Guided by our broader purpose of Advancing Asia, Axiata Group Berhad together with our Operating Companies throughout our footprint of 11 countries in ASEAN and South Asia champion digital inclusion for communities through the provision of digital and connectivity solutions. This is achieved through the Group’s Triple Core Businesses namely Digital Telco, Digital Businesses and Infrastructure.

For more details on our regional presence, please refer to page 4 in the “Find Further Details Of Who We Are” section.
Seeing what we base our presentation on...

Reporting Philosophy
This is Axiata Group Berhad's (Axiata or the Group) 2019 Integrated Annual Report (IAR), prepared according to the International Integrated Reporting Council’s (IIRC) International <IR> Framework.

Scope and Boundary
This IAR provides an account of our financial and non-financial performance, opportunities, risks and outcomes relating to our value creation abilities. It covers the activities of our Triple Core Business of Digital Telco, Digital Businesses and Infrastructure, for the period of 1 January 2019 till 31 December 2019.

Assurance
Our Annual Financial Statements (AFS) have been audited as fully disclosed in the accompanying Governance and Audited Financial Statements 2019. Limited assurance has been provided on selected disclosure(s) within our Sustainability & National Contribution Report (SNCR) 2019.

Approval by the Board
The Board of Directors (Board) has applied its collective mind in preparing and presenting Axiata’s 2019 IAR as guided by the IIRC’s International <IR> Framework.

Materiality
We have conducted our materiality assessment in line with Bursa Malaysia Securities Berhad’s (Bursa Malaysia) Listing Requirements. We have sought our stakeholders’ input in addition to the business’ perspectives. These include risks identified through our risk management framework in determining the material issues which impact our ability to create value over the short, medium and long-term. Our strategic responses to these material issues are presented throughout this report.

Forward-Looking Statements
As our business operates in a perpetually changing environment, it is subject to uncertainties that could cause actual results to differ from those reflected in the forward-looking statements presented in this report.

Information on Exclusions
Our disclosure appetite guides the limitations of information available in this report.

AXIATA’S 2019 INTEGRATED ANNUAL REPORT SUITE IS MADE UP OF THE FOLLOWING:

Reporting Suites
- Integrated Annual Report 2019
- Governance & Audited Financial Statements 2019
- Sustainability & National Contribution Report 2019

Disclosures
- Our Management Discussion and Analysis is covered under the following sections:
  - Read How Our Leaders Continue to Create Value
  - Understand How We Progress Strategy
  - Assess How Our Operating Companies Have Contributed to Creating Value
  - See How We Intend to Create Long-Term Value
- Abridged Annual Financial Statements
- Corporate Governance Overview Statement
- Sustainability Framework
- Sustainability Governance
- Our Commitments
- Third Party Assurance

Governance and Compliance Documents
- Full Directors and Management Profile
- Statement on Risk Management and Internal Control
- Board Audit Committee Report
- Additional Compliance Information
- Bursa Malaysia Sustainability Reporting Guidelines
- GRI Standards (Core)
- AA1000 Stakeholder Engagement
- ISAE 3000 (Revised) - Limited Assurance Engagement

Financial Statements
- Directors’ Report
- Audited Financial Statements
- Independent Auditor’s Report
- Bursa Malaysia Listing Requirements
- Companies Act 2016

Reporting Frameworks
- Malaysian Code on Corporate Governance 2017
- Malaysian Code on Corporate Governance 2017 - Sustainability Framework
- Malaysian Code on Corporate Governance 2017 - Sustainability Governance
- Bursa Malaysia Listing Requirements
- Companies Act 2016
- Bursa Malaysia Listing Requirements
- AA1000 Stakeholder Engagement
- ISAE 3000 (Revised) - Limited Assurance Engagement

IMPROVEMENTS IN AXIATA’S IAR IN 2019

General Improvements
- Our narrative flow provides better insight into the Group’s strategy, and how it relates to the Group’s ability to create value in the short, medium and long-term.

Creating Value Through Governance
- We answer how our Group’s governance structure supports our ability to create value over time.

Deﬁned Business Segments
- We clearly deﬁne our operating units with our digital business verticals.

10 Key Focus Areas
- We detail the Group’s strategic focus, from our Triple Core Strategy to the new 10 Key Focus Areas and progress on those 10 Key Focus Areas.

IMAGES FOR THE INTEGRATED ANNUAL REPORT 2019

The images used in our cover and section separators are aimed at showcasing our impact and purpose across Axiata’s footprint markets, by depicting individuals interacting with technology within real-life settings, while not losing touch with their culture, heritage and communities.
As one of the leading regional telecommunications groups, Axiata is driven by our purpose of Advancing Asia through digital innovation and technology.

In order to capitalise on opportunities from the global digital revolution, Axiata has evolved from a holding entity with a portfolio of pure-play mobile assets. Today Operating Companies (OpCos) across our footprint provide digital telco services to mobile, home and enterprise customers; digital businesses offer digital financial services, digital advertising and digital platform; and our towerco provides infrastructure solutions and services.

With more than 12,976 employees from diverse nationalities and cultures forming our dynamic talent base, we are guided by our Uncompromising Integrity, Exceptional Performance (UI.EP) values in all that we do. We are committed to creating value-driven outcomes for our stakeholders in line with our 4P Goals.

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**Our Purpose**
Advancing Asia

**Our Vision**
New Generation Digital Champion by 2022

**Our Values**
Uncompromising Integrity, Exceptional Performance

**Our Goals**
The 4Ps that define our success

**Performance**
To be one of Asia’s largest telecoms and tech groups in all financial metrics as we grow in market capitalisation and generate strong Return on Invested Capital

**People**
To be recognised as a top talent brand and an Asian talent factory

**Partnership**
To be the number one choice for customers and partners by offering superior customer experience while continuing to build trust with all our stakeholders

**Planet & Society**
To be recognised as a responsible Digital Champion, in creating a digitally inclusive society

**Our Regional Presence**
- Malaysia
- Indonesia
- Sri Lanka
- Bangladesh
- Cambodia
- Nepal
- Pakistan
- Myanmar
- Thailand
- Laos
- Philippines

---

**SHAREHOLDING STRUCTURE**

- **Khazanah Nasional Berhad**: 36.79%
- **PNB Permodalan Nasional Berhad**: 18.70%
- **Employees Provident Fund Board**: 16.63%
- **Foreign Shareholdings**: 10.99%
- **Others**: 16.89%

