.7 million) is to claim that VAT is payable on Interconnection charge from BTCL for 2013 to 2016 - Issue is the same as item (iii) above however it relates to different period (2013-2016).

(v) The 5th show-cause cum demand notice for BDT1.2 billion (RM56.1 million) is for VAT Rebate cancellation on imported telecom items. NBR directly collected imports information from Customs Authority, then cancelled few imported items such as battery, switch, cable, router, system, etc. on arbitrary basis. These are the integral parts of machineries and spare parts.

Re-examination of the claims by Directorate General of Audit Intelligence and Investigation are still ongoing.

Based on legal opinion received, the Board of Directors are of the view that Robi has good prospects of succeeding on the claim.

40. CONTINGENCIES AND COMMITMENTS (CONTINUED)

(e) Lists of contingent liabilities of subsidiaries of the Group as at 31 December are as follows: (continued)

	Potential exposure	
Description	2019 RM'million	2018 RM'million
7. Robi vs Bangladesh Telecommunication Regulatory Commission ("BTRC")	**417.9**	-
The BTRC conducted an information system audit on Robi for the years between 1997 to 2014 and issued a claim of BDT8.7 billion (RM417.9 million) against Robi on 31 July 2018 ("Information System Audit Claim"). This Information System Audit Claim is disputed by Robi and a Notice of Arbitration was served on BTRC on 20 May 2019. On 13 June 2019, notwithstanding Robi's Notice of Arbitration, the BTRC directed Robi to make payment for the Information System Audit Claim within 10 days. Challenging the demand, Robi filed a suit on 25 August 2019 before the Joint District Judge, Dhaka seeking a declaration and permanent injunction against BTRC's Information System Audit Claim. The District Court admitted the suit. On 5 January 2020, the High Court of Bangladesh issued an injunction upon BTRC on condition that Robi deposited BDT1.4 billion (RM66.5 million) in five instalments. Robi has deposited four (4) equal instalments of BDT0.3 billion (RM13.3 million) totalling to BDT1.1 billion (RM53.2 million) up to 28 April to comply with the High Court of Bangladesh's order and secure the injunction. Based on legal opinion received, the Board of Directors are of the view that Robi has good prospects of succeeding on the claim.		
8. Robi vs LTU-VAT (VAT rebate cancellation)	**135.3**	-
For the period of 2010 to 2016, Robi claimed rebates for input VAT payable on certain goods and services related to capital machineries (i.e. antenna, cable, media gateway switch, battery, modem, telephone and telegraphic switch, power system, optical multi service systems, universal service router, printed service board, racks, etc.), other tariff-based services and VAT-exempted services. The LTU-VAT of the NBR issued 5 show cause cum demand notices to Robi to cancel such rebate for input VAT and demanded for a total amount of BDT2.8 billion. (i) The demand notice for the period of July 2013 to June 2014 is for BDT596.8 million (RM28.8 million). On 21 January 2019, Robi filed a judicial review to the High Court, Dhaka against the said demand notice. (ii) The demand notice for the period of July 2014 to January 2016 is for BDT993.2 million (RM47.9 million). On 21 January 2019, Robi filed a judicial review to the High Court, Dhaka against the demand notice. (iii) The demand notice for the period of February 2016 to April 2016 for BDT41.0 million (RM2.0 million). On 21 January 2019, Robi filed a judicial review to the High Court, Dhaka against the said demand notice. (iv) The demand notice for the period of May 2016 to December 2016 is for BDT707.7 million (RM34.1 million). On 21 January 2019, Robi filed a judicial review to the High Court, Dhaka against the said notice. (v) The demand notice for the financial years of 2010 to 2012 is for BDT466.9 million (RM22.5 million). On 11 March 2018, Robi filed an appeal to the Customs, Excise and VAT Appellate Tribunal. For (i) to (v) above, Robi deposited 10% of the sum set out in the respective demand notices with LTU-VAT pursuant to the Value Added Tax Act 1991. The Board of Directors, based on legal advice received, are of the view that it has good prospects of succeeding on the claim. In addition, there are Airtel cases amounting to BDT442.8 million (RM21.3 million) which are indemnified by a third party arising from the business combination.		
Total exposure	**16,055.6**	15,402.7

The Company does not have any contingent liability as at 31 December 2019 and 31 December 2018.

40. CONTINGENCIES AND COMMITMENTS (CONTINUED)

(f) Fund commitment

The Group has committed to invest in Axiata Digital Innovation Fund Sdn Bhd for a total amount of RM50.0 million over the period of eight (8) years. As of 31 December 2019, the amount yet to be invested amounted to RM10.4 million (2018: RM16.5 million).

41. SIGNIFICANT NON-CASH TRANSACTIONS

		Group	
	Note	2019 RM'000	2018 RM'000
DRS	48	**326,673**	79,113
Disposal of digital venture investments	5(a)(ii)	**575,823**	-
Disposal of data center	(a)	**38,388**	-

(a) On 27 June 2019, XL entered into an agreement with PDG in which PDG and XL agreed on the following:

- A new company named PT Princeton Digital Group Data Centres was established on 1 July 2019, and
- In November and December 2019, XL had disposed of PPE with net book value of RM31.3 million or IDR106.0 billion and ROU assets with net book value of RM19.6 million or IDR66.5 billion to PDGDC for a total consideration of RM120.1 million or IDR 407.2 billion via equity interest in PDGDC of RM38.4 million or IDR130.1 billion and cash. XL has partially leased back such assets for a period of ten (10) years and the lease period can be extended for another next five (5) years.

42. SEGMENTAL REPORTING

By business segments and geographical location of the key operating companies of the Group

Management has determined the operating segments to be based on the management reports reviewed by the Board of Directors (Chief Operating decision maker).

The business segments of the Group represent the core businesses and geographical locations of the key operating companies based on the operating results regularly reviewed by the Board of Directors. The business segments of the Group are as below:

(i) Mobile segment

The mobile business of the Group is segmented based on the countries in which the key operating companies operate, as shown in Note 44 to the financial statements. The reportable segments derive their revenue primarily from the provision of mobile services and others such as provision of interconnect services, pay television transmission services and provision of other data services.

(ii) Infrastructure segment

The reportable segment derives their revenue primarily from the provision of telecommunication infrastructure and services. The geographical information on infrastructure segment is not presented as it is not used for segmental reporting of the Group.

(iii) Others

Others comprise of investment holding entities, financing entities and other operating companies providing other services including digital services in Malaysia and other countries that contributed less than 10% of consolidated revenue.

The Board of Directors assess the performance of the operating segment, before its respective tax charge or tax credits, mainly based on the measure of EBITDA. EBITDA is derived after operating revenue less other operating costs, domestic interconnect and international out payment, marketing, advertising and promotion, and staff costs. Segment assets and segment liabilities are not used in decisions about allocation of resources and in assessing the performance of the operating segments.

42. SEGMENTAL REPORTING (CONTINUED)

	Mobile segment						Infrastructure segment	Others	Consolidation adjustments/ eliminations	Total
	Malaysia RM'000	Indonesia RM'000	Bangladesh RM'000	Sri Lanka RM'000	Nepal RM'000	Cambodia RM'000	RM'000	RM'000	RM'000	RM'000
Financial year ended 31 December 2019										
Operating revenue:										
Total operating revenue	6,706,135	7,363,860	3,672,883	2,708,642	1,979,427	1,306,241	1,809,225	616,474	-	26,162,887
Inter-segment[1]	(54,765)	(102,492)	(20,157)	(9,651)	(4,952)	(23,796)	(1,146,168)	(217,594)	-	(1,579,575)
External operating revenue	6,651,370	7,261,368	3,652,726	2,698,991	1,974,475	1,282,445	663,057	398,880	-	24,583,312
Results:										
EBITDA	2,618,458	3,721,054	1,404,249	1,082,800	1,193,287	695,179	1,112,584	(670,471)	(537,990)	10,619,150
Finance income	88,493	32,550	4,044	6,331	38,503	7,038	56,819	29,038	(32,348)	230,468
Finance expense	(416,296)	(809,214)	(251,599)	(78,938)	(29,733)	(29,945)	(106,716)	(339,559)	323,527	(1,738,473)
Depreciation of PPE	(838,903)	(1,671,212)	(614,759)	(546,098)	(273,691)	(220,461)	(382,866)	(13,919)	22,274	(4,539,635)
Depreciation of ROU assets	(407,834)	(1,148,453)	(140,464)	(40,715)	(16,859)	(52,721)	(215,647)	(9,677)	405,881	(1,626,489)
Amortisation of intangible assets	(61,850)	(9,599)	(233,562)	(30,386)	(131,056)	(11,141)	(31,861)	(19,416)	(255,351)	(784,222)
Joint ventures:										
- share of results (net of tax)	(2,819)	-	-	-	-	-	-	-	-	(2,819)
Associates:										
- share of results (net of tax)	(1,386)	305	-	(6)	-	3,128	-	(2,688)	-	(647)
Impairment of PPE, net of reversal	-	(2,274)	(5,990)	1,619	-	-	(2,761)	-	-	(9,406)
Other non-cash income/(expense)	73,987	136,261	24,103	(100,580)	8,213	(11,097)	(19,498)	615,135[2]	(2,250)	724,274
Taxation	(262,790)	(105,722)	(177,720)	(45,333)	(231,096)	(71,765)	(158,184)	(31,350)	26,855	(1,057,105)
Segment profit/(loss) for the financial year	789,060	143,696	8,302	248,694	557,568	308,215	251,870	(442,907)	(49,402)	1,815,096

1 Inter-segment operating revenue has been eliminated at the respective segment operating revenue. The inter-segment operating revenue was entered into in the normal course of business and at prices available to third parties or at negotiated terms.

2 Included in others are gain on disposal of digital venture investments of RM367.1 million, gain on disposal of an associate of RM113.4 million and disposal of Idea rights of RM96.1 million

42. SEGMENTAL REPORTING (CONTINUED)

	Mobile segment						Infrastructure segment	Others	Consolidation adjustments/ eliminations	Total
	Malaysia RM'000	Indonesia RM'000	Bangladesh RM'000	Sri Lanka RM'000	Nepal RM'000	Cambodia RM'000	RM'000	RM'000	RM'000	RM'000
Financial year ended 31 December 2018 (restated[3])										
Operating revenue:										
Total operating revenue	7,339,023	6,514,623	3,272,532	2,715,382	2,113,473	1,159,741	1,530,680	430,930	-	25,076,384
Inter-segment[1]	(54,391)	(88,544)	(33)	(15,332)	(15,434)	(12,358)	(954,247)	(50,264)	-	(1,190,603)
External operating revenue	7,284,632	6,426,079	3,272,499	2,700,050	2,098,039	1,147,383	576,433	380,666	-	23,885,781
Results:										
EBITDA	1,906,000	2,527,143	794,746	1,081,774	1,301,146	543,772	684,228	(479,338)	(25,337)	8,334,134
Finance income	97,706	34,033	4,972	6,825	34,609	5,776	34,648	68,099	(65,209)	221,459
Finance expense	(205,100)	(508,570)	(147,700)	(55,342)	(18,256)	(391)	(31,008)	(385,264)	79,246	(1,272,385)
Depreciation of PPE	(1,053,080)	(3,334,909)	(577,701)	(531,463)	(339,516)	(192,940)	(316,984)	(11,210)	22,368	(6,335,435)
Amortisation of intangible assets	(61,011)	(41,950)	(251,924)	(33,821)	(129,182)	(9,681)	(28,346)	(11,778)	(269,141)	(836,834)
Joint ventures:										
- share of results (net of tax)	1,678	-	-	-	-	-	-	-	-	1,678
Associates:										
- share of results (net of tax)[4]	12,682	-	11,795	36	-	4,149	-	(55,026)	-	(26,364)
- loss on dilution of equity interests	-	-	-	-	-	-	-	(403,712)	-	(403,712)
Impairment of PPE (net of reversal)	-	(6,138)	(1,518)	(7,172)	80,289	-	-	-	-	65,461
Other non-cash income/(expenses)[5]	(234,458)	78,330	296,325	(226,761)	(12,118)	(10,113)	(8,500)	14,622	(3,718,469)	(3,821,142)
Taxation	(154,039)	312,226	(25,625)	(48,762)	(222,728)	(68,250)	(125,619)	(524,359)	(44,396)	(901,552)
Segment profit/(loss) for the financial year	310,378	(939,835)	103,370	185,314	694,244	272,322	208,419	(1,787,966)	(4,020,938)	(4,974,692)

[3] Restated to conform with current year presentation and in conjunction with the voluntary change in accounting policy as disclosed in Note 50 to the financial statements.

[4] Share of result of associates were mainly contributed by Idea (-RM185.7 million) and M1 (RM167.6 million).

[5] Included in other non-cash income/(expense) of consolidation adjustments were provision of loss on derecognition of Idea amounting to RM3,319.1 million, elimination of intra-group restructuring gain on a subsidiary recorded by respective segment of RM303.6 million and gains arising from partial disposal of a subsidiary of RM274.7 million.

42. SEGMENTAL REPORTING (CONTINUED)

By Geographical Location

In presenting information for geographical segments of the Group, total non-current assets are determined based on where the assets of core businesses and geographical locations of the key operating companies. Non-current assets exclude financial instruments defined under MFRS 9 and deferred tax assets.

	---- Mobile segment ----						Infrastructure segment[6]	Others	Total
	Malaysia RM'000	Indonesia RM'000	Bangladesh RM'000	Sri Lanka RM'000	Nepal RM'000	Cambodia RM'000	RM'000	RM'000	RM'000
As at 31 December 2019									
Total non-current assets	**11,525,811**	**21,561,883**	**6,044,234**	**3,295,053**	**7,740,892**	**1,686,579**	**4,178,411**	**230,666**	**56,263,529**
As at 31 December 2018 (Restated[3])									
Total non-current assets	9,912,287	17,504,568	6,364,608	3,038,865	7,251,285	1,543,707	3,211,167	299,480	49,125,967

[3] Restated to conform with current year presentation.