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**CORPORATE FACTS AT A GLANCE**

- **28 April 2008**
  Listed on the Main Board of Bursa Malaysia
- **RM37.9 billion**
  Market Capitalisation as at end 2019
- **8th**
  largest entity on FTSE Bursa Malaysia KLCI (FMKLCI)
- **Top 10**
  constituents by market capitalisation on the FTSE4Good Bursa Malaysia Index

- Balance of local and foreign institutional investors, attracted by our:
  - **Strong fundamentals**
  - **Long-term and sustainable growth prospects**
  - **Attractive investment proposition**

- Continuous review of our strategic portfolio to achieve the following:
  - **Enhance our long-term value**
  - **Optimally deploy capital and funding for growth strategies**

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Notes:
1. As at 31 December 2019
2. As of 31 March 2020
3. Comprises of total shareholdings held by trust funds managed by Permodalan Nasional Berhad
Axianta’s materiality assessments are conducted biennially and include all the Group’s businesses comprising digital telcos, digital businesses and towerco, with the most recent assessment conducted in 2018. In order to ensure that our materiality assessment accurately reflects stakeholder sentiments, we have in place a robust stakeholder engagement process, which focuses on key material matters.

In 2019, Axianta’s Sustainability team conducted a desktop validation of our material issues, with peer-to-peer benchmarking that provided the Group insights into industry best practices.

Moving forward for 2020, our materiality assessment will also seek to understand the multifaceted effects of the COVID-19 pandemic on the Group’s key Material Issues. Whilst current public policy responses have evolved from the need to contain the pandemic into economic revival strategies, the next horizon for businesses is clouded by volatility and uncertainties. In its wake, the COVID-19 crisis has destabilised various traditional systems the world over that enabled businesses to function at pre-COVID-19 levels. No industry appears to be spared from the implications of the economic recession triggered by the outbreak which will redefine capital availability and allocation, and pressure supply-demand chains.

On the other hand, the inequalities this crisis widens will create inclusion opportunities through the use of innovative technologies, and digital platforms and solutions. This ties in well with our purpose of Advancing Asia through digital inclusion.

There is thus a strong impetus for an in-depth assessment of the short, medium and long-term impacts on our Material Issues. In addition to posturing Axianta for growth in the “new normal”, we believe findings will be relevant to align our value creation efforts with the considerable shifts we expect in stakeholder sentiments and expectations across our footprint.

Our materiality assessment for 2019 is outlined below:

For more details on:
- Our stakeholder engagements, please refer to pages 23 and 24 in the “Understand How We Progress Strategy” section
- How our material issues are linked to our strategy, please refer to pages 25 to 27 in the “Understand How We Progress Strategy” section
- Our Sustainability Governance, please refer to page 79 in the “Be Assured Of Our Commitment To Transparency And Accountability” section

For more details on:
- Our stakeholder engagements, please refer to pages 13 and 14 in the “Our Business” section
- Our Materiality Assessments, please refer to page 12 in the “Our Business” section
**BECOMING A NEW GENERATION DIGITAL CHAMPION**

In tandem with the adoption of IR 4.0 technologies and paradigm shifts in the telco industry, Axiata has evolved from a pure-play telco business that relied solely on mobile customer revenue, to a Triple Core Business. Aligned with our New Generation Digital Champion ambition, our Triple Core Business capitalises on new areas of growth across our portfolio to diversify our revenue streams, and ensures our long-term business growth and sustainability.

**Digital Telco**

- **OUR FOCUS**
  Converged digital telcos with a diversified portfolio focused on new growth value drivers of Home and Enterprise.

- **HOW WE CREATE VALUE**
  - Enabling consumers’ digital lifestyles
    - Mobile and fixed wireless broadband services
    - Digital and TV entertainment
    - Smart Home services
  - Driving productivity and business efficiency improvements for Enterprises through the application of IR 4.0 advanced technologies
    - Internet of Things (IoT) solutions
    - Cloud and Cyber Security solutions in the Business to Business (B2B) and Business to Government (B2G) segments

**Digital Businesses**

- **OUR FOCUS**
  Our digital business holding company, Axiata Digital (AD), is focused on three core digital businesses: Digital Financial Services (DFS), Digital Advertising and Digital Platform.

- **HOW WE CREATE VALUE**
  - Enabling digital inclusion
    - Value-added, seamless and integrated DFS - Boost
    - Accessible micro-financing and micro-insurance for small business owners - Aspirasi
  - Helping businesses through their digital transformation journey by tapping into new growth areas
    - Designing and executing integrated digital, analytics, and marketing solutions - Data and Artificial Intelligence company, ADA
    - Powering the ecosystem for stakeholders in the application development value-chain to develop and monetise their products and services - Digital Platform business, Apigate

**Infrastructure**

- **OUR FOCUS**
  Our regional integrated telecommunications infrastructure company, edotco, is currently the 13th largest independent global tower company.

- **HOW WE CREATE VALUE**
  - Enabling communications for communities and industries
    - Innovative next generation shared and agile infrastructure
  - Addressing and managing environmental impacts
    - Evolving the connectivity business to minimise carbon footprint
READ HOW OUR LEADERS CONTINUE TO CREATE VALUE
DEAR STAKEHOLDERS,

ON BEHALF OF THE BOARD OF DIRECTORS (THE BOARD OR DIRECTORS), I PRESENT AXIATA GROUP BERHAD’S (AXIATA OR THE GROUP) RESULTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019. KEEPING WITH ITS PURPOSE OF ADVANCING ASIA, AXIATA CONTINUED TO PROGRESS INTO ONE OF THE LEADING REGIONAL TELECOMMUNICATIONS GROUPS THAT CONTRIBUTES TO THE DEVELOPMENT OF ECONOMIES, ADVANCED TECHNOLOGY AND SOCIETIES ACROSS ITS FOOTPRINT OF 11 COUNTRIES IN ASEAN AND SOUTH ASIA.

Chairman

TAN SRI GHAZZALI SHEIKH ABDUL KHALID
Chairman

Operating in challenging and competitive regional markets, multinational businesses were not spared the pressures of local geopolitical uncertainty and the fallouts from the US-China trade war in 2019. Most recently, the world is confronted by the unprecedented COVID-19 pandemic and the damaging economic fallout threatening global growth and stability. The unfolding ‘black swan’ event delivered a triple blow to markets, as it negatively impacted global demand and supply chains, as well as financial markets throughout the world.

Companies are undergoing volatile and seismic shifts in the way they do business, as they grapple to respond and adapt to different stages of the pandemic. Whilst the telco industry has been somewhat cushioned by the higher demand for data and connectivity in the immediate term, we are also bracing for the mid-term impacts of the pandemic which are disrupting lives, livelihoods, communities and businesses everywhere. The enterprise segment will also be adversely affected as Small and Medium-sized Enterprises in tourism, retail and manufacturing-related businesses, amongst others, face the financial crunch of social movement restrictions that in turn has triggered a deep global recession.

As this dire situation continues to unfold, the telco industry as an essential and utilitarian service, must get its priorities right.

I am heartened to note that this industry has its heart in the right place as globally, we have responded remarkably to the heightened demand for connectivity, bandwidth and digital solutions. We have put aside commercial considerations to prioritise humanitarian and emergency needs. From the onset of the Coronavirus outbreak, our OpCos have contributed unstintingly to alleviate the difficulties faced by customers and communities in their markets.

Our challenge as a business to move forward under such difficult and unimaginable circumstances is to find our path of recovery in the face of uncertainty. We recognise we are navigating uncharted waters, but as a Group, we are hopeful for the future even as we continue to refine and adjust our strategies to define how we operate in this new world.

We are thankful that 2019, by all key indicators, can be described as successful. Our OpCos stepped up against heightened market competition, to significantly contribute to the Group’s excellent financial performance.

As such, the Group emerged stronger to deliver shareholder value, enabling the Board to approve a total dividend of 9.5 sen per ordinary share. This includes an interim dividend of 5.0 sen per ordinary share, and a special dividend of 0.5 sen to share gain from disposal of the M1 investment.

Creating Value Through Trust

Since inception, Axiata has consistently emphasised on good governance and compliance. In further maturing its corporate governance, Axiata has now set up a Corporate Compliance Steering Committee to chart the roadmap towards a best-in-class ethics, integrity and compliance culture integral to trust building. A Group-wide maturity assessment exercise was conducted to identify and close gaps. Following the assessment, a new Compliance function has been established to execute the remedial actions and ensure appropriate governance, supporting procedures, and relevant training and awareness programmes are in place.

Further, we take pride in our belief and core value of “Uncompromising Integrity” and are committed to attaining zero-tolerance against any forms of bribery and corruption in our business. A concerted effort has been made in ensuring all our stakeholders, including our employees and other business associates, whether employed directly or indirectly (including customers, suppliers, agents, distributors, and others working for or on behalf of the Company), understand and embrace
Chairman’s Message

Axiata’s ethos on the need to act professionally, ethically and with integrity in all circumstances. The prevention, detection and reporting of any forms of bribery and corruption are the responsibility of all stakeholders across the Company; each stakeholder is required and mandated to avoid any activity that might constitute, lead to, or perceive, bribery and/or corruption activities. Axiata also further enhanced our whistle blowing channels across all OpCos into a unified platform in 2019. In addition to providing a robust and transparent solution for better oversight, the initiative has led to greater confidence among employees to exercise internal vigilance, driving us closer towards our aim of achieving the highest standards of governance.

The Company’s Board is committed to upholding the highest standards of lawful and ethical conduct both in the letter and spirit of the laws, regulations and international standards that apply to its operations within all jurisdictions in which we operate.

Moving forward, at the Board level, a new Board Risk and Compliance Committee (BRCC) replaced the Board Risk Management Committee (BRMC) to provide oversight on risk management, data privacy, cyber security, and ethics and compliance. On ethics and compliance, a Group Chief Risk and Compliance Officer has been appointed to provide leadership, including preparations for the new Section 17A of the Malaysian Anti-Corruption Commission (Amendment) Act 2018.

As Axiata closes in on realising our Digital Champion ambitions, data privacy is a priority. In addition to strengthening our cyber security measures for the protection of personal data, Axiata embarked on its Privacy Programme in 2019 to upfit the Group’s privacy posture, by adopting robust privacy practices in order to increase customers’ trust. Moving into 2020, Axiata will be introducing its Privacy Commitment based on the principles of TRUST.U, underlining the Group’s position as a trusted regional telecommunications and digital services provider, fully committed to building a more resilient data privacy and cyber security ecosystem, that protects and respects the privacy of customers, employees and other stakeholders.

Creating Value Through Sustainability

Axiata’s sustainability agenda is focused on improving the quality of life of its customers and communities throughout its regional footprint. By practicing the universal value to “leave no one behind”, the Group serves to contribute to advancing the United Nations’ Sustainable Development Goals through its business operations, and digital inclusion wider products and services. Seeing through its wider responsibility as a nation building partner, in 2019 Axiata contributed a total of USD8.4 billion to the Gross Domestic Product (GDP) of six countries where its digital telcos are present. The OpCos also directly and indirectly supported approximately 600,000 jobs across the region.

An agenda of increasing critical importance in today’s world is the need to address the impact of climate change. In late 2019, the GSMA announced the industry’s ambition to be zero carbon emissions by 2050. Towards supporting this ambition, Axiata is actively exploring the necessary systems, processes and partnerships to effectively achieve this outcome.

Navigating Challenges

Considering the intense industry challenges, telcos globally are increasingly looking towards collaborative partnerships that lend synergies for sustainable long-term business growth. In 2019, Axiata made global headlines by exploring a merger with Telenor ASA’s Asian operations, with both parties seeking value creation synergies envisaged for shareholders, the region and customers. On the back of several technical complexities, the proposed transaction was eventually called off four months into the due diligence exercise, but Axiata as a Group has learnt a lot from this exercise.

A material issue encountered in 2018/2019 was the capital gains tax dispute with the Government of Nepal concerning Axiata’s 2016 indirect acquisition of 80% shareholding in Ncell Private Limited (NCell). Axiata’s subsidiaries commenced international arbitration proceedings against the Government of Nepal pursuant to the bilateral investment treaty between UK and Nepal. Despite this ongoing dispute, Axiata and Ncell remain fully committed to serving their customers in Nepal and will take all reasonable actions to avoid any disruption to its services and operations.

Moving Forward

Moving into 2020, Axiata 5.0 is the next evolutionary phase that will guide the Group’s digital transformation journey by institutionalising the building of a new corporate DNA that delivers sustainable growth in key critical business areas. With 5G on the horizon, and as more IR 4.0 technologies go to market, we will be facing heavier investment cycles ahead of us. Axiata 5.0 will guide the Group towards creating future value by striking the complex balance in achieving profitability and business growth, whilst delivering on customer and stakeholder expectations.