[6] Infrastructure segment includes non-current assets located in Malaysia of RM913.0 million, Bangladesh of RM1,029.3 million and Myanmar of RM1,281.2 million. Other geographical locations within the Infrastructure segment are not individually material.

43. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

(a) Market risks consist of:

(i) price risk – risk that the value of a financial instrument will fluctuate as a result of changes in market prices, whether those changes are caused by factors specific to the individual instrument or its issuer or factors affecting all instrument traded in the market.

(ii) foreign currency exchange risk – risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates.

(iii) fair value interest rate risk – risk that the value of a financial instrument will fluctuate due to changes in market interest rates.

(iv) cash flow interest rate risk – risk that future cash flows associated with a financial instrument will fluctuate. In the case of a floating rate debt instrument, such fluctuations result in a change in the effective interest rate of the financial instrument, usually without a corresponding change in its fair value.

(b) credit risk – risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss.

(c) liquidity risk (funding risk) – risk that an entity will encounter difficulty in raising funds to meet commitments associated with financial instruments.

The Group's and the Company's overall financial risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Group and the Company. Financial risk management is carried out through risk reviews, internal control systems, insurance programmes and adherence to the Group's and the Company's financial risk management policies. The Board of Directors regularly reviews these risks and approves the treasury policies, which covers the management of these risks. Hedging transactions are determined in the light of commercial commitments. Derivative financial instruments are mainly used to hedge underlying commercial exposures.

(a) Market risks

(i) Price risk

The Group is exposed to equity securities price risk mainly due to investments held by the Group classified on the consolidated statement of financial position as FVTOCI asset, which is marked to market.

(ii) Foreign currency exchange risk

Group

The foreign exchange risk of the Group predominantly arises from borrowings denominated in foreign currencies. The main currency exposure from borrowings denominated in foreign currency is USD. The Group has cross currency swaps that is primarily used to hedge selected foreign currency borrowings to reduce the foreign currency exposures on these borrowings as disclosed in Note 18 to the financial statements.

Based on the borrowings position as at 31 December 2019, if USD were to strengthen/weaken by 5% against BDT, SLR and RM with all other variables held constant, this will result in foreign exchange losses/gains to the profit or loss of RM183.5 million (2018: RM297.0 million) on translation of USD denominated non-hedged borrowings.

The exposure to other foreign currency risk of the Group is not material and hence, sensitivity analysis is not presented.

Company

The foreign exchange risk of the Company predominantly arises from non-hedged borrowings denominated in USD.

As at 31 December 2019, if USD were to strengthen/weaken by 5% against RM with all other variables held constant, this will result in foreign exchange losses/gains to the profit or loss of RM10.3 million (2018: RM52.0 million) on translation of USD denominated non-hedged borrowings.

43. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(a) Market risks (continued)

(iii) Cash flow and fair value interest rate risk

The Group and the Company have deposits, cash and bank balances including deposits placed with creditworthy licensed banks and financial institutions. The Group and the Company manage its interest rate risk by actively monitoring the yield curve trend and interest rate movement for the various deposits, cash and bank balances.

The Group's borrowings comprise borrowings from financial institutions, Sukuk and Notes. The Group's interest rate risk objective is to manage an acceptable level of rate fluctuation on the interest expense. In order to achieve this objective, the Group targets a composition of fixed and floating borrowings based on assessment of its existing exposure and desirable interest rate profile. To obtain this composition, the Group uses hedging instruments such as CCIRS as disclosed in Note 18 to the financial statements.

Group

As at 31 December 2019, if interest rate on floating interest rates of non-hedged borrowings had been lower/higher by 5% with all other variables held constant, this will result in a lower/higher finance costs of the Group amounting to RM14.6 million (2018: RM17.0 million).

Company

As at 31 December 2019, if interest rate on floating interest rates of non-hedged borrowings had been lower/higher by 5% with all other variables held constant, this will result in a lower/higher finance costs of the Company amounting to RM0.3 million (2018: RM2.4 million).

(b) Credit risk

Credit risk arises from trade receivables, cash and cash equivalents and financial instruments used in hedging activities.

The Group has no significant concentration of credit risk due to its diverse customer base. Credit risk is managed through the application of credit assessment and approval, credit limit and monitoring procedures. Where appropriate, the Group obtains deposits or bank guarantees from customers.

The Group and the Company place its cash and cash equivalents with a number of creditworthy financial institutions. The Group's and the Company's policy limit the concentration of financial exposure to any single financial institution.

All hedging instruments are executed with creditworthy financial institutions with a view to limit 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 do not expect any counterparties to fail to meet their obligations.

The maximum credit risk exposure of the financial assets of the Group and the Company are approximately their carrying amounts as at the end of the reporting period.

The carrying amount of trade receivables that are past due and the expected credit losses of the trade receivables are shown in Note 35 to the financial statements.

(c) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient liquid funds to meet its financial obligations.

In the management of liquidity risk, the Group and the Company monitor and maintain a level of cash and cash equivalents deemed adequate by the management to finance the Group's and the Company's operations and to mitigate the effects of fluctuations in cash flows. Due to the dynamic nature of the underlying business, the Group and the Company aims at maintaining flexibility in funding by keeping both committed and uncommitted credit lines available.

43. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(c) Liquidity risk (continued)

The tables below analyse the Group's and the Company's financial liabilities into relevant maturity groupings based on the remaining period at the end of the reporting period to the contractual maturity date. As amounts included in the table are contractual undiscounted cash flows, these amounts may not be reconciled to the amounts disclosed on the statement of financial position for borrowings, lease liabilities, trade and other payables and derivative financial instruments.

	2019						
	Trade and other payables RM'000	Lease liabilities RM'000	Borrowings RM'000	Gross settled CCIRS (Inflow) RM'000	Gross settled CCIRS Outflow RM'000	Put option over shares held by NCI RM'000	Total RM'000
Group							
Below 1 year	**7,989,007**	**2,068,311**	**7,469,097**	**(1,301,485)**	**1,338,511**	**2,104,550**	**19,667,991**
1-2 years	**22,671**	**1,622,475**	**1,871,885**	**(89,536)**	**128,325**	**-**	**3,555,820**
2-3 years	**-**	**1,376,760**	**2,875,718**	**(89,536)**	**128,325**	**-**	**4,291,267**
3-4 years	**-**	**1,126,477**	**2,469,383**	**(89,536)**	**128,325**	**-**	**3,634,649**
4-5 years	**-**	**943,105**	**1,104,769**	**(89,536)**	**128,325**	**-**	**2,086,663**
Over 5 years	**-**	**4,445,620**	**3,345,991**	**(2,234,073)**	**2,258,759**	**-**	**7,816,297**
Total contractual undiscounted cash flows	**8,011,678**	**11,582,748**	**19,136,843**	**(3,893,702)**	**4,110,570**	**2,104,550**	**41,052,687**
Total carrying amount	**8,011,678**	**8,840,317**	**16,826,243**	**-**	**108,360**	**2,027,497**	**35,814,095**

	2018					
	Trade and other payables RM'000	Borrowings RM'000	Gross settled CCIRS (Inflow) RM'000	Gross settled CCIRS Outflow RM'000	Put option over shares held by NCI RM'000	Total RM'000
Group						
Below 1 year	9,287,814	4,719,402	(163,175)	202,266	145,512	14,191,819
1-2 years	538,509	6,575,484	(2,561,793)	2,603,310	1,655,178	8,810,688
2-3 years	527,262	1,933,443	(55,067)	84,436	-	2,490,074
3-4 years	467,370	1,469,164	(55,067)	84,436	-	1,965,903
4-5 years	467,595	2,497,911	(55,067)	84,436	-	2,994,875
Over 5 years	1,565,924	3,902,657	(1,401,548)	1,480,181	-	5,547,214
Total contractual undiscounted cash flows	12,854,474	21,098,061	(4,291,717)	4,539,065	1,800,690	36,000,573
Total carrying amount	11,781,392	19,129,750	-	179,344	1,673,344	32,763,830

43. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(c) Liquidity risk (continued)

The tables below analyses the Group's and the Company's financial liabilities into relevant maturity groupings based on the remaining period at the end of the reporting period to the contractual maturity date. As amounts included in the tables are contractual undiscounted cash flows, these amounts may not be reconciled to the amounts disclosed on the statement of financial position for borrowings, lease liabilities, trade and other payables and derivative financial instruments. (continued)

	2019						2018				
	Financial guarantee* RM'000	Lease liabilities RM'000	Borrowings RM'000	Other payables RM'000	Amounts due to subsidiaries RM'000	Total RM'000	Financial guarantee* RM'000	Borrowings RM'000	Other payables RM'000	Amounts due to subsidiaries RM'000	Total RM'000
Company											
Below 1 year	**1,301,172**	**4,311**	**206,851**	**47,882**	**5,691,143**	**7,251,359**	80,439	455,404	59,090	5,375,516	5,970,449
1-2 years	**33,216**	**4,457**	**-**	**-**	**-**	**37,673**	1,294,169	33,632	-	-	1,327,801
2-3 years	**274,712**	**4,555**	**-**	**-**	**-**	**279,267**	13,400	1,047,783	-	-	1,061,183
3-4 years	**748,269**	**4,569**	**-**	**-**	**-**	**752,838**	340,139	-	-	-	340,139
4-5 years	**-**	**2,665**	**-**	**-**	**-**	**2,665**	-	-	-	-	-
Total contractual undiscounted cash flows	**2,357,369**	**20,557**	**206,851**	**47,882**	**5,691,143**	**8,323,802**	1,728,147	1,536,819	59,090	5,375,516	8,699,572
Total carrying amounts	**-**	**18,090**	**206,284**	**47,882**	**5,691,143**	**5,963,399**	-	1,468,365	59,090	5,375,516	6,902,971

* Financial guarantee represents the maximum amount of a guarantee provided by the Company to its subsidiaries as disclosed in Note 16(b) to the financial statements. It is based on the earliest period in which the guarantee could be called.

43. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(d) Capital risk management

The primary objective of the Group's capital risk management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximise shareholder's value. The Group has sufficient headroom to raise new funds and/or restructure its capital composition to meet its current obligations when it falls due.

The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may or may not make dividend payments to shareholders, return capital to shareholders or issue new shares or other instruments.

Consistent with others in the industry, the Group monitors capital on the basis of the gearing ratios. This ratio is calculated as total debts over total equity. Total debts including non-current, current borrowings and lease liabilities as shown in the consolidated statement of financial position. Total equity is calculated as 'equity' in the consolidated statement of financial position.

	Note	2019 RM'000	2018 RM'000
Total borrowings	16	**16,826,243**	19,129,750
Lease liabilities		**8,840,317**	-
Total debts		**25,666,560**	19,129,750
Total equity		**22,220,023**	23,214,706
Gearing ratio		**1.16**	0.82

Following the adoption of MFRS 16 as disclosed in Note 49 to the financial statements, the gearing ratio of the Group increased from 0.82 on 31 December 2018 to 1.17 on 1 January 2019.

(e) Fair value estimation

The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

- Quoted prices (unadjusted) in active markets for identified 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 Group measures the financial instruments based on published price quotations (Level 1) and market approach valuation technique (Level 2) with inputs of valuation technique such as interest rates and yield curves observable at commonly quoted intervals; implied volatilities; and credit spreads that are observable direct or indirectly as at reporting date.

There is no transfers between Level 1 and Level 2 during the financial year.

The following table represents the fair value level of the financial assets and liabilities that are measured at fair value as at reporting date.

	2019				2018			
	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
Group								
Assets								
Financial assets at FVTPL:								
- Trading securities	**63,876**	**-**	**-**	**63,876**	38	-	-	38
- Non-hedging derivatives	**-**	**8,343**	**-**	**8,343**	-	238,506	-	238,506
- Derivatives used for hedging	**-**	**16,160**	**-**	**16,160**	-	-	-	-
Financial assets at FVTOCI:								
- Equity securities	**-**	**-**	**301,347**	**301,347**	1,595,345	61,317	2,750	1,659,412
Total assets	**60,417**	**24,503**	**301,347**	**389,726**	1,595,383	299,823	2,750	1,897,956
Liabilities								
Financial liabilities at FVTPL:								
- Non-hedging derivatives	**-**	**-**	**-**	**-**	-	(39,613)	-	(39,613)
- Derivatives used for hedging	**-**	**(124,520)**	**-**	**(124,520)**	-	(141,666)	-	(141,666)
Total liabilities	**-**	**(124,520)**	**-**	**(124,520)**	-	(181,279)	-	(181,279)

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43. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(e) Fair value estimation (continued)

(i) Financial instruments in Level 1

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.

(ii) Financial instruments in Level 2

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.

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 cross currency interest rate swaps and interest rate swaps is calculated as the present value of the estimated future cash flows based on observable market curves; and
- The fair value of forward foreign exchange contracts is determined using forward exchange rates at the reporting date, with the resulting value discounted back to present value.

(iii) Financial instruments in Level 3

The movement of the financial instruments in Level 3 has no material impact to the results of the consolidated financial statements.

(f) Offsetting financial assets and financial liabilities

The following financial assets and financial liabilities are subject to offsetting, enforceable master netting arrangements and similar agreements.