A culmination of all the learnings gained since embarking on the Triple Core Strategy, this new phase involves greater emphasis on building world-class Operational Excellence across the Group, with Axiata focusing its strategic execution towards achieving optimum efficiency across the value chain.

Leadership Changes

Succession planning has always been a priority in the Board’s agenda. As part of our plan to ensure business continuity, Tan Sri Jamaludin Ibrahim retires as President and Group CEO at the end of 2020, and hands over the mantle to Dato’ Izzaddin Idris who is no stranger to Axiata, having served on its Board since 2016. To facilitate the transition into his new role as Deputy Group CEO and CEO-designate of Axiata, Dato’ Izzaddin has been re-designated as Non-Independent Director.

On behalf of everyone at Axiata, I would like to express our deepest appreciation to Tan Sri Jamaludin for his sterling leadership since Axiata’s inception to become the regional force it is today, standing shoulder-to-shoulder with the world’s top telcos. We look forward to Dato’ Izzaddin’s leadership, confident in his ability to continue driving the Group forward in realising our vision of becoming a New Generation Digital Champion.

We also wish to thank Dr Muhamad Chatib Basri and Dr Lisa Lim Poh Lin for their exemplary service, with both having resigned in December 2019 and February 2020 respectively. During the year, the Board welcomed two new Independent Non-Executive Directors namely, Khoo Gaik Bee who joined on 1 January 2019, and Thaya Sangarpillai who joined on 18 March 2020. The Board also welcomed Ong King How on 27 November 2019 as an alternate director to Tengku Dato’ Sri Aziz bin Raja Abdul Aziz who serves on the Group’s Board as a Non-Independent Non-Executive Director (NINED) representing Khazanah Nasional Berhad.

Acknowledgements

Our gratitude to the governments and regulators in our markets for their steadfast support. We are indebted to our regional base of employees for their dedication towards the Group’s value creation journey. Finally, our deepest Azmil Zahruddin Bin Raja Abdul Aziz who serves on the Group’s Board as a Non-Independent Non-Executive Director (NINED) representing Khazanah Nasional Berhad.

Acknowledgements

Our gratitude to the governments and regulators in our markets for their steadfast support. We are indebted to our regional base of employees for their dedication towards the Group’s value creation journey. Finally, our deepest appreciation to our shareholders for their sustained faith in Axiata.

TAN SRI GHAZZALI SHEIKH ABDUL KHALID
Chairman
For the year under review, Axiata continued to create shareholder value, through sustained share price performance. Axiata closed 2019 as the eighth largest company on the FBMKLCI in terms of market capitalisation at RM37.9 billion.

In 2019, Axiata's share price was up 5% to close at RM4.14 on 31 December 2019, outperforming the FBMKLCI which was down by 6%.

Foreign shareholdings increased to 11.1% as at end 2019, compared to 10.5% in the preceding year.

Axiata's share price performance during the year was largely influenced by the announcement of the proposed merger of Axiata and Telenor's Asian operations in May 2019, and the subsequent mutual agreement to end discussions on the proposed transaction in September 2019. Post the end of merger talks, focus had been on the results of our “Shifting Gear” emphasis towards profitability and cash.

From 2009 to 2019, Axiata's share price had increased 68%.
In 2019, Axiata maintained its commitment to create sustainable value for shareholders and investors, by delivering on prudent and disciplined dividend payout. In February 2020, Axiata announced a second interim dividend of 4.0 sen per share, bringing total dividend for the financial year ended 31 December 2019 to 9.0 sen per share (including first interim dividend of 5.0 sen per share paid in November 2019). This translates to a full year Dividend Payout Ratio (DPR) of 86%, higher than the 85% payout last year.

In addition, Axiata also announced a special dividend of 0.5 sen per share in view of one-off gain from disposal of associate, M1 Limited during the financial year. Including the special dividend, FY19 dividend per share (DPS) of 9.5 sen is similar to FY18.

The Board remains committed to our:

a) Dividend policy: The Company intends to pay dividends of at least 30% of its consolidated normalised PATAMI and endeavours to progressively increase the payout ratio over a period of time, subject to a number of factors including business prospects, capital requirements and surplus, growth/expansion strategy, considerations for non-recurring items and other factors considered relevant by the Board.

b) Investor proposition: Our value proposition to investors of “moderate growth and moderate dividend”.

### PRUDENT AND DISCIPLINED DIVIDEND PAYOUT

<table>
<thead>
<tr>
<th>Inaugural dividend announcement</th>
<th>Step increase in DPR with the growth in Group Net FCF</th>
<th>One-off Special Dividend, on top of increased ordinary DPR</th>
<th>Increase in DPR, in line with progressive dividend policy</th>
<th>Increase in DPR, in line with progressive dividend policy</th>
<th>Increase in DPR, in line with progressive dividend policy</th>
<th>Decrease in DPR, for prudent and strategic reasons</th>
<th>Increase in DPR, in tandem with strong overall performance</th>
<th>Increase in DPR, back to 2015 level as committed</th>
<th>One-off Special Dividend given gain from M1 disposal, on top of increased ordinary DPR</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dividend Yield = 2.1%</td>
<td>Dividend Yield = 3.9%</td>
<td>Dividend Yield = 5.5%</td>
<td>Dividend Yield = 3.3%</td>
<td>Dividend Yield = 3.2%</td>
<td>Dividend Yield = 3.1%</td>
<td>Dividend Yield = 1.5%</td>
<td>Dividend Yield = 1.7%</td>
<td>Dividend Yield = 2.1%</td>
<td>Dividend Yield = 2.1%</td>
</tr>
<tr>
<td>Total Dividend = RM0.9bn</td>
<td>Total Dividend = RM1.5bn</td>
<td>Total Dividend = RM1.9bn</td>
<td>Total Dividend = RM1.9bn</td>
<td>Total Dividend = RM1.8bn</td>
<td>Total Dividend = RM1.8bn</td>
<td>Total Dividend = RM0.7bn</td>
<td>Total Dividend = RM0.8bn</td>
<td>Total Dividend = RM0.8bn</td>
<td>Total Dividend = RM0.8bn</td>
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<tr>
<td>DPS = 10 sen</td>
<td>DPS = 19 sen</td>
<td>DPS = 23 sen</td>
<td>DPS = 22 sen</td>
<td>DPS = 22 sen</td>
<td>DPS = 20 sen</td>
<td>DPS = 8 sen</td>
<td>DPS = 8 sen</td>
<td>DPS = 9.5 sen</td>
<td>DPS = 9.5 sen</td>
</tr>
</tbody>
</table>

Notes:
1. DPR - Dividend payout ratio excluding special dividend
2. The Group announced lower DPR in 2016 and 2017 based on two reasons. First, for prudent reasons, to mitigate against impacts of volatile forex and regulatory risk. Second, for strategic reasons, to enable 4G/data leadership investments as well as for possible mergers and acquisitions (M&A) exercises in the areas of market consolidation. Axiata reverted to DPR of 85% in 2018
The past decade has seen global telcos struggling with sluggish organic growth and heightened hyper-competition between traditional and disruptive Over-The-Top (OTT) players. Amidst the various macroeconomic and geopolitical tensions adding to the heightened mix of market and industry volatility, the global COVID-19 pandemic tipped many nations into distressed social and economic conditions never witnessed in modern history. Public and private sectors are grappling with rising complexities, each trying to do their part to adjust to this shocking reality.

As COVID-19 cases begin to plateau and fall, governments around the world are examining exit strategies from movement restrictions in order to get people back to work. Companies will have to rethink their survival in the new normal as they confront major shifts in almost all aspects of operations. Overcoming challenges to post a stellar 2019 performance, Axiata Group Berhad (Axiata or the Group) will now have to prepare to scale the recovery and safeguard its business and operations as it attempts to bounce back from the recession with resilience and maintain its capacity for growth.

Even as the operating environment grows more complex, the pressure for telcos to invest for growth remains, especially in the post-COVID-19 world and its implications for how institutions, industries and businesses should reinvent themselves. Telco players will turn to regulators to shed clarity on how the regulatory and competitive environment may shift to the “next normal” as companies seek to emerge from the recession and find their path to recovery.

Whilst it is too soon to reveal detailed plans to return the business back to scale quickly, we can appreciate the rigour and disciplined actions the Group had undertaken in 2018 and 2019 chiefly on ensuring a stronger balance sheet from debt reduction and improved Free Cash Flow (FCF), an optimised portfolio through the divestment of its non-core businesses, and staying focused on its profitability and cash generation initiatives. Taking on these early and hard moves in the last two years to deliberately strengthen the Group’s financials and fundamentals have in turn, placed Axiata in a stronger position to weather the unprecedented global catastrophe.

We speak to Axiata’s President and Group Chief Executive Officer, Tan Sri Jamaludin Ibrahim to find out how the Group has worked towards shoring up its edge and continues to chart its future to deliver sustainable value creation for stakeholders.
1. Has Axiata’s focus on cash and profits in 2019 borne results?

Absolutely! The “Shifting Gear” focus has been on point, enabling us to post record results for FY19.

We closed the year on a high with the highest reported Profit After Tax (PAT) since 2016 at RM1.8 billion, and highest ever Earnings Before Interest, Tax, Depreciation and Amortisation (EBITDA) at RM10.6 billion. Our reported revenue (excluding devices) grew 5.1%, EBITDA 27.4% and Profit After Tax and Minority Interests (PATAMI) more than 100%. Even eliminating one-offs, the Group’s underlying EBITDA also registered solid double-digit improvement of 10.9%, due to better operational performance by almost all Operating Companies (OpCos) and successful containment of costs, whilst underlying PATAMI grew 1.2%. However further adjusting for our portfolio optimisation initiatives and unexpected tax impact in Bangladesh, PATAMI growth was 30.7%.

At the same time, Return on Invested Capital (ROIC) improved significantly by 5.1 percentage points (ppt) in FY18 to 6.4% in FY19.

In FY19, Axiata’s balance sheet further strengthened as a result of the reduction in gross debt to EBITDA to a healthy 1.8x, compared to 2.3x in FY18. This was achieved through net debt repayment of RM2.3 billion given our strong cash flow. Regardless, our cash balance stood at RM4.2 billion with FCF increasing 2.2x to RM4.4 billion Year on Year (YoY), lifted by double-digit EBITDA growth and flat Capex.

Breaking down numbers for performance comparison, it is evident the “Shifting Gear” approach has worked for all OpCos which are now profitable. As a matter of fact, XL and Robi’s profitability surged over 100% and both OpCos stepped up to deliver improved performance across key metrics. Meanwhile, Celcom, XL, Dialog, Smart and edotco achieved double-digit PATAMI and FCF growth.

Interestingly, our focus on profit did not in any way erode our OpCos’ ability to maintain market share, with most OpCos gaining substantially during the year.

All this was achieved despite heightened challenges both externally and internally. We did not take our foot off the pedal throughout the complex proposed mega M&A process explored in 2019, reflecting strong operational discipline across the Group.

Importantly, our focus on “Operational Excellence” (OE) in FY19 delivered on a sustainable cost structure Group-wide, enabling us to secure RM1.3 billion savings from cost excellence initiatives.

### REVENUE (RM BILLION)

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2019</th>
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<tr>
<td></td>
<td>23.9</td>
<td>24.6</td>
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</table>

### EARNINGS BEFORE INTEREST, TAX, DEPRECIATION AND AMORTISATION (EBITDA) (RM BILLION)

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>8.3</td>
<td>10.6</td>
</tr>
</tbody>
</table>

### PROFIT AFTER TAX AND MINORITY INTERESTS (PATAMI) (RM BILLION)

<table>
<thead>
<tr>
<th>PATAMI affected by one-off, non-cash, technical impairments +1.2%</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.01</td>
</tr>
</tbody>
</table>

### FREE CASH FLOW (FCF) (RM BILLION)

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2.0</td>
<td>4.4</td>
</tr>
</tbody>
</table>

Notes:
1. Based on constant currency and excluding Malaysian Financial Reporting Standards (MFRS) 16 impact
2. Gross debt to EBITDA excludes MFRS 16 impact
3. Growth numbers for OpCos are based on results in local currency in respective operating markets and exclude MFRS 16 impact
4. Adjusting to exclude one-offs in 2018
5. The Group’s PATAMI dropped to loss position of RM4.8 billion (restated) in FY2018, due to the impacts of one-off, non-cash, technical items including Idea-related losses, assets write-off, impairment and accelerated depreciation as a result of network modernisation primarily at XL and Celcom, and forex and derivatives losses. Adjusting for one-offs, PATAMI was RM1.01 billion
6. Adjusting for one-offs and excluding MFRS 16 impact; at constant currency
7. FY2018 adjusting for one-offs under Note 5 and excluding M1 share of results for the purpose of like-for-like comparison with FY2019. FY2019 adjusting for one-offs, excluding MFRS 16 impact, Merger & Acquisition costs and Robi tax impact (due to changes in tax rates since FY2018); at constant currency
8. Excluding MFRS 16 impact

For more details on “Operational Excellence”, please refer to page 28 in the “Understand How We Progress Strategy” section.
2. **What is your long-term strategy to ensure you stay the course on growth and profitability?**

As a Group, we are single-minded in maintaining the balance between financial results and "institution building" to ensure long-term profitability. At the same time, it is important to strike an equal balance between organic and inorganic focus.