	Gross amounts RM'000	Gross amounts of recognised (financial liabilities)/ financial assets set off RM'000	Net amounts RM'000
Group			
2019			
Trade receivables	**934,423**	**(367,452)**	**566,971**
Trade payables	**(2,958,790)**	**367,452**	**(2,591,338)**
2018			
Trade receivables	688,936	(220,790)	468,146
Trade payables	(3,233,064)	220,790	(3,012,274)
Company			
2019			
Amount due from subsidiaries	**2,626,411**	**(2,373,275)**	**253,136**
Amount due to subsidiaries	**(8,064,418)**	**2,373,275**	**(5,691,143)**
2018			
Amount due from subsidiaries	4,254,929	(3,993,235)	261,694
Amount due to subsidiaries	(9,368,751)	3,993,235	(5,375,516)

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44. LIST OF SUBSIDIARIES

The Group had the following subsidiaries as at 31 December 2019:

Name of company	Ownership interest directly held by the parent (%)	Ownership interest held by the Group (%)	Ownership interest held by NCI (%)	Principal activities	Country and place of incorporation
Axiata Investments (Labuan) Limited[1]	100.00	100.00	-	Investment holding	Federal Territory, Labuan, Malaysia
Axiata Investments 1 (India) Limited[2]	100.00	100.00	-	Investment holding	Mauritius
Axiata Management Services Sdn Bhd[1]	100.00	100.00	-	Provision of services in relation to information technology (IT), including IT solutions development and maintanance, IT related managed services, analytics and technical advisory	Malaysia
Celcom Axiata Berhad[1]	100.00	100.00	-	Telecommunication network capacity, infrastructure and services	Malaysia
Axiata Investments (Singapore) Limited[1]	100.00	100.00	-	Investment holding	Federal Territory, Labuan, Malaysia
Axiata SPV1 (Labuan) Limited[1]	100.00	100.00	-	Financing	Federal Territory, Labuan, Malaysia
Axiata Foundation[1 and 6]	-	-	-	Develop and nurture talent pool and foster, develop and improve education	Malaysia
Axiata SPV2 Berhad[1]	100.00	100.00	-	Financing	Malaysia
edotco Group Sdn Bhd[1]	63.00	63.00	37.00	Investment holding and provision of technical and operations support services in the telecommunications and related industries in local and/or international markets	Malaysia
Axiata Investments (Cambodia) Limited[1]	100.00	100.00	-	Investment holding	Federal Territory, Labuan, Malaysia
Axiata Digital Services Sdn Bhd[1]	96.47	96.47	3.53	Investment holding	Malaysia
Axiata SPV4 Sdn Bhd[1]	100.00	100.00	-	Investment holding	Malaysia
Axiata Investments (UK) Limited[2]	100.00	100.00	-	Investment holding	United Kingdom
Axiata Business Services Sdn Bhd[1]	100.00	100.00	-	Provision of international carrier services and enterprise solutions	Malaysia
Dialog Axiata Digital Innovation Fund (Private) Limited[2 and 11]	-	45.83	54.17	Venture capital fund	Sri Lanka
Subsidiaries held through Axiata Investments (Labuan) Limited					
Dialog Axiata PLC[2]	-	83.32	16.68	Communication services, telecommunication infrastructure services, media and digital services	Sri Lanka
Robi Axiata Limited[3]	-	68.69	31.31	Mobile telecommunication services	Bangladesh
Axiata Lanka (Private) Limited[2]	-	100.00	-	Property development and letting of property for commercial purposes	Sri Lanka
Axiata Investments (Indonesia) Sdn Bhd[1]	-	100.00	-	Investment holding	Malaysia
Axiata Digital Labs (Private) Limited[2]	-	100.00	-	Software development and IT enabled services venture of Axiata Group	Sri Lanka

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Notes to the Financial Statements For The Financial Year Ended 31 December 2019

44. LIST OF SUBSIDIARIES (CONTINUED)

The Group had the following subsidiaries as at 31 December 2019: (continued)

Name of company	Ownership interest directly held by the parent (%)	Ownership interest held by the Group (%)	Ownership interest held by NCI (%)	Principal activities	Country and place of incorporation
Subsidiary held through Axiata Investments (Indonesia) Sdn Bhd					
PT XL Axiata Tbk[2]	-	66.36	33.64	Telecommunication services, network and/ or multimedia services provider	Indonesia
Subsidiaries held through Dialog Axiata PLC					
Dialog Broadband Networks (Private) Limited[2]	-	83.32	16.68	Data and backbone, fixed wireless and transmission infrastructure	Sri Lanka
Dialog Television (Private) Limited[2]	-	83.32	16.68	Television broadcasting generated services and direct-to-home satellite pay television services	Sri Lanka
Digital Holdings Lanka (Private) Limited[2]	-	83.32	16.68	Investment holding company of new business areas of Dialog Group	Sri Lanka
Dialog Business Services (Private) Limited[2]	-	83.32	16.68	Provision of manpower for call centre operations	Sri Lanka
Dialog Finance Plc[2]	-	82.39	17.61	Provision of financing services	Sri Lanka
Dialog Device Trading (Private) Limited[2]	-	83.32	16.68	Selling information technology enabled equipment	Sri Lanka
Dialog Network Services (Private) Limited[2]	-	83.32	16.68	Provision of network development, operations and maintenance services	Sri Lanka
Subsidiaries held through Dialog Television (Private) Limited					
Communiq Broadband Network (Private) Limited[2]	-	83.32	16.68	Dormant	Sri Lanka
Subsidiaries held through Digital Holdings Lanka (Private) Limited					
Digital Health (Private) Limited[2]	-	44.33	55.67	Developing and operating a state-of-the-art electronic commerce infrastructure for the healthcare sector	Sri Lanka
Digital Commerce Lanka (Private) Limited[2]	-	83.32	16.68	e-commerce and digital marketing services	Sri Lanka
Headstart (Private) Limited[2]	-	42.15	57.85	Creating and providing e-learning content	Sri Lanka
Subsidiary held through Dialog Broadband Networks (Private) Limited					
Telecard (Private) Limited[2]	-	83.32	16.68	Dormant	Sri Lanka
Subsidiary held through Axiata Investments 1 (India) Limited					
Axiata Investments 2 (India) Limited[2]	-	100.00	-	Investment holding	Mauritius

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44. LIST OF SUBSIDIARIES (CONTINUED)

The Group had the following subsidiaries as at 31 December 2019: (continued)

Name of company	Ownership interest directly held by the parent (%)	Ownership interest held by the Group (%)	Ownership interest held by NCI (%)	Principal activities	Country and place of incorporation
Subsidiary held through Axiata Investments (Cambodia) Limited					
Axiata (Cambodia) Holdings Limited[1]	-	72.48	27.52	Investment holding	Federal Territory, Labuan, Malaysia
Subsidiary held through Robi Axiata Limited					
Red Dot Digital Limited[3]	-	68.69	31.31	Provision of IT an ICT and to facilitate Robi's non-mobile network operator business activities	Bangladesh
Subsidiaries held through Celcom Axiata Berhad					
Celcom Mobile Sdn Bhd[1]	-	100.00	-	Mobile communication, network and application services and content	Malaysia
Celcom Networks Sdn Bhd[1]	-	100.00	-	Network telecommunication, capacity and services	Malaysia
Celcom Properties Sdn Bhd[1]	-	100.00	-	Property investment	Malaysia
Escape Axiata Sdn Bhd[1 and 5]	-	100.00	-	Over-The-Top and other on demand content services	Malaysia
Celcom Retail Holding Sdn Bhd[1]	-	100.00	-	Strategic and business development, management, administrative, support services and investment holding	Malaysia
Celcom Intelligence Sdn Bhd[1 and 5]	-	100.00	-	Investment holding	Malaysia
Celcom Timur (Sabah) Sdn Bhd[1]	-	80.00	20.00	Fibre optic transmission network services	Malaysia
Celcom eCommerce Sdn Bhd[1]	-	100.00	-	Electronic wallet services	Malaysia
Celcom Resources Berhad[1]	-	100.00	-	Investment holding	Malaysia
Subsidiary held through Celcom Retail Holding Sdn Bhd					
Celcom Retail Sdn Bhd[1]	-	100.00	-	Trading and distribution of communication devices and related products and managing retail stores	Malaysia
Subsidiary held through Celcom Resources Berhad					
Celcom Trading Sdn Bhd[1]	-	100.00	-	Dealing in marketable securities	Malaysia
Subsidiary held through Axiata (Cambodia) Holdings Limited					
Smart Axiata Co., Ltd[2]	-	72.48	27.52	Mobile telecommunication services	Cambodia

44. LIST OF SUBSIDIARIES (CONTINUED)

The Group had the following subsidiaries as at 31 December 2019: (continued)

Name of company	Ownership interest directly held by the parent (%)	Ownership interest held by the Group (%)	Ownership interest held by NCI (%)	Principal activities	Country and place of incorporation
Subsidiaries held through Axiata Digital Services Sdn Bhd					
Axiata Digital Advertising Sdn Bhd[1]	-	78.81	21.19	Investment holding and provision of multimedia advertising services as well as multimedia advertising sales support services	Malaysia
Axiata Digital Capital Sdn Bhd[1]	-	96.47	3.53	Micro-financing, money lending services, micro-insurance and related services, including related technology services	Malaysia
Merchantrade Digital Services Sdn Bhd[8]	-	59.00	41.00	Financial services	Malaysia
Axiata Digital e-Code Sdn Bhd[1]	-	96.47	3.53	Research and development of information communication technology	Malaysia
Apigate Sdn Bhd[1]	-	96.47	3.53	Application programming interface, software and mobile applications	Malaysia
Subsidiaries held through Axiata Digital Services Sdn Bhd and Axiata Digital Advertising Sdn Bhd					
Axiata Digital Bangladesh (Private) Limited[3]	-	97.25	2.75	Online ticketing services	Bangladesh
PT Axiata Digital Services Indonesia[2]	-	96.47	3.53	Provision of digital services	Indonesia
PT Axiata Digital Analytics Indonesia[2]	-	78.98	21.02	Provision of digital analytics services	Indonesia
Subsidiaries held through Axiata Digital Advertising Sdn Bhd					
ADA Digital Singapore Pte Ltd (formerly known as Adknowledge Asia Pacific Pte Ltd)[2]	-	78.81	21.19	Advertising service provider and investment holding	Singapore
Subsidiaries held through ADA Digital Singapore Pte Ltd (formerly known as Adknowledge Asia Pacific Pte Ltd)					
Komli Asia Holdings Pte Ltd[2 and 10]	-	78.81	21.19	Investment holding and provision of IT products and services for online media companies	Singapore
Adknowledge Asia Pacific (India) Private Limited[2]	-	78.81	21.19	Dormant	India
ADA Digital Philippines Inc (formerly known as Adknowledge Asia Philippines Inc.)[2]	-	78.80	21.20	Provision of technology and software solutions	Philippines
Adknowledge Asia Hong Kong Limited ("AAP Hong Kong")[2 and 10]	-	78.81	21.19	Investment holding and provision of IT products and services for online media companies	Hong Kong
ADA Digital (Thailand) Co Ltd (formerly known as Adknowledge Asia (Thailand) Co Ltd)[2]	-	78.69	21.31	Provision of IT products and services for online media companies	Thailand

44. LIST OF SUBSIDIARIES (CONTINUED)

The Group had the following subsidiaries as at 31 December 2019: (continued)

Name of company	Ownership interest directly held by the parent (%)	Ownership interest held by the Group (%)	Ownership interest held by NCI (%)	Principal activities	Country and place of incorporation
Subsidiaries held through ADA Digital Singapore Pte Ltd (formerly known as Adknowledge Asia Pacific Pte Ltd) (continued)					
Komli Network Philippines, Inc[2 ,5 and 10]	-	78.81	21.19	Provision of multimedia advertising services as well as multimedia advertising sales support services	Philippines
PT ADA Asia Indonesia (formerly known as PT Adknowledge Asia Indonesia)[2]	-	78.02	21.98	Provision of multimedia advertising services and creative content, as well as multimedia advertising sales support services	Indonesia
ADA Asia Malaysia Sdn Bhd (formerly known as Adknowledge Asia Malaysia Sdn Bhd)[1]	-	78.81	21.19	Provision of multimedia advertising services and creative content, as well as multimedia advertising sales support services	Malaysia
Adknowledge Asia Singapore Pte Ltd[2 and 10]	-	78.81	21.19	Provision of IT products and services for online media companies	Singapore
Subsidiaries held through Apigate Sdn Bhd					
Apigate Inc. (formerly known as WSO2 Telco Inc)[4]	-	96.47	3.53	Technology enabler service provider	United States of America
Apigate India Services Private Ltd[2]	-	96.46	3.54	Digital platform provider and providing platform to connect with individuals or corporates within or outside India, all kinds of information technology based and enabled services India	India
Subsidiary held through Apigate Inc					
Apigate (Private) Limited (formerly known as WSO2. Telco (Private) Limited)[2]	-	96.47	3.53	Develop and provide support services for software technologies products and solutions	Sri Lanka
Subsidiary held through Axiata Digital Capital Sdn Bhd					
PT Axiata Digital Capital Indonesia[2]	-	82.00	18.00	Dormant	Indonesia
Subsidiaries held through Axiata Business Services Sdn Bhd					
Xpand Investments (Labuan) Limited[1]	-	100.00	-	Investment holding	Federal Territory, Labuan, Malaysia
Axiata Global Service Pte. Ltd.[2]	-	100.00	-	To provide international carrier services, management of partnerships and alliances	Singapore

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44. LIST OF SUBSIDIARIES (CONTINUED)

The Group had the following subsidiaries as at 31 December 2019: (continued)