Our strategy has continued to evolve and adjust in line with rapid industry developments that have continued to challenge business models over the years. Bringing together critical learning across the markets and leveraging off our "collective brains" since embarking on the Axiata Triple Core Strategy in 2016, we launched the Axiata 5.0 roadmap that aims to ensure sustainable business growth through prioritising the following 10 Key Focus Areas:

<table>
<thead>
<tr>
<th>Focus Area</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>“Shifting Gear”</td>
<td>Our performance will continue to be guided by the “Shifting Gear” focus (2019-2020) on ensuring profitability and cash generation.</td>
</tr>
<tr>
<td>OpCos Transformation</td>
<td>Moving from mobile to convergence with the goal to be the top performer in key metrics in all our respective markets, special attention will be given to our top two largest OpCos – Celcom and XL.</td>
</tr>
<tr>
<td>Operational Excellence</td>
<td>Becoming the “lowest cost producer relative to customer promise” will be embedded as the Group DNA or culture.</td>
</tr>
<tr>
<td>New Group Engagement Model</td>
<td>To optimise Group-wide efficiency, we need a major game-changing and more structured Group-OpCo engagement model, to achieve maximum Group synergy.</td>
</tr>
<tr>
<td>Digitisation and Analytics</td>
<td>In many of today’s businesses, the use of Digitisation and Analytics (D&amp;A) is primarily expected to meet the basic standards in order to compete. We are, however, now embarking on a programme to leapfrog our competitors by leveraging on D&amp;A to be far more sophisticated in identifying growth opportunities based on data modelling. D&amp;A is also one of the major components to deliver Operational Excellence.</td>
</tr>
<tr>
<td>New Growth Areas</td>
<td>While we can still grow our mobile business, we believe that to ensure a sustainable high pace of growth, aggressive expansion is required in the areas of Enterprise and the Infrastructure/Tower businesses across the Group. We should also expand on Home and Digital businesses but in very selected markets and geographies.</td>
</tr>
<tr>
<td>Stakeholder Management</td>
<td>Development of Group-wide positions on key issues impacting the business, especially in the regulatory sphere, as well as engaging with regulatory agencies and governments in our markets of operation, and other key stakeholders. Taking care of our stakeholders also means ensuring high sustainability through our initiatives that contribute to the Sustainable Development Goals.</td>
</tr>
<tr>
<td>Organisation 5.0</td>
<td>Given numerous and massive improvements in our plans to future-proof the organisation in line with IR 4.0, we intend to make significant organisational changes. This includes changes in organisational structure, management culture and skillsets.</td>
</tr>
<tr>
<td>Industry Consolidation</td>
<td>While organic growth and performance are of utmost priority, consolidation is required to rationalise some markets as well as for us to grow profitably to future-proof our business against a very competitive and uncertain environment.</td>
</tr>
<tr>
<td>Investment and Portfolio Optimisation</td>
<td>Our portfolio will have to be further optimised to improve returns (ROIG) and reallocate our capital and resources accordingly.</td>
</tr>
</tbody>
</table>

For more details on “Institution Building” and the “Collective Brains” approach, please refer to page 28 in the “Understand How We Progress Strategy” section.
3. Will the focus on OE be at odds with satisfying what customers want, especially given the pressure to reduce cost?

If customer needs and wants are defined as a combination of products and services at the right price, or commonly simplified as “value for money”, then it is not contradictory. We understand that customer satisfaction is a function of both customer experience and customer expectations, so by enhancing our targeting and segmentation through data and analytics, we can serve all segments to achieve optimum customer satisfaction. On one extreme, some are willing to pay a premium for premium quality network and services, while others on the other end of the spectrum prefer to pay a much lower price yet expect a reasonable level of network and services.

Our task, through proper segmentation and analytics, is to find an optimum level of service and price point for each segment and better yet, for each customer, a “Segment of One”.

But in any case, our OE thinking is driven by the need to be the “lowest cost producer relative to customer promise”. It implies our focus on ensuring we have the lowest cost per GB, per minute, per transaction and so forth. We can achieve this by not necessarily reducing our costs per se. We can also do it through process improvements, by scaling up, through digitisation and better use of analytics and Artificial Intelligence (AI), as well as the drive and support of efficient and productive employees.

All without losing our ability to compete and sacrificing our promise to customers!

4. You mentioned OE as Axiata’s new DNA or culture. What do you mean by OE?

OE will be infused and embedded into Axiata’s corporate DNA, and this is best explained in terms of its five “Building Blocks”.

- **Profitable Growth**: We still want to grow revenue but not at all costs. Our challenge is to strike a balance between investing for growth and ensuring it is profitable. As such, we must allocate capital where we can derive the best and most profitable returns.

- **Optimum Customer Satisfaction**: In order to deploy investments more effectively, we must know exactly what our customers prefer and be able to deliver consistently, all the while achieving the optimum point of giving the right services at the right price. This is by no means an easy feat, but whoever can do this best will be the most successful player in today’s world.

- **Sustainable Cost Structure**: With a focus on keeping costs as flat as possible, Capex and Opex spend will be directed to areas that matter.

- **Digitisation and Analytics**: D&A can help achieve growth, profitability, optimum customer satisfaction and reduce cost effectively by being surgical and targeted in all our initiatives. Our investments to build Axiata’s digital businesses since 2015, were more than just about venturing into a new area. It was also meant to fuel our learning on how digital technologies can be exploited to drive efficiency gains Group-wide.

- **Organisation Excellence**: With Axiata’s ongoing transformation into a Modern, Agile and Digital (M.A.D.) organisation, we can achieve high productivity with less resources.
5. As a digital company, how are you pushing the envelope on innovation and new technologies?

Technology is critical for digital players and including it as part of our strategy places it at the core of everything we do here at the Group. We are constantly looking to embed a technology-driven, innovation-centric culture across the organisation, and this is an ongoing journey between Axiata and our strategic technology partners.

Earlier, we set up Axiata Digital in 2014 to help us innovate into the world of digital, Internet and innovation. One of the latest strategic decisions we’ve made is to appoint an Executive Vice President for Technology at the Group level to drive greater technological synergies between our OpCos and different segments of the business.

Becoming the digital organisation that we’re evolving into with our three lines of businesses means that opportunities are abundant for cross-pollination of ideas, knowledge and initiatives which can be monetised or used to improve Group efficiency. For example, our Digital Telcos can leverage on the strengths of our Enterprise unit to deliver cutting-edge IR 4.0 based solutions to customers. Our digital businesses can build on the reach of our telcos for further traction across our digital inclusion efforts.

Operationally, the Group has put in place exciting initiatives to keep our tech game sharp. We’re applying artificial intelligence, robotics and other IR 4.0 principles across our digital products and services, and all our external interfaces, internal processes, as well as infrastructure and platforms as part of an ongoing Group-wide digitisation exercise.

To inspire our people and help them accelerate the company’s transformation into a digital company, we have also embarked on an organisational culture and mindset transformation to be aligned with our M.A.D. (modern, agile and digital) values.

- **a. Digital Telco Index (DTI)**
  - External, independent assessment benchmarking against global technology peers, and providing guidance on our level of digitisation
  - As at end 2019, two OpCos – Robi and Dialog – have assumed the digital leader category on par with global digital leaders, whilst Celcom is fast closing in

- **b. Learn, Engage, Accelerate and Perform (LEAP) Programme**
  - This externally evaluated multi-year programme cultivates a Group-wide digitalisation culture with the aim to drive digitisation through a bottom-up approach
  - In 2019, our OpCos created over 250 unique digitisation initiatives covering process automation, Application Programming Interface (API) management, business analytics, big data analytics, virtualisation, Artificial Intelligence, bots and Internet of Things (IoT), among others
  - In the LEAP Excellence Awards in 2019 recognising the OpCo with the highest level of digital maturity across business functions, Dialog emerged as the winner, whilst Robi and Celcom were runners-up

- **c. The Digital Telco Model (DTM)**
  - Through implementation of the LEAP Programme and as an evolution of the DTI, Axiata will embrace the DTM, which emulates industry best practices by looking at industry leaders and initiatives which positively impact their bottom line
  - Our move towards DTM is also a key business performance measure

- **d. Establishing Centres of Excellence for Digital Technologies**
  - Axiata Analytics Centre and Axiata Digital Labs serve the digital and analytics requirements within OpCos
  - These units within the company enable us to attract and develop digitally skilled talents to support our aspirations of being at the forefront of digital innovations

- **e. Growth for Enterprise Business**
  - Axiata is exploring industry cloud applications, both at the edge and the central cloud. We are already there with central cloud services, providing them both independently or with a technology partner
  - Also looking into partnerships with global leading software firms to provide security as a solution for the Enterprise segment

- **f. Strengthening Data Privacy and Cyber Security**
  - To support Axiata’s Group-wide digital transformation, we continue to implement our three-year Information Security Strategy called Digital Trust 2020 (DT2020) to build an effective and meaningful data privacy and cyber security ecosystem
  - Group Security Operations Centre (GSOC) accredited by the prestigious Forum of Incident Response and Security Teams (FIRST) in 2019, making Axiata the first telco to achieve this in our regional footprint

For more details on data privacy and cyber security activities in 2019, please refer to pages 38 and 39 in the “Strengthening Data Privacy And Cyber Security in 2019” section.
6. Speaking of new technologies, Malaysia is one of the leading countries in the region pushing for 5G deployment as early as 2020. Are Axiata and Celcom ready?

At this juncture, assessments are being made on how the momentum for 5G implementation could be impacted as economic priorities shift and sharpen in the face of COVID-19 challenges. Findings from these assessments will inform our decisions moving forward on 5G implementation across our markets.

Prior to this, Malaysia, Sri Lanka and Cambodia were preparing to start in 2020, as other markets appear to lack maturity and have not provided any indications on spectrum availability.

To date, Celcom has been involved in the Malaysian Government’s National 5G Task Force from the get-go since 2018, working closely to support the Government’s aspiration and provide industry feedback towards a win-win implementation scenario for all.

Celcom has already been running live 5G trials. In fact, Malaysia’s first 5G Live Cluster was tested for six months since July 2019 at Celcom’s headquarters for the surrounding areas. Earlier this year, during the 5G trial run in Langkawi, Celcom deployed its IoT solutions for an enhanced security monitoring system in collaboration with Langkawi’s Royal Malaysian Police, in a bid to transform Langkawi into a more secure tourist destination.

So far, the Government’s intention is to commercially rollout 5G technology in the third quarter of 2020, to leapfrog the country’s digital economy, improve the quality of life for citizens and bring about efficiencies for businesses including small and medium-sized enterprises, as well as the public sector. In total, 100 5G use cases have been identified under nine verticals.

7. Companies are now held to higher standards on sustainability. What position has Axiata taken?

Yes, the sustainability agenda has increased in prominence. Our investors are increasingly focused not only on business governance and profitability, but how resilient our business is in adapting to climate change, and how we prioritise digital inclusion in our business strategy.

Our digital telcos work with local partners to deliver digitally inclusive services and content that are relevant to young children, women and rural communities, towards closing the digital divide. Aspirasi, our digital business, is rolling out micro-finance and micro-insurance services to support underserved communities achieve their business goals. We hope to secure a digital banking license in 2020 in Malaysia, to expand our reach to serve marginalised communities.

Across the Group, we focus on increasing the energy efficiency of our network and installing renewable energy wherever feasible. edotco Group has managed to reduce carbon emissions in the life cycle of their towers by 54%. However, despite these efforts to reduce carbon intensity, we expect our overall emissions to increase due to our expanding footprint, as well as operating in a region where coal still fuels the grid.