Name of company	Ownership interest directly held by the parent (%)	Ownership interest held by the Group (%)	Ownership interest held by NCI (%)	Principal activities	Country and place of incorporation
Subsidiaries held through Xpand Investments (Labuan) Limited					
Suvitech Co., Ltd[2]	-	65.00	35.00	Owner and operation of a mobile virtual network enabler (MVNE) platform services for customer, enterprise and IoT services	Thailand
DeeXpand Co., Ltd.[9]	-	100.00	-	Dormant	Thailand
Subsidiaries held through edotco Group Sdn Bhd					
edotco Malaysia Sdn Bhd[1]	-	63.00	37.00	Telecommunication infrastructure and services	Malaysia
edotco Investments (Labuan) Limited[1]	-	63.00	37.00	Investment holding	Federal Territory, Labuan, Malaysia
edotco Holdings (Labuan) Limited[1]	-	63.00	37.00	Investment holding	Federal Territory, Labuan, Malaysia
edotco Bangladesh Co. Ltd[3]	-	44.10	55.90	Telecommunication infrastructure and services	Bangladesh
Subsidiaries held through edotco Malaysia Sdn Bhd					
Tanjung Digital Sdn Bhd[1]	-	50.40	49.60	Investment holding	Malaysia
On Site Services Sdn Bhd[1]	-	44.10	55.90	Provision of field line maintenance business including preventive, corrective maintenance and support services	Malaysia
Subsidiary held through Tanjung Digital Sdn Bhd					
Yiked Bina Sdn Bhd[1]	-	50.40	49.60	Telecommunication infrastructure and services	Malaysia
Subsidiaries held through edotco Investments (Labuan) Limited					
edotco Towers (Bangladesh) Limited[3]	-	63.00	37.00	Telecommunication infrastructure and services	Bangladesh
edotco Pakistan (Private) Limited[2]	-	63.00	37.00	Telecommunication infrastructure and services	Pakistan
edotco Lao Company Limited (formerly known as Mekong Towers Company Ltd)[4]	-	50.40	49.60	Telecommunication infrastructure and services	Laos
ISOC Asia Telecom Towers, Inc.[2]	-	32.13	67.87	Telecommunication infrastructure and services	Philippines
edotco Services Lanka (Private) Limited[2]	-	63.00	37.00	Provision of end to end Integrated Infrastructure Services	Sri Lanka
edotco Investments Singapore Pte Ltd[2]	-	55.13	44.87	Investment holding	Singapore
Subsidiaries held through edotco Investments Singapore Pte Ltd					
Asian Towers Holdings Private Limited[2]	-	55.13	44.87	Investment holding	Singapore
edotco Myanmar Limited[2]	-	55.13	44.87	Telecommunication infrastructure and services	Myanmar

44. LIST OF SUBSIDIARIES (CONTINUED)

The Group had the following subsidiaries as at 31 December 2019: (continued)

Name of company	Ownership interest directly held by the parent (%)	Ownership interest held by the Group (%)	Ownership interest held by NCI (%)	Principal activities	Country and place of incorporation
Subsidiary held through edotco Holdings (Labuan) Limited					
edotco (Cambodia) Co., Ltd[2]	-	50.40	49.60	Telecommunication infrastructure and services	Cambodia
Subsidiaries held through Smart Axiata Co., Ltd					
SmartLuy PLC[2]	-	72.48	27.52	Payment services	Cambodia
edotco (Cambodia) Co., Ltd[2]	-	14.50	85.50	Telecommunication infrastructure and services	Cambodia
Subsidiary held through edotco Pakistan (Private) Limited					
edotco Towers Pakistan (Private) Limited[2]	-	63.00	37.00	Telecommunication infrastructure and services	Pakistan
Subsidiary held through Axiata Investments (UK) Limited					
Reynolds Holdings Limited[4]	-	100.00	-	Investment holding	St Kitts and Nevis
Subsidiary held through Reynolds Holdings Limited					
Ncell Private Limited[3 and 7]	-	80.00	20.00	Telecommunication services	Nepal

1 Audited by PricewaterhouseCoopers Malaysia.

2 Audited by member firms of PricewaterhouseCoopers International Limited which are a separate and independent legal entity from PricewaterhouseCoopers Malaysia.

3 Audited by a firm other than a member firm of PricewaterhouseCoopers International Limited.

4 No audit is required as allowed by the laws of the perspective country of incorporation.

5 Inactive as at 31 December 2019.

6 In accordance with IC 112-Consolidation: "Special Purpose Vehicles", AF is consolidated in the Group as the substance of the relationship between the Company and the special purpose entity indicates that the entity is controlled by the Company.

7 Ncell Private Limited ("Ncell") has a financial year end in accordance with the calendar year of Nepal in every mid of July.

8 9.28% ownership interest is held through a joint venture of the Group, Merchantrade Asia Sdn Bhd.

9 On 7 May 2019, DeeXpand Co., Ltd. commenced the voluntary liquidation and dissolution pursuant to the Thailand Civil and Commercial Code.

10 On 31 October 2019, Adknowledge Asia Singapore Pte Ltd, Adknowledge Asia Hong Kong Limited, Komli Asia Holdings Pte Ltd and Komli Network Philippines Inc commenced the voluntary liquidation and dissolution.

11 The Company and Dialog hold direct interest of 25.0% respectively in Dialog Axiata Digital Innovation Fund (Private) Limited ("DADIF"). The Group exercises its controlling power on DADIF via Investment and Shareholders' Agreement.

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Notes to the Financial Statements For The Financial Year Ended 31 December 2019

45. LIST OF ASSOCIATES

The investment in associates are as follows:

Name of company	Group's effective ownership interest 2019 (%)	Group's effective ownership interest 2018 (%)	Principal activities	Country and place of incorporation
Associate held through Celcom Axiata Berhad				
Sacofa Sdn Bhd	**15.12**	15.12	Telecommunication infrastructure and services	Malaysia
Associate held through Dialog Axiata PLC				
Firstsource - Dialog Solutions (Private) Limited	**21.66**	21.66	Information technology enabled services	Sri Lanka
Associate held through Digital Broadband Networks (Private) Limited				
Digital Realty (Private) Limited	**29.16**	29.16	Establish, operate and manage data centre	Sri Lanka
Associate held through Axiata SPV4 Sdn Bhd				
Axiata Digital Innovation Fund Sdn Bhd[1]	**62.19**	62.19	Venture capital fund	Malaysia
Associate held through Smart Axiata Co., Ltd				
SADIF LP[3]	**57.98**	57.98	Venture capital fund	Labuan
Associate held through PT XL Axiata Tbk				
PT Princeton Digital Group Data Centres	**19.91**	-	Provision of information and communication service with the main business to develop hosting activities	Indonesia
Associate held through Axiata Investments (Singapore) Limited				
M1 Limited	**-**	28.67	Mobile telecommunication services, sales of telecommunication equipment and accessories	Singapore
Associates held through Axiata Digital Services Sdn Bhd				
Celcom Planet Sdn Bhd	**-**	42.95	e-commerce platform business	Malaysia
Milvik	**-**	10.63	Micro-insurance platform business	Sweden
Unlockd Media Pty Ltd[2]	**-**	10.05	Ad and content funded mobile platform	Australia
Etobee Holdings Pte Ltd	**-**	20.31	Mobile application logistics provider	Indonesia
Associates held through Axiata Investments (Mauritius) Limited				
Local Cube Commerce Private Limited	**-**	29.65	e-commerce and digital kiosk	India
LocalCube Commerce Asia Sdn Bhd	**-**	29.65	e-commerce	Malaysia
PT LocalCube Commerce Indonesia	**-**	29.65	e-commerce	Indonesia

[1] The Group and the Company exercised its significant influence via 1 out of 5 votes in the Investment Committee.

[2] The Group exercised its significant influence via 1 out of 6 votes in the Investment Committee.

[3] The Group exercised its significant influence via 2 out of 5 votes in the Investment Committee.

All associates have co-terminous financial year end with the Group except for Local Cube Commerce Private Limited with financial year end on 31 March.

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Notes to the Financial Statements For The Financial Year Ended 31 December 2019

46. LIST OF JOINT VENTURES

The investment in joint ventures are as follows:

Name of company	Group's effective ownership interest 2019 (%)	2018 (%)	Principal activities	Country and place of incorporation
Joint ventures held through Celcom Axiata Berhad				
PLDT Malaysia Sdn Bhd[1]	**49.00**	49.00	Mobile virtual network operator	Malaysia
Tune Talk Sdn Bhd	**35.00**	35.00	Mobile communication services	Malaysia
Merchantrade Asia Sdn Bhd	**20.00**	20.00	Provision of money service business, i.e. remittance and money changing and operator of mobile virtual network	Malaysia
Joint venture held through PT XL Axiata Tbk				
PT One Indonesia Synergy	**33.18**	33.18	Consultancy services in future network collaboration	Indonesia

[1] PLDT Malaysia Sdn Bhd commenced members' voluntary winding-up on 14 August 2019 pursuant to Section 432(2) (a) of the Companies Act 2016.

47. RELATED PARTY TRANSACTIONS

All related party transactions are entered into in the normal course of business and at prices available at negotiated terms. The names of these related parties, nature of these transactions and their total value have been set out in accordance with the provisions of MFRS 124: "Related Party Disclosure".

The Government of Malaysia and bodies controlled or jointly controlled by the Government of Malaysia are related parties of the Group. The Government of Malaysia has significant influence over the Group. The Group enters into transactions with many of these bodies, which includes but is not limited to:

- receiving telecommunications services, including interconnection revenue/charges
- purchasing of goods, including use of public utilities and amenities, and
- placing of bank deposits

The Group has established its procurement policies and approval processes for purchases of products and services, which do not depend on whether the counterparties are government-related entities or not.

The Group provides telecommunications services as part of its ordinary operations. The Group has collectively, but not individually significant transactions with Government-related entities. These telecommunication services are carried out on commercial terms that are negotiated and agreed upon between the parties.

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. Key management personnel of the Group and the Company include the Senior Leadership Team who report directly to the Group Chief Executive Officer.

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

In addition to related party transactions and balances mentioned elsewhere in the financial statements, set out below are significant related party transactions and balances which were carried out on terms and conditions negotiated amongst the related parties.

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Notes to the Financial Statements For The Financial Year Ended 31 December 2019

47. RELATED PARTY TRANSACTIONS (CONTINUED)

		Group		Company	
		2019 RM'000	2018 RM'000	2019 RM'000	2018 RM'000 Restated[2]
(a)	Sale of goods and services:				
	Associates:				
	- International roaming revenue	**-**	9,567	**-**	-
	Joint ventures:				
	- Telecommunication services	**136,777**	154,678	**-**	-
(b)	Purchase of goods and services:				
	Associates:				
	- Interconnection charges	**-**	843	**-**	-
	- Leaseline charges, maintenance and others	**79,811**	68,906	**-**	-
		79,811	69,749	**-**	-
	Joint ventures:				
	- Revenue sharing	**4,352**	6,212	**-**	-
(c)	Intercompany service agreement with subsidiaries:				
	- Technical and management services	**-**	-	**66,077**	83,837
(d)	Dividends received from subsidiaries[1]	**-**	-	**1,011,994**	3,443,800
(e)	Receivable from an associate	**48,873**	-	**-**	-
(f)	Receivable from a joint venture	**47,774**	78,169	**-**	-
(g)	Lease payable to an associate	**120,793**	-	**-**	-
(h)	Repayments from/(advances to) subsidiaries:				
	- Repayments	**-**	-	**230,336**	1,053,328
	- Advances	**-**	-	**(310,204)**	(699,114)
(i)	Advances from/(repayment of advances to) subsidiaries:				
	- Advances	**-**	-	**1,747,301**	222,988
	- Repayment of advances	**-**	-	**(337,067)**	(219,585)
(j)	Finance costs on advances from subsidiaries	**-**	-	**(24,578)**	(24,634)
(k)	Interest income on advances to subsidiaries	**-**	-	**409**	-

[1] During the financial year, dividend received amounting to RM521.0 million (2018: RM2.5 billion) were offsetted against amounts due to subsidiaries (2018: advances to subsidiaries).

[2] Restated to conform with current year presentation.

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Notes to the Financial Statements For The Financial Year Ended 31 December 2019

47. RELATED PARTY TRANSACTIONS (CONTINUED)

(l) Key management compensation short term employee benefits:

	Group		Company	
	2019 RM'000	2018 RM'000	2019 RM'000	2018 RM'000
- Salaries, allowances and bonus:				
- current financial year	**39,603**	32,713	**39,603**	32,713
- prior financial year	**(4,337)**	-	**(4,337)**	-
- Contribution to EPF	**3,644**	3,177	**3,644**	3,177
- Estimated money value of benefits	**13**	38	**13**	38
- Other staff benefits	**172**	186	**172**	186
- Share-based payment expense	**6,253**	6,355	**6,253**	6,355

Included in key management compensation is the Executive Directors' remuneration of the Company as disclosed in Note 7(d) to the financial statements.

48. DIVIDENDS

	Tax exempt dividend under single tier system					
	2019			2018		
	Type	Per ordinary share Sen	Total RM'000	Type	Per ordinary share Sen	Total RM'000
In respect of financial year ended 31 December:						
- 2017	**-**	**-**	**-**	Final[3]	3.5	316,740
- 2018	**Final[1]**	**4.5**	**408,523**	Interim	5.0	453,487
- 2019	**Interim[2]**	**5.0**	**456,433**	-	-	-
		9.5	**864,956**		8.5	770,227

1 Out of the total dividend distribution, a total RM190.2 million was converted into 50.3 million new ordinary shares of the Company at a conversion price of RM3.78 per ordinary share pursuant to DRS of the Company.

2 Out of the total dividend distribution, a total RM136.5 million was converted into 34.9 million new ordinary shares of the Company at a conversion price of RM3.91 per ordinary share pursuant to DRS of the Company.

3 Out of the total dividend distribution, a total RM79.1 million was converted into 19.9 million new ordinary shares of the Company at a conversion price of RM3.97 per ordinary share pursuant to DRS of the Company.

The Board of Directors had, on 21 February 2020, declared a tax-exempt dividend under single tier system of 4 sen and a special dividend of 0.5 sen per ordinary share of the Company in respect of the financial year ended 31 December 2019.

49. FIRST TIME ADOPTION ADJUSTMENTS

The Group's and Company's adoption of MFRS 16 from 1 January 2019 resulted in changes in accounting policies and adjustments to the Group's and Company's financial position as at 1 January 2019. The new accounting policies under MFRS 16 are set out in Note 3(s) to the financial statements.

The impact of the adoption of the new standard of MFRS 16 by the Group and the Company on 1 January 2019 are set out below:

	Note	As previously reported RM'000	Reclassification* RM'000	Adjustments RM'000	As restated RM'000
Group					
Total equity:					
Reserves:					
- Retained earnings		**5,642,781**	**-**	**(65,512)**	**5,577,269**
Non-controlling interests		**5,737,907**	**-**	**(2,381)**	**5,735,526**
			-	**(67,893)**	
Net assets:					
Intangible assets	25	**20,926,703**	**(42,141)**	**-**	**20,884,562**
Property, plant and equipment	27	**27,290,458**	**(3,257,047)**	**-**	**24,033,411**
Right-of-use assets	28	**-**	**3,299,188**	**5,316,129**	**8,615,317**
Trade and other receivables		**5,802,034**	**-**	**(480,979)**	**5,321,055**
Trade and other payables		**(15,472,288)**	**3,030,322**	**32,203**	**(12,409,763)**
Lease liabilities	24	**-**	**(3,030,322)**	**(4,951,531)**	**(7,981,853)**
Deferred taxation, net	23	**(804,253)**	**-**	**16,285**	**(787,968)**
			-	**(67,893)**	
Company					
Total equity:					
Reserves:					
- Retained earnings		**-**	**-**	**-**	**-**
Net assets:					
Right-of-use assets	28	**-**	**-**	**304**	**304**
Lease liabilities	24	**-**	**-**	**(304)**	**(304)**
			-	**-**	

* In the previous financial year, the Group recognised lease assets and lease liabilities in relation to finance leases under MFRS 117 "Leases". The assets were presented in intangible assets and PPE while the liabilities were presented in trade and other payables-finance lease payables.

The Group and the Company have applied MFRS 16 with the date of initial application of 1 January 2019 by applying the simplified retrospective transition method.

Under the simplified retrospective transition method, the 2018 comparative information was not restated and the cumulative effects of initial application of MFRS 16 where the Group and the Company is a lessee were recognised as an adjustment to the opening balance of retained earnings as at 1 January 2019. The comparative information continued to be reported under the previous accounting policies governed under MFRS 117 "Leases" and IC Interpretation 4 "Determining whether an Arrangement Contains a Lease".

On adoption of MFRS 16, the Group and the Company recognised lease liabilities in relation to leases which had previously been classified as 'operating leases' under the principles of MFRS 117. These liabilities were measured at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate as of 1 January 2019. The weighted average lessee's incremental borrowing rate applied to the lease liabilities on 1 January 2019 was 7.1%.

49. FIRST TIME ADOPTION ADJUSTMENTS (CONTINUED)

For leases previously classified as finance leases, the Group recognised the carrying amount of the lease assets and lease liabilities immediately before transition, which were measured applying MFRS 117 as the carrying amount of the ROU asset and the lease liability at the date of initial application. The measurement principles of MFRS 16 are only applied after that date.

(i) Practical expedients applied

In applying MFRS 16 for the first time, the Group and the Company have applied the following practical expedients permitted by the standards:

- applying the exemption not to apply MFRS 16 on leases of low value assets;
- applying a single discount rate to a portfolio of leases with reasonably similar characteristics;
- relying on previous assessments on whether leases are onerous as an alternative to performing an impairment review – there were no onerous contracts as at 1 January 2019;
- excluding initial direct costs for remeasurement of ROU assets at the date of initial application;
- accounting for operating leases with a remaining lease term of less than 12 months as at 1 January 2019 as short-term leases; and
- using hindsight in determining the lease term where the contract contains options to extend or terminate the lease.

The Group and the Company have also elected not to reassess whether a contract is or contains a lease at the date of initial application. Instead, for contracts entered into before the transition date the Group and the Company relied on its assessment made applying MFRS 117 and Interpretation 4.

(ii) Measurement of lease liabilities

Reconciliation of operating lease commitments as at 31 December 2018 to the opening balance of lease liabilities as at 1 January 2019 is as follows:

	Note	Group RM'000
Operating lease commitment disclosed on 31 December 2018		1,651,070
(Less): short-term/low value leases recognised on a straight-line basis as expense		(99,342)
(Less): maintenance/services portion of the lease contracts		(163,404)
Add: existing contracts as at 31 December 2018 previously assessed as operating lease		4,255,266
		5,643,590
Discounted using the leesee's incremental borrowings rate of at the date of application		4,304,088
Add: finance lease liabilities recognised as at 31 December 2018		3,030,322
Add: accrued lease payments recognised as at 31 December 2018		32,203
Add: adjustments as a result of a different treatment of extension and termination options		615,240
Lease liabilities as at 1 January 2019	24	7,981,853
Of which are:		
Current		1,252,576
Non-current		6,729,277
Lease liabilities as at 1 January 2019	24	7,981,853

(iii) Measurement of ROU assets

The Group applied the simplified retrospective transition method where, on a lease by lease basis, the Group measured the ROU asset either on a retrospective basis as if the new requirements had always been applied, using a discount rate based on the incremental borrowing rate at the date of initial application or at the amount equal to the lease liability, adjusted by the amount of any prepaid and accrued lease payments relating to that lease recognised in the statement of financial position as at 31 December 2018.

(iv) Sale and leaseback

The Group accounted for operating transactions in the same way as it accounts for any other operating lease that exists at the date of initial application and adjusted the leaseback ROU asset for any deferred gains or losses that relate to off-market terms recognised in the statement of financial position immediately before the date of initial application.

The Group accounted for finance sale and leaseback transactions in the same way as it accounts for any other finance lease that exists at the date of initial application and continue to amortise any gain on sale over the lease term.

(v) Lessor accounting

The Group did not need make any adjustments to the accounting for assets held as lessor under operating leases.

50. VOLUNTARY CHANGE IN ACCOUNTING POLICY

The Group had voluntarily changed its accounting policy on the accounting for the changes in subsequent measurement of put options over non-controlling interest ("put liability") as follows:

Up to 31 December 2018, the Group had accounted for the changes in subsequent measurement of put liability in profit or loss. With effect from the financial year ended 31 December 2019, the Group has changed its accounting policy to account for the changes in subsequent measurement of put liability in other reserves within equity.

There is conflicting guidance in MFRS 9 "Financial Instruments" and MFRS 10 "Consolidated Financial Statements" on the accounting for changes in subsequent measurement of put liability on non-controlling interest. MFRS 9 requires changes in subsequent measurement of the put liability to be recognised in profit or loss, whereas MFRS 10 requires transactions with non-controlling interest that does not result in the parent losing control of the subsidiary to be recorded as equity transactions. The International Financial Reporting Interpretation Committee (IFRIC) and the International Accounting Standards Board (IASB) were in extended discussions on the measurement of written put options on non-controlling interests. To-date, no conclusion has been reached. In the absence of clarification and guidance from the international standard setters, there has been diversity in practice in relation to the accounting for changes in subsequent measurement of the put liability with either the MFRS 9 (financial liability model) or MFRS 10 (transaction with owners model) approach being applied.

The Board and management do not consider the impact of the changes from subsequent measurement of the put liability as relevant in the assessment of Group's performance .

As disclosed in Note 18(d), the put option arose from a transaction with non-controlling interests and is not representative of the Group's performance. Hence, the Board is of the view that it should not be reflected in profit or loss measures. The liability arising from the put option on non-controlling interests is measured based on the subsidiary's performance expressed in terms of EBITDA multiples. Hence, the application of the previous accounting policy to recognise subsequent measurement of the put liability in profit or loss appears counterintuitive as the Group observes a deterioration in profit or loss due to an improvement in the subsidiary's performance.

Consequently, the Group has assessed that the change in accounting policy to recognise the changes in subsequent measurement of put liability directly to other reserves provides relevant information for decision making purposes and better reflects the substance of the transaction which is effectively a transaction with shareholders.

The Group has accounted for the change in accounting policy retrospectively in accordance with MFRS 108 "Accounting Policies, Changes in Accounting Estimates and Errors". The consolidated statement of financial position as at 1 January 2018 is not presented as the line items previously presented on the statements of financial position as at 31 December 2017 were not restated.

The impacts of the change in accounting policy to the consolidated statement of comprehensive income of the Group for the financial year ended 31 December 2019 and 31 December 2018 are as follows:

	2019			2018		
	Before the change in accounting policy RM'000	Adjustment RM'000	After the change in accounting policy RM'000	As reported RM'000	Adjustment RM'000	As restated RM'000
Profit or loss:						
Operating costs:						
- Other losses (net)	**(522,266)**	**499,665**	**(22,601)**	(297,790)	272,548	(25,242)
Profit/(Loss) for the financial year	**1,315,431**	**499,665**	**1,815,096**	(5,247,240)	272,548	(4,974,692)
Profit/(Loss) for the financial year attributable to:						
- owners of the Company	**957,885**	**499,665**	**1,457,550**	(5,034,573)	272,548	(4,762,025)
Total comprehensive expense for the financial year attributable to:						
- owners of the Company	**(824,941)**	**499,665**	**(325,276)**	(6,764,630)	272,548	(6,492,082)
Earnings per share (sen):						
- basic	**10.5**	**5.5**	**16.0**	(55.6)	3.0	(52.6)
- diluted	**10.5**	**5.5**	**16.0**	(55.4)	3.0	(52.4)

50. VOLUNTARY CHANGE IN ACCOUNTING POLICY (CONTINUED)

The impacts of the change in accounting policy to the consolidated statements of changes in equity of the Group for the financial year ended 31 December 2019 and 31 December 2018 are as follows:

	As previously reported RM'000	Adjustment RM'000	As restated RM'000
1 January 2018:			
Retained earnings	11,154,823	95,962	11,250,785
Total reserves	(720,589)	(95,962)	(816,551)
- Other reserve	(1,258,051)	(95,962)	(1,354,013)
31 December 2018:			
Retained earnings	5,642,781	368,510	6,011,291
Total reserves	(1,339,153)	(368,510)	(1,707,663)
- Other reserve	(1,258,051)	(368,510)	(1,626,561)

	Before the change in accounting policy RM'000	Adjustment RM'000	After the change in accounting policy RM'000
31 December 2019:			
Retained earnings	**5,778,797**	**868,175**	**6,646,972**
Reserves	**(2,894,092)**	**(868,175)**	**(3,762,267)**
- Other reserve	**(1,159,322)**	**(868,175)**	**(2,027,497)**

51. SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

(a) Public interest litigation ("PIL") filed at the Supreme Court of Nepal ("SC")

On 11 April 2016, Axiata Investments (UK) Limited ("AIUK") completed the purchase from TeliaSonera Norway Nepal Holdings AS of 100% of the shares of Reynolds Holdings Limited ("Reynolds") which owns 80% of the shares of Ncell ("Transaction").

On 5 June 2017, the Company announced that Ncell had deposited a total of approximately NPR23.6 billion (RM848.7 million) as at that date in alleged capital gains tax ("CGT") in relation to the Transaction. Ncell had paid this amount in two tranches on 8 May 2016 and 4 June 2017 under protest and without prejudice to its position that it was under no obligation to pay CGT in connection with the Transaction. The Large Taxpayer Office of Nepal ("LTPO") had on 4 June 2017 conclusively certified in writing that Ncell had fully complied with its alleged obligation to pay CGT in relation to the Transaction.

On 28 January 2018, a group of Nepalese citizens brought a PIL against Ncell and various other parties at the SC alleging that Ncell and its holding companies, namely Reynolds and AIUK, have evaded their tax liabilities. The petitioners demanded various orders, including that the LTPO ascertain the CGT payable on the Transaction by Ncell and AIUK. In its oral ruling on 6 February 2019, the SC had ruled in favour of the petitioners and rendered Ncell liable for CGT in connection with the Transaction. The SC ordered the LTPO to make an assessment of the applicable CGT in relation to the Transaction. Accordingly, on 16 April 2019, the LTPO issued an assessment order against Ncell for approximately NPR62.6 billion (RM2,250.0 million) [NPR35.9 billion (RM1,293.0 million) as CGT and NPR26.7 billion (RM962.0 million) as interest and penalties].

On 22 April 2019, Ncell filed a writ petition with the SC seeking orders that, amongst other things, the LTPO's assessment order be quashed and that the LTPO conduct a new assessment in accordance with the law ("Writ Petition").

On 26 August 2019, the SC issued a short-form judgment in which it partially upheld the Writ Petition. The full written judgment of the SC's decision was issued on 21 November 2019 ("SC Judgment"). The SC Judgment stated that the prior tax amount assessed by the LTPO was to be reduced to the extent of fees purportedly levied under section 120(a) of the Nepalese Income Tax Act which were found to be unlawful. The SC held that Ncell remained liable to pay NPR21.1 billion (RM759.8 million) (approximately) in allegedly outstanding CGT (including penalties pursuant to sections 117(1)(a) and (c) and interest pursuant to sections 118 and 119 until the date of deposit) in relation to the Transaction.

Following the SC Judgment, on 6 December 2019, the LTPO issued a new demand letter demanding that Ncell pay a total of NPR22.4 billion (RM808.1 million) (approximately) ["Demand Amount"] in allegedly outstanding CGT (including interest and penalties). On 22 December 2019, the LTPO issued a further demand letter, repeating the demand from 6 December 2019 for Ncell to deposit the sums demanded within 15 days (collectively, the "LTPO Demand Letters").

The LTPO Demand Letters represent a clear violation of the terms of the Provisional Measures Order issued by the Tribunal on 19 December 2019 in the arbitration proceedings commenced by Ncell and AIUK (as detailed in item (b) below) which ordered Nepal, its agencies and officials to refrain from, amongst other things, taking any steps to enforce or otherwise give effect to the LTPO Demand Letters. The Provisional Measures Order is legally binding on Nepal and its agencies under international law.

51. SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR (CONTINUED)

(a) Public interest litigation ("PIL") filed at the Supreme Court of Nepal ("SC") (continued)

On 12 April 2020 Ncell settled the Demand Amount and an additional sum of NPR 990.2 million (RM35.7 million) as interest (collectively, the "Total Amount"). Ncell's payment of the Total Amount was made under protest and expressly without prejudice to Ncell and AIUK's position in the international arbitration proceedings commenced by Ncell and AIUK against Nepal.

For the avoidance of doubt, the Company, AIUK and Ncell continue to dispute that Ncell is liable to pay any amount of CGT in relation to the Transaction.

(b) AIUK and Ncell v. Federal Democratic Republic of Nepal (ICSID Case No. ARB19/15)

On 24 April 2019, AIUK and Ncell, a wholly owned subsidiary and indirect 80% owned subsidiary of Axiata Group Berhad respectively, filed a Request for Arbitration ("Request") with the International Centre for the Settlement of Investment Disputes ("ICSID") pursuant to the Agreement dated 2 March 1993 between the Government of the United Kingdom of Great Britain and Northern Ireland and the Government of Nepal for the Promotion and Protection of Investments ("Bilateral Investment Treaty"). The Federal Democratic Republic of Nepal ("Nepal") was notified of the Request on 25 April 2019.

AIUK and Ncell's claims as set out in the Request relate to Nepal's conduct in contravention of its international law obligations under the Bilateral Investment Treaty. In particular, the claims relate to Nepal's conduct in imposing capital gains tax in connection with AIUK's acquisition of 100% of the shares of Reynolds, which owns 80% of the shares of Ncell.

Pursuant to the ICSID Convention and ICSID Arbitration Rules, AIUK and Ncell appointed Albert Jan van den Berg (Dutch) on 23 July 2019 as their chosen arbitrator. The arbitration tribunal ("Tribunal") was fully constituted on 18 October 2019, the other members being Paul Friedland (American) and Professor Joongi Kim (Korean, presiding arbitrator).

On 19 December 2019, the Tribunal granted AIUK and Ncell's application for provisional measures in large part and ordered that Nepal, its organs, agencies and officials, including the LTPO and the Inland Revenue Department, immediately be restrained from:

(i) taking any steps to enforce or otherwise give effect to the demand letter served by the LTPO against Ncell dated 6 December 2019 in which the LTPO demanded that Ncell pay NPR22.4 billion (RM808.1 million) in allegedly outstanding CGT (including interest and penalties) in connection with the Transaction (described in item (a) above); and

(ii) taking any steps which would alter the status quo between AIUK, Ncell and Nepal or aggravate the present dispute (together, the "Provisional Measures Order").

The Directors are of the view that the Group has good prospects of succeeding in the arbitration against Nepal and remains entitled to all rights and remedies available under international law. In the event that the outcome of the case is not in favour of the Group, the consolidated profits is expected to be adjusted by approximately NPR9.1 billion (RM326.6 million).

52. EVENTS AFTER REPORTING PERIOD

(a) Deregistration of Hello Axiata Company Limited ("HACL")

HACL, a wholly-owned subsidiary of the Group has been deregistered with effect from 29 January 2020 following the notification issued by Ministry of Commerce. The notification of deregistration of HACL was received by Smart, a subsidiary of the Group held through ACH on 7 February 2020.

(b) Disposal of 1.05% equity interest in Vodafone Idea

As at reporting date, the Group classified its investment in Vodafone Idea as "Assets classified as held-for-sale" under MFRS 5 as disclosed in Note 39(b) to the financial statements. The disposal of the Group's remaining 1.05% equity interest in Vodafone Idea was completed by 13 March 2020 via multiple sale transactions. The shares sold had a fair value of INR1,346.8 million (RM77.3 million).

(c) Late in 2019, news first emerged from China about the COVID-19 (Coronavirus). The situation at year end was that a limited number of cases of an unknown virus had been reported to the World Health Organisation. In the first few months of 2020, the virus spread globally. The Group and the Company consider this outbreak to be a non-adjusting event after reporting period. At this juncture, management is unable to reliably estimate the financial impact on the Group and Company results for the next financial period. The Group and the Company will continue to monitor the situation, take appropriate and timely actions to minimise any adverse financial impact arising from this situation.

(d) Disposal of telecommunication towers

On 7 February 2020, XL entered into an Asset Purchase Agreement with PT. Profesional Telekomunikasi Indonesia Tbk. ("Protelindo") and PT Centratama Menara Indonesia ("CMI") for the sale of 2,782 telecommunication towers with a total transaction value of RM1,194.8 million or IDR4,050.3 billion, and agreed to leaseback some of such assets with maximum tenure of ten (10) years. As at 31 December 2019, these assets were classified as held-for-sale, as disclosed in Note 39 (c) to the financial statements. On 31 March 2020, XL had completed the sale transaction of 2,431 telecommunication towers to Protelindo and CMI with a total transaction value of RM1,025.7 million or IDR3,476.8 billion. The remaining towers are still pending and in the process of finalisation of documentation.

(e) Repayment of Notes by SPV1

SPV1 fully repaid its USD300.0 million or approximately RM1,233.0 million Notes which matured on 28 April 2020 as disclosed in Note 16(b).

Audited Financial Statements

Statement by Directors Pursuant To Section 251(2) of the Companies Act 2016

We, Tan Sri Ghazzali Sheikh Abdul Khalid and Tan Sri Jamaludin Ibrahim, two of the Directors of Axiata Group Berhad, do hereby state that, in the opinion of the Directors, the financial statements set out on pages 49 to 187 are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as of 31 December 2019 and of their financial performance and cash flows for the financial year then ended.

Signed on behalf of the Board of Directors in accordance with their resolution dated 6 May 2020.

TAN SRI GHAZZALI SHEIKH ABDUL KHALID
DIRECTOR

TAN SRI JAMALUDIN IBRAHIM
DIRECTOR

Statutory Declaration Pursuant To Section 251(1) of the Companies Act 2016

I, Komathi A/P Balakrishnan, the officer primarily responsible for the financial management of Axiata Group Berhad, do solemnly and sincerely declare that the financial statements set out on pages 49 to 187 are, to the best of my knowledge and belief, 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.

KOMATHI A/P BALAKRISHNAN
(MIA No: 18589)

Subscribed and solemnly declared by the above named Komathi A/P Balakrishnan at Selangor Darul Ehsan in Malaysia on 6 May 2020, before me.

COMMISSIONER FOR OATHS

Audited Financial Statements

Independent Auditors' Report To the Members of Axiata Group Berhad

(Incorporated in Malaysia)
Registration No. 199201010685 (242188-H)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Our opinion

In our opinion, the financial statements of Axiata Group Berhad ("the Company") and its subsidiaries ("the Group") give a true and fair view of the financial position of the Group and of the Company as at 31 December 2019, and of their financial performance and their cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

What we have audited

We have audited the financial statements of the Group and of the Company, which comprise the statements of financial position as at 31 December 2019 of the Group and of the Company, and the statements of comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 49 to 187.

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 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 Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

Our audit approach

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements of the Group and of the Company. In particular, we considered where the Directors made subjective judgements; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters, consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the financial statements as a whole, taking into account the structure of the Group and of the Company, the accounting processes and controls, and the industry in which the Group and the Company operate.

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 financial year. These matters were addressed in the context of our audit of the financial statements of the Group and of the Company as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

There are no key audit matters in relation to the financial statements of the Company.

Key audit matter	How our audit addressed the key audit matter
Impairment assessment of goodwill in Nepal Refer to Note 3(b)(i) – Significant accounting policies – Goodwill, Note 4(b)(i) Critical accounting estimates and assumptions – Impairment assessment of goodwill and Note 25 – Intangible assets As at 31 December 2019, the Group's goodwill arising from its acquisition in Nepal was RM3,169.4 million. The Group is required to test goodwill for impairment annually based on the requirement of MFRS 136 "Impairment of Assets". Management's assessment of the goodwill's recoverable amount based on the 'fair value less costs to sell' model involves significant judgements about the future cash flows of the CGU and other related assumptions underlying the future cash flows which are inherently uncertain. We focused on this area as the assumptions made by the Group in deriving the recoverable amount of goodwill from the acquisition in Ncell are sensitive to changes.	We performed the following audit procedures: • We were assisted by our valuation expert in assessing the appropriateness of the methodology adopted by management for impairment assessment in accordance with MFRS 136 "Impairment of Assets"; • We assessed the key assumptions, including discount rate, terminal growth rate and revenue growth rate by benchmarking against publicly available market data and expectations in the same territory; • We discussed the assumptions made on terminal year cash flow with management and sighted the Board's approval of the assumptions including the future cash flows; and • We checked the sensitivity analysis performed by management by stress-testing the discount rate, terminal year capital expenditure and profitability. Based on the procedures performed above, we did not find any material exceptions.

Audited Financial Statements

Independent Auditors' Report To the Members of Axiata Group Berhad

(Incorporated in Malaysia)
Registration No. 199201010685 (242188-H)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

Key audit matters (continued)

Key audit matter	How our audit addressed the key audit matter
Contingent liabilities Refer to Note 3(q) – Significant accounting policies – Contingent liabilities and contingent assets, Note 4(b)(v) – Critical accounting estimates and assumptions – Contingent liabilities, Note 40(e) – Contingencies and Commitments and Note 51(a) and (b) – Significant events during the year The Group is involved in several governmental, judicial or arbitration procedures and litigations. The outcome of these matters depend on future events and the Group's estimates of potential exposure are inherently uncertain as it is based on the use of Group assumptions and assessments. We considered the measurement of litigation provision or exposure disclosures to be a key audit matter due to the uncertainty surrounding the outcome of current procedures, the high degree of Group estimates and judgmental assessments and the potentially material nature of the impact of provision amounts on the consolidated net income and equity should these estimates change.	We performed the following audit procedures: • We assessed the estimates and assumptions adopted by the Group on determining the need to recognise a provision. • We familiarised ourselves with the Group's assessment of the risk and status of each significant litigation. • We assessed management's justification whether or not to recognise a provision. We assessed replies from lawyers to our enquiries, familiarised ourselves with the exchanges between the Group and its lawyers and considered any new developments up to the issue date of our report. • We assessed the appropriateness of disclosures to the consolidated financial statements. Based on the procedures performed above, we did not find any material exceptions.
Recognition and measurement of right-of-use assets, lease liabilities and the initial application of MFRS 16 "Leases" ("MFRS 16") Refer to Note 3(s) – Significant accounting policies – Leases, Note 4(b)(x) – Critical accounting estimates and assumptions – Determination of lease term, Note 24 – Lease liabilities, Note 28 – Right-of-use assets and Note 49 – First time adoption adjustments. The Group applied MFRS 16 for the first time commencing 1 January 2019. MFRS 16 introduces a new accounting model, where lessees are required to recognise a right-of-use ("ROU") asset and a lease liability arising from a lease on its balance sheet. The Group applied MFRS 16 using the simplified retrospective transition method whereby the cumulative effect of initial application of MFRS 16 was recognised as an adjustment to the retained earnings at 1 January 2019, with no restatement of comparative information. The transitional impact of MFRS 16 has been disclosed in Note 49 to the consolidated financial statements. A number of judgements were applied and estimates made in determining the impact of this standard. These include the determination of appropriate discount rates and lease terms, especially termination and renewal options. We focused on this area as the adjustments and disclosure of the impact arising from applying MFRS 16 are material to the group and is a key area in our audit.	We performed the following audit procedures: • We obtained an understanding and evaluated management's implementation process, including the review of policies adopted, the completeness and accuracy of the lease contracts and the calculation of the ROU asset and lease liability; • We reviewed contracts, on a sampling basis to assess whether leases have been appropriately identified; • We performed independent testing on a sampling basis of the accuracy of the lease contracts; • We recomputed the ROU asset and lease liability calculated for each material type of lease contract; • We reviewed the appropriateness of the discount rates applied; and • We reviewed the adequacy of disclosures in the financial statements in accordance with the requirements of MFRS 16. Based on the procedures performed above, we did not find any material exceptions.

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REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

Key audit matters (continued)

Key audit matter	How our audit addressed the key audit matter
Accuracy of revenue recorded given the complexity of systems Refer to Note 3(t) – Significant accounting policies – Revenue, Note 6 – Operating revenue Mobile, device and interconnect revenue amounting to RM22.6 billion represents a significant component of the Group's revenue. We focused on the accuracy of this area as mobile, device and interconnect revenue is an inherent risk which involves multiple element arrangements, the revenue is processed by billing systems that are complex, it involves large volumes of data with a combination of different products sold and there were price changes during the financial year. The application of the Group's revenue accounting policy requires management's judgement for certain areas including the identification of separate performance obligations within bundled contracts and determining the relative stand-alone selling price for each performance obligation for transaction price allocation.	We performed the following audit procedures: • We evaluated the relevant IT systems and the design of controls, and tested the operating effectiveness of controls over the: - capture and recording of revenue transactions; - authorisation of rate changes and the input of this information to the billing systems; and - accuracy of calculation of amounts billed to customers; • With regards to the application of the Group's revenue accounting policy: - we assessed the accounting estimates and judgements made by the Directors for material products and services; - we inspected and discussed with management to understand the product features of material bundled contracts to evaluate management's identification of separate performance obligations; and - we checked the stand-alone selling prices used by management to allocate the transaction price for material bundled contracts to the Group's published selling prices for the individual services or equipment or other available market prices. • We examined material non-standard journal entries and other adjustments posted to revenue accounts. Based on the procedures performed above, we did not find any material exceptions in the accuracy of mobile, device and interconnect revenue recorded during the year.
Useful lives of property, plant and equipment ("PPE") Refer to Note 3(c) – Significant accounting Policies – Property, plant and equipment, Note 4(b)(iii) Critical accounting estimates and assumptions – Estimated useful lives of PPE and Note 27 – Property, plant and equipment As at 31 December 2019, the Group recorded PPE of RM25.6 billion which comprised mainly of telecommunication network equipment. The estimated useful lives of PPE are reviewed annually by management as disclosed in Note 3(c)(ii) and Note 4(b)(iii) to the financial statements.	We performed the following audit procedures: • We checked whether the Directors' assessment of the PPE useful lives are appropriate by considering our knowledge of the business and practice in the wider telecommunication industry and also understanding the Group's network modernisation plans; and • We also tested whether approved useful live changes were appropriately applied prospectively in the fixed asset register. Based on the procedures performed above, we did not find any material exceptions in the Group's assessment of useful lives for PPE.

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(Incorporated in Malaysia)
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REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

Key audit matters (continued)

Key audit matter	How our audit addressed the key audit matter
Disposal of investments in a subsidiary, investments in associates and financial assets to Pegasus 7 Ventures Pte. Ltd ("Pegasus 7") in exchange of financial assets	
Refer to Note 3(f) – Significant accounting policies – Financial assets, Note 4(b)(xi) – Critical accounting estimates and judgements – Disposal of investments in subsidiaries and investments in associates in exchange of financial assets, Note 5(a)(ii) – Incorporations, acquisitions, disposal and dilutions of interests – Disposal of digital venture investments to Pegasus 7 Ventures Pte. Ltd, Note 9 – Other operating income/ (expense) – net and Note 32 – Financial assets at fair value through other comprehensive income. During the financial year ended 31 December 2019, the Group entered into a transaction which involved the disposal of an investment in a subsidiary, investments in associates and financial assets for a non-cash consideration of RM575.8 million or USD140.0 million via the issuance of preference shares by Pegasus 7 to the Group. The Group had analysed the contractual rights and obligations of the Group in connection with such disposals including its ability to direct the relevant activities and the power to obtain direct and indirect beneficial interest and returns. The Group's assessment includes the extent to which the associated risks and rewards of ownership of the investments disposed are transferred to determine the appropriate de-recognition criteria were met. The Group's assessment also included the considerations of the fair value of the preference shares received using appropriate valuation methods which included significant judgments on the use of its input. As a result of the disposal of these investments, the Group and the Company recognised a total net gain on disposal of RM367.1 million and RM342.1 million respectively in profit or loss during the financial year. Upon completion of the transaction, the preference shares issued by Pegasus 7 to the Group is measured as a financial asset at fair value through other comprehensive income. We focused on this area due to the significant judgements and assumptions made in relation to the Group's assessment on de-recognition of the investments and the valuation of the financial assets.	We performed the following audit procedures: • We read through transaction agreements to assess the Group's contractual rights and obligations and assessed whether the Group had relinquished its control and significant influence over these investments, and if the Group had a continuing involvement in these transferred investments; • We discussed with management to obtain an understanding of the basis of judgement made by management and Directors; • We were assisted by our valuation expert in assessing the appropriateness of the methodology adopted by management for calculating the fair values in accordance with MFRS 13 "Fair Value Measurement" of: - the financial assets received upon disposal; and - the financial assets subsequently re-measured as at 31 December 2019; • We discussed with management the methodology and assumptions used in calculating the fair value of the financial assets received upon completion of disposal and at the end of the reporting period. Based on the procedures performed above, we did not find any material exceptions.

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, Statement on Risk Management and Internal Control and other information included in Axiata's 2019 Integrated Annual Report Suite, 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 the financial statements of the Group and of the Company that give a true and fair view in accordance with Malaysian Financial Reporting Standards, International Financial Reporting 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.

Audited Financial Statements

Independent Auditors' Report To the Members of Axiata Group Berhad

(Incorporated in Malaysia)
Registration No. 199201010685 (242188-H)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

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:

(a) 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.

(b) 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 of the Company's internal control.

(c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.

(d) 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 on 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.

(e) 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.

(f) Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements of the Group. We are responsible for the direction, supervision and performance 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, related safeguards.

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 financial 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.

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 44 to the 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.

PRICEWATERHOUSECOOPERS PLT
LLP0014401-LCA & AF 1146
Chartered Accountants

IRVIN GEORGE LUIS MENEZES
02932/06/2020 J
Chartered Accountant

Kuala Lumpur
6 May 2020

Other Information

Other Information

Shareholding Statistics as at 31 March 2020

ANALYSIS OF SHAREHOLDINGS

Issued Shares:

- 9,164,144,382 Ordinary shares
- Voting Right : 1 vote per shareholder on a show of hands
  1 vote per ordinary share on a poll

Total No. of Shareholders:

- 19,811

DISTRIBUTION OF SHAREHOLDINGS

(without aggregating the securities from different securities accounts belonging to the same Depositor)

Size of Shareholdings	Shareholders				Shares			
	Malaysian		Foreign		Malaysian		Foreign	
	No.	%	No.	%	No.	%	No.	%
Less than 100	2,278	12.11	27	2.69	44,667	0.00[1]	550	0.00[1]
100 – 1,000	4,740	25.20	75	7.46	3,275,104	0.04	45,314	0.00[1]
1,001 – 10,000	9,705	51.61	202	20.10	33,398,616	0.41	842,200	0.08
10,001 – 100,000	1,683	8.95	264	26.27	41,425,855	0.51	11,822,748	1.17
100, 001 – 458,207,218 (less than 5% of issued shares)	397	2.11	437	43.48	2,225,053,339	27.28	994,466,244	98.74
458,207,219 and above (5% and above of issued shares)	3	0.02	0	0.00[1]	5,853,769,745	71.76	0	0.00[1]
Total	**18,806**	**100.00**	**1,005**	**100.00**	**8,156,967,326**	**100.00**	**1,007,177,056**	**100.00**

Note:

[1] Less than 0.01%

CATEGORY OF SHAREHOLDINGS

Category of Shareholders	No. of Shareholders	% of Shareholders	No. of Shares Held	% of Issued Shares
Individuals	16,229	81.92	69,377,403	0.76
Bank/Finance Companies	98	0.49	2,251,830,851	24.57
Investments Trusts/Foundations/Charities	10	0.05	139,230	0.00[1]
Other Types of Companies	217	1.10	36,382,461	0.40
Government Agencies/Institutions	12	0.06	3,393,730,554	37.03
Nominees	3,242	16.36	3,412,674,449	37.24
Others	2	0.01	7,058	0.00[1]
Trustee	1	0.01	2,376	0.00[1]
Total	**19,811**	**100.00**	**9,164,144,382**	**100.00**

Note:

[1] Less than 0.01%

Other Information

Shareholding Statistics as at 31 March 2020

SUBSTANTIAL SHAREHOLDERS (HOLDING 5% & ABOVE)
(as per Register of Substantial Shareholders)

No.	Name	Direct Interest		Indirect/Deemed Interest		Total Interest	
		No. of Shares Held	% of Issued Shares	No. of Shares Held	% of Issued Shares	No. of Shares Held	% of Issued Shares
1.	Khazanah Nasional Berhad	3,371,238,617	36.79	-	-	3,371,238,617	36.79
2.	Citigroup Nominees (Tempatan) Sdn Bhd - Employees Provident Fund Board	1,524,057,627	16.63	-	-	1,524,057,627	16.63
3.	AmanahRaya Trustees Berhad - Amanah Saham Bumiputera	1,095,403,787	11.95	-	-	1,095,403,787	11.95

DIRECTORS' DIRECT AND INDIRECT INTERESTS IN THE COMPANY AND ITS RELATED CORPORATIONS

The Directors' direct and/or indirect interest in the Company based on the Register of Directors' Shareholdings are as follows:-

Interest in the Company	Number of Ordinary shares					
	Direct Interest		Indirect Interest		Total Interest	
	No. of Shares Held	% of Issued Shares	No. of Shares Held	% of Issued Shares	No. of Shares Held	% of Issued Shares
Tan Sri Jamaludin Ibrahim	-	-	40,940	0.00[1]	40,940*	0.00[1]
Tan Sri Jamaludin Ibrahim	-	-	4,849,775	0.05[1]	4,849,775#	0.05

Interest in the Company	Options/RSA over number of Ordinary shares					
	Direct Interest		Indirect Interest		Total Interest	
	No. of Shares Held	% of Issued Shares	No. of Shares Held	% of Issued Shares	No. of Shares Held	% of Issued Shares
Tan Sri Jamaludin Ibrahim - PBLTIP	1,641,700	0.02	-	-	1,641,700^	0.02

Notes:

* Axiata Shares held under CIMSEC Nominees (Tempatan) Sdn Bhd ("CIMSEC Nominees")

Axiata shares held under CIMSEC Nominees for CIMB Commerce Trustee Berhad, a trustee of discretionary trust and the beneficiaries of which are members of the family of Tan Sri Jamaludin Ibrahim subject to the terms of such discretionary trust

^ Performance-Based Long Term Incentive Plan ("PBLTIP")

[1] Less than 0.01%

Save as disclosed above, none of the Directors of the Company has any interest direct or indirect in the Company and its related corporations.

Other Information

Shareholding Statistics as at 31 March 2020

LIST OF TOP THIRTY LARGEST SHAREHOLDERS
(without aggregating the securities from different securities accounts belonging to the same Depositor)

No.	Name	No. of Shares Held	% of Issued Shares
1.	Khazanah Nasional Berhad	3,371,238,617	36.79
2.	Citigroup Nominees (Tempatan) Sdn Bhd *Employees Provident Fund Board*	1,387,127,341	15.14
3.	AmanahRaya Trustees Berhad *Amanah Saham Bumiputera*	1,095,403,787	11.95
4.	Kumpulan Wang Persaraan (Diperbadankan)	259,586,766	2.83
5.	Permodalan Nasional Berhad	167,522,481	1.83
6.	AmanahRaya Trustees Berhad *Amanah Saham Malaysia*	137,828,574	1.50
7.	AmanahRaya Trustees Berhad *Amanah Saham Malaysia 2-Wawasan*	113,372,143	1.24
8.	AmanahRaya Trustees Berhad *Amanah Saham Malaysia 3*	89,684,062	0.98
9.	Citigroup Nominees (Tempatan) Sdn Bhd *Exempt An for AIA Bhd*	81,951,513	0.89
10.	HSBC Nominees (Asing) Sdn Bhd *JPMCB NA for Vanguard Total International Stock Index Fund*	78,266,935	0.85
11.	Citigroup Nominees (Tempatan) Sdn Bhd *Urusharta Jamaah Sdn Bhd (1)*	77,336,027	0.84
12.	Citigroup Nominees (Tempatan) Sdn Bhd *Great Eastern Life Assurance (Malaysia) Berhad (Par 1)*	74,191,625	0.81
13.	Cartaban Nominees (Tempatan) Sdn Bhd *PAMB for Prulink Equity Fund*	71,300,448	0.78
14.	Cartaban Nominees (Asing) Sdn Bhd *GIC Private Limited for Government of Singapore (C)*	68,013,159	0.74
15.	HSBC Nominees (Asing) Sdn Bhd *JPMCB NA for Vanguard Emerging Markets Stock Index Fund*	65,203,849	0.71
16.	Maybank Nominees (Tempatan) Sdn Bhd *Maybank Trustees Berhad for Public Ittikal Fund (N14011970240)*	61,780,051	0.67
17.	Cartaban Nominees (Asing) Sdn Bhd *Exempt An for State Street Bank & Trust Company (West CLT OD67)*	53,592,900	0.58
18.	AmanahRaya Trustees Berhad *Amanah Saham Bumiputra 3-Didik*	47,584,354	0.52
19.	Citigroup Nominees (Tempatan) Sdn Bhd *Employees Provident Fund Board (NOMURA)*	45,508,900	0.50
20.	AmanahRaya Trustees Berhad *Public Islamic Dividend Fund*	40,756,234	0.44
21.	Citigroup Nominees (Asing) Sdn Bhd *Exempt An for Citibank New York (Norges Bank 14)*	38,762,448	0.42
22.	Maybank Nominees (Tempatan) Sdn Bhd *Maybank Trustees Berhad for Public Regular Savings Fund (N14011940100)*	38,375,094	0.42
23.	AmanahRaya Trustees Berhad *Public Ittikal Sequel Fund*	34,432,790	0.38
24.	Citigroup Nominees (Tempatan) Sendirian Berhad *Great Eastern Life Assurance (Malaysia) Berhad (Par 3)*	30,834,032	0.34
25.	Citigroup Nominees (Tempatan) Sdn Bhd *Urusharta Jamaah Sdn Bhd (Maybank 1)*	29,334,381	0.32
26.	Maybank Nominees (Tempatan) Sdn Bhd *MTrustee Berhad for Principal Dali Equity Growth Fund (UT-CIMB-DALI) (419455)*	28,442,955	0.31
27.	AmanahRaya Trustees Berhad *Public Islamic Equity Fund*	27,957,678	0.31
28.	Citigroup Nominees (Tempatan) Sdn Bhd *Urusharta Jamaah Sdn Bhd (Nomura 1)*	25,334,382	0.28
29.	Citigroup Nominees (Tempatan) Sdn Bhd *Employees Provident Fund Board (CIMB PRIN)*	24,119,780	0.26
30.	DB (Malaysia) Nominee (Asing) Sdn Bhd *State Street London Fund PYRD for Global Balanced Fund (BMO INV)*	23,904,087	0.26
	TOTAL	**7,688,747,393**	**83.89**

Other Information

List of Top Ten Properties For The Financial Year Ended 31 December 2019

No.	Address/Location	Freehold - land and/or buildings	Current usage of land and buildings	Approximate age of buildings (years)	Date of acquisition/ capitalisation	Land area (sq. meter)	Built-up area (sq. meter)	Net book value as at 31 Dec 2019 (RM)
1.	Office Building - 475, Union Place Colombo 02, Sri Lanka	Freehold building	Office building	5	31.08.2015	-	13,712.5	37,007,244.8
2.	Seksyen 13, Jalan Kemajuan, Petaling Jaya, Selangor, Malaysia	Freehold building	Network Office	26	23.03.1998	-	10,339.0	23,710,411.2
3.	Ekantakuna Technical Office, Ekantakuna-4, Lalitpur, Nepal	Freehold land and building	Technical Office	35	17.06.2010	6,473.8	795.5	21,031,017.0
4.	Welivita Road, Malabe, Sri Lanka	Freehold land	Transmission stations	-	31.12.2013	163,894.5	15,000.0	12,915,015.1
5.	Nakkhu Head Office, Nakhu-4, Lalitpur, Nepal	Freehold land and building	Corporate office	35	17.05.2015	5,133.2	2,145.0	12,671,138.0
6.	No. 24 Foster Lane, Union Place Colombo 02, Sri Lanka	Freehold land and building	Office building	40	30.06.2015	10,481.6	61,266.0	9,764,777.4
7.	Jl. Arengka II, Kecamatan Tampan, Kelurahan Simpang Baru Kabupaten Pekanbaru, Indonesia	Freehold building	Telecommunications and operations office	7	11.12.2013	-	5,152.0	9,470,727.0
8.	Pokhara Data Centre, Sishwa ward no.1, Pokhara, Nepal	Freehold land and building	Data centre	33	27.06.2011	33,489.3	5,909.9	8,581,441.0
9.	Jl. Sumba B12-1 Mekarwangi, Cikarang Barat, Bekasi-Jawa Barat Kawasan MM2100, Indonesia	Freehold building	Telecommunications and operations office	9	01.02.2011	-	10,683.0	8,552,516.0
10.	Jl. Raya Kali Rungkut, No. 15A, Surabaya, Indonesia	Freehold building	Telecommunications and operations office	10	08.10.2009	-	9,443.0	5,980,098.0

Other Information

Net Book Value of Land & Buildings For the financial year ended 31 December 2019

Location	Freehold No. of Lots	Freehold Area ('000 sq ft)	Net book value of land RM'000	Net book value of buildings RM'000
1 **Malaysia**				
(a) Federal Territory (Kuala Lumpur)	-	-	-	4,199.5
(b) Selangor	2	59.6	3,373.4	18,339.4
(c) Perak	2	44.5	676.3	-
(d) Pulau Pinang	7	15.3	291.3	1,223.5
(e) Kedah	-	-	-	341.7
(f) Johor	6	41.6	1,009.9	1,301.6
(g) Negeri Sembilan	2	50.1	1,159.8	219.3
(h) Terengganu	-	-	-	9.2
(i) Kelantan	1	11.9	96.3	521.8
(j) Pahang	1	37.1	272.1	1,459.5
(k) Sabah	-	-	-	740.5
(l) Sarawak	2	320.1	702.3	153.6
2 **Indonesia**	-	-	-	701.2
3 **Sri Lanka**	39	1,027.4	16,529.7	92,037.1
4 **Bangladesh**	264	2,073.7	14,173.5	5,733.7
5 **Cambodia**	-	-	-	6,534.5
6 **Nepal**	9	492.8	34,415.4	22,278.9
Total	**335**	**4,174.1**	**72,700.0**	**155,795.0**

Other Information
Glossary

2G
Second generation wireless telephone technology

3G
Third generation mobile phone technologies covered by the ITU IMT- 2000 family

3R
Revamp, Rise, Reinvent

4G
Fourth generation mobile phone technology

Advanced Data
Data, VAS & Broadband

AAP
Adknowledge Asia Pacific Pte Ltd

ABS
Axiata Business Services

Axiata Digital
Axiata Digital Services Sdn Bhd

ADIF
Axiata Digital Innovation Fund

AGIA
Axiata Group Internal Audit

AGM
Annual General Meeting

AIC
Axiata Investments (Cambodia) Limited

AI1
Axiata Investments 1 (India) Limited

AI2
Axiata Investments 2 (India) Limited

AIL
Axiata Investments (Labuan) Limited

Airtel
Airtel Bangladesh Limited

AIS
Axiata Investments (Singapore) Limited

AMS
Axiata Management Services Sdn Bhd

API
Application Programme Interface

AOBDT
Annual Overseas Business Development Trip

ARPU
Average Monthly Revenue Per User

ASEAN
Association of Southeast Asian Nations

ATC
Axiata Towers (Cambodia) Company Limited

AUSAID
Australian Agency for International Development

Axiata
Axiata Group Berhad

Axiata Group
Axiata and its subsidiaires

Axiata Indonesia
Axiata Investments (Indonesia) Sdn Bhd

Axiata Share Scheme
Performance-Based ESOS and RSP

Axiata SPV1
Axiata SPV1 (Labuan) Limited

Axiata SPV2
Axiata SPV2 Berhad

Axis
PT Axis Telekom Indonesia

AYTP
Axiata Young Talent Programme

B2B
Business to Business

B2B2C
Business to Business to Consumer

BAC
Board Audit Committee

BEE
Board Effectiveness Evaluation

BICL
Bangladesh Infrastructure Company Limited

BNC
Board Nomination Committee

BNRC
Board Nomination and Remuneration Committee

BOD
Board of Directors

BRC
Board Remuneration Committee

BRCC
Board Risk and Compliance Committee

BTS
Base Transceiver Station

Bursa Securities
Bursa Malaysia Securities Berhad

CAMEL
Customised Applications for Mobile network Enhanced Logic

CAPEX
Capital Expenditure

CBN
Communiq Broadband Network (Private) Limited

CDMA
Code Division Multiple Access

Celcom
Celcom Axiata Berhad

Celcom Group
Celcom and its subsidiaries

Celcom Networks
Celcom Networks Sdn Bhd

Celcom Resources
Celcom Resources Berhad

CLM
Customer Lifecycle Management

CR
Corporate Responsibility

CSOC
Cyber Security Operation Centre

CSPA
Cyber Security Posture Assessment

CSSC
Cyber Security Steering Committee

CWI
Connected Women Initiative

DBN
Dialog Broadband Networks (Private) Limited

DCR
Directors' Circular Resolutions

Dialog
Dialog Axiata PLC

Digital
Digital Commerce Lanka (Private) Limited

DiGi
DiGi.Com Berhad

DiGi Tel
DiGi Telecommunications Sdn Bhd

DPR
Dividend Payout Ratio

DPS
Dividend Per Share

DRS
Dividend Reinvestment Scheme

DTH
Direct to Home

DTT
Dialog Television Trading (Private) Limited

DTV
Dialog Television (Private) Limited

edotco Bangladesh
edotco Bangladesh Co Ltd

edotco Group
edotco Group Sdn Bhd

edotco Cambodia
Edotco (Cambodia) Co., Ltd

e-money
electronic money

EBIT
Earnings Before Interest and Taxes

EBITDA
Earnings Before Interest, Taxes, Depreciation and Amortisation

EDGE
Enhanced Data rates for GSM Evolution

ED
Executive Director

EES
Economic, Environmental and Social

EMDE
Emerging Market and Developing Economy

ERM
Enterprise Wide Risk Management

Escape
Escape Axiata Sdn Bhd

ESG
Environmental, Social and Corporate Governance

ESOS
Employee Share Option Scheme

Etisalat Indonesia
Emirates Telecommunications Corporation (Etisalat) International Indonesia Limited

EV
Enterprise Value

EVP
Executive Vice President

FCF
Free Cash Flow

FDI
Foreign Direct Investment

FSL
Firstsource Solutions Limited

FY18
Financial year ended 31 December 2018

FY19
Financial year ended 31 December 2019

GAAP
Generally Accepted Accounting Principles

GCEO
Managing Director/President & Group Chief Executive Officer

GCFO
Group Chief Financial Officer

GCIA
Group Chief Internal Auditor

GDP
Gross Domestic Product

GLC
Government Linked Companies

GLCT
Government Linked Company Transformation

GMV
Gross Merchandise Value

GPRS
General Packet Radio Service

GRMD
Group Risk Management Department

GSM
Global System for Mobile Communications

GSMA
The GSM Association

GADP
Group Accelerated Development Program

Glasswool
Glasswool Holdings Limited

Hello
Hello Axiata Company Limited

HACL
Hello Axiata Company Limited

HetNet
Heterogeneous Network

HSDPA
High Speed Downlink Packet Access

HSPA
High Speed Packet Access

IA
Internal Audit

ICT
Information and Communications Technology

IDC
Internet Data Centre

Idea
Idea Cellular Limited

ILD
International Long Distance

Other Information
Glossary

IMDA
Infocommunications Media Development Authority of Singapore

INED
Independent Non-Executive Director

IoT
Internet of Things

IP
Internet Protocol

IPVPN
Internet Protocol Virtual Private Network

ISP
Internet Services Protocol

Khazanah
Khazanah Nasional Berhad

KLCI
Kuala Lumpur Composite Index

KPI
Key Performance Indicator

LOA
Limits of Authority

LTE
Long Term Evolution

M1
M1 Limited

M2M
Machine to Machine

M&A
Mergers & Acquisitions

Main LR
Main Market Listing Requirements of Bursa Securities

MBB
Mobile Broadband

MCCG 2012
Malaysian Code on Corporate Governance 2012

MCMC
Malaysian Communications and Multimedia Commission

MDS
Mobile Data Services

MFRS
Malaysian Financial Reporting Standards

MFRS 9
MFRS 9 Financial Instruments

MFRS 15
MFRS 15 Revenue from Contracts with Customers

MIFE
Mobile Internet Fulfillment Exchange

MNP
Mobile Number Portability

MNVO
Mobile Virtual Network Operators

MoU
Memorandum of Understanding

MoU
Minutes of Use

MPEG
Moving Picture Experts Group

MSWG
Minority Shareholder Watch Group

Multinet
Multinet Pakistan (Private) Limited

MVNO
Mobile Virtual Network Operator

Ncell
Ncell Private Limited

NEC
Non-Executive Chairman

NED
Non-Executive Director

NGIN
New Generation Intelligent Network

NGNBN
Next Generation Nationwide Broadband

NINED
Non-Independent Non-Executive Director

NLD
National Long Distance

NPAT
Net PAT

NPS
Net Promoter Score

OECD
Organisation for Economic Co-operation and Development

OpCo
Operating Company

OPEX
Operating Expenditure

OTT
Over-The-Top

President & GCEO
Managing Director/President & Group Chief Executive Officer

PAT
Profit after Tax

PATAMI
Profits after Tax and Minority Interest

PBT
Profit before Tax

PLDT MY
PLDT Malaysia Sdn Bhd

QoQ
Quarter on Quarter

RTC
Regional TowerCo

RSA
Restricted Share Awards

RSP
Restricted Share Plan

RMC
Risk Management Committee

Robi
Robi Axiata Limited

ROCE
Return on Capital Employed

ROE
Return on Equity

ROI
Return on Investment

ROIC
Return on Invested Capital

SIM
Samart I-Mobile Public Company Limited

SLT
Senior Leadership Team

Smart
Smart Axiata Co., Ltd

SMS
Short Message Service

SPA
Sales and Purchase Agreement

SSC
Share Scheme Committee

STC
Saudi Telecom Company

Suntel
Suntel Limited

Sky TV
Sky Television and Radio Network (Private) Limited

SME
Small and Medium Size Enterprise

SVOD
Streaming Video on Demand

TM
Telekom Malaysia Berhad

ToR
Terms of Reference

TMI
TM International Berhad (now known as Axiata)

TSR
Total Shareholder Return

UMTS900
900 MHz Frequency

UNCTAD
United Nations Conference on Trade and Development

USAID
United States Agency for International Development

USP
Universal Service Provision

VAS
Value Added Services

VoLTE
Voice over LTE

VWAMP
Volume Weighted Average Market Price

Summary of average and closing rates used for FY2018 and FY2019 are as follows:

FY2019

Local Currency:	Average	Closing
1 BDT: RM	0.049095	0.048183
1 IDR: RM	0.000293	0.000295
1 INR: RM	0.058835	0.057603
1 NPR: RM	0.036772	0.036002
1 PKR: RM	0.027637	0.026527
1 SGD: RM	3.036633	3.045300
1 SLR/LKR: RM	0.023185	0.022600
1 USD: RM	4.142373	4.11000

FY2018

Local Currency:	Average	Closing
1 BDT: RM	0.048138	0.049453
1 IDR: RM	0.000284	0.000286
1 INR: RM	0.059089	0.059355
1 NPR: RM	0.036928	0.037097
1 PKR: RM	0.033324	0.029720
1 SGD: RM	2.990764	3.040300
1 SLR/LKR: RM	0.024876	0.022600
1 USD: RM	4.034137	4.157500

WCDMA
Wideband CDMA

WiFi
Wireless Fidelity

WIMAX
Worldwide Interoperability for Microwave Access

XL
PT XL Axiata Tbk.

YoY
Year on Year

UIEP
Uncompromising Integrity and Exceptional Performance

CURRENCIES

BDT
Bangladeshi Taka, the lawful currency of Bangladesh

IDR
Indonesian Rupiah, the lawful currency of Indonesia

INR
Indian Rupee, the lawful currency of India

NPR
Nepalese Rupee, the lawful currency of Nepal

PKR
Pakistani Rupee, the lawful currency of Pakistan

RM
Ringgit Malaysia, the lawful currency of Malaysia

SGD
Singapore Dollars, the lawful currency of Singapore

SLR/LKR
Sri Lankan Rupee, the lawful currency of Sri Lanka

SDR
Special Drawing Rights, common currency in international roaming agreements

USD
United States Dollars, the lawful currency of the US

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