Sustainability at Axiata is about driving a profitable business, without compromising future generations. Our sustainability framework, which is made up four pillars, as follows:

**Beyond Short-Term Profit**
- Long-term Investment
- Digital Ecosystem
- Nurturing Future Leaders
- Digital Inclusion

**Nurturing People**
- Diversity and Inclusivity
- Culture of Integrity & Performance
- Conducive Workplace

**Process Excellence & Governance**
- Strong Governance
- Customer Intimacy
- Digitising Processes
- Best Practices Across the Value Chain

**Planet & Society**
- Environmental Management
- Disaster Management & Response
- Corporate Responsibility

**Provides the foundation for our engagement on sustainability with stakeholders.**

Over the years, we have invested over **RM200 million** in digital innovation funds across the region to grow local digital entrepreneurship. This complements our **RM100 million** commitment to the **Axiata Young Talent Programme** that looks to build future CEOs. Fifteen of our Malaysian alumni are already CEOs of digital start-ups.
8. What adjustments can we expect from Axiata in dealing with economic shocks as a result of the COVID-19 pandemic?

The impacts of COVID-19 are far more devastating than the 2008 global financial crisis which primarily led to a worldwide economic fallout. Today, we are staring in the faces of multiple global crises further compounded by public health concerns, escalating job losses and emerging social issues that will add further pressure on an already challenged global economy. This situation is unprecedented and fraught with uncertainties.

I believe that the telco industry has responded extraordinarily well to the many tests thrown at it, from meeting bandwidth challenges, to addressing the multifaceted needs of societies grappling to survive the near collapse of sectors and businesses.

As a regional telco player, Axiata's fundamental commitment is to ensure that our networks are able to cater to shifts in usage patterns, economic activities and data traffic surges. We regard this as basic to fulfilling societies and businesses current needs and will do all that is required to ensure optimum network reliability. Beyond that, as part of our commitment to the communities we serve, we continue to find meaningful ways to deliver real value by leveraging on our technological capabilities as a digital telco to solve some of the more pressing issues.

To adjust Axiata to the new normal, we are brainstorming on what the future will look like. If we prepare right - in terms of our network, products, distribution and customer service - we believe we might be in an even better position in two years’ time compared to pre-COVID-19.

Broadly speaking, the impacts on the telco industry fall within five distinct categories, while the impacts on Axiata will occur within the short, medium and long-term. Our analysis will guide us in strategising our business activities moving forward.

**HOW TELCOS ARE AFFECTED BY COVID-19**

**Network**
- Changes in user patterns due to movement restrictions imposed in countries worldwide, such as the Movement Control Order (MCO) in Malaysia
- Movement restrictions have led to companies implementing Work-From-Home (WFH) measures
- Changes in user patterns include:
  - More use of data than voice
  - Topographic shift in network congestion, that now centres in residential areas, rather than business centres and office buildings
  - A shift in daily usage patterns, from previous peak usage that began in the early afternoon till late evening, to current peak usage that begins in the early afternoon till late evening
  - Dramatic increase in use of digital tools and software such as Office 365, Microsoft Teams, Zoom and Whatsapp, as well as Over-The-Top (OTT) entertainment such as Netflix

**Digitalisation**
- COVID-19 is the biggest driver to date to fuel digitisation, as people rapidly familiarise themselves with the tools necessary to effectively WFH
- Businesses are leveraging on digitisation to effect their continuity management plans and run their businesses online
- SMEs that are not fully digitised will be adversely impacted, as they struggle to connect with their customers and suppliers, and meet the basic business-as-usual requirements

**Ecosystem**
- The supply chain ecosystem comprising dealers, vendors and customers is in a state of flux
- Many dealers, especially in some of Axiata’s more developing markets, have seen their physical premises shut down, resulting in prepaid mobile customers being unable to access top-up services
- With relatively high digital adoption rates, Malaysian customers can access online platforms quite easily. However, many customers in Axiata’s South Asian markets are not online, thus limiting their access to digital solutions

**Business**
- We are fortunate that the telco industry is relatively not as badly affected as other sectors such as the aviation, tourism and hospitality, food and beverage sectors. From being regarded as a “sunset industry” we are now witnessing a rebirth of telcos’ utilitarian role. As a critical infrastructure, telcos are rising to the challenge to double down on its commitment to customers, to deliver continuous and reliable quality across shifts in topography
- Telcos, therefore, are seeing a resurgence in their role to provide essential services to ensure continuity in business and consumer activities
- Within the telco sector, we foresee short, medium and long-term impacts

**Collaboration**
- We are witnessing greater collaboration between industry players, and the private and public sectors, as they come together to support each other to provide the various services essential for society as a whole to weather and recover from the crisis

For more details on:
- How Axiata is leveraging on its digital and technological capabilities to create value for communities, please refer to page 36 in the “See How We Intend To Create Long-Term Value” section
- Impacts on Axiata, please refer to the infographic “Axiata’s Business Impacts From COVID-19: Short, Medium and Long-Term” on page 19 in the “In Conversation With The President & Group CEO” section
**AXIATA’S BUSINESS IMPACTS FROM COVID-19: SHORT, MEDIUM AND LONG-TERM**

### Short-Term
- Network traffic surges ranging between 12% and 40% throughout all OpCos, with Celcom network traffic up by 30%.
- Malaysian telcos are impacted by the “freebie” 1GB per day mobile data use which has seen an extension beyond the initial 14-day MCO period. As customers use the “freebie” 1GB before utilising their data plan, we can expect this to dampen revenue for the entire industry. Net impact for Axiata varies according to our market; between 0% and 40%.
- Prepaid mobile revenue affected by closure of customer contact centres in our other markets.
- Although telcos are considered an essential service, we need to ensure our employees and vendors’ health and safety. Axiata switched to WFH, teleworking and virtual meetings, providing our people with the digital tools and platforms to deliver on their tasks.

### Medium-Term
- Post-MCO, we expect network traffic to continue to increase. However, as more people return to work, traffic will eventually even out though not likely to be the same as before.
- With an economic recession, we expect many of our customers, especially those from the prepaid segment, to face job losses or salary cuts. This, in turn, will increase churn significantly.
- Net impact on Axiata and all telcos may potentially be more negative as compared to during the MCO period, and we expect to see a decline in our customer base.
- As we wholeheartedly committed to doing our part, as responsible corporate citizens and national champions, we need to balance that while protecting our revenue and profit.

### Long-Term
- Traffic will continue on an uptrend, as people grow accustomed to digitisation in both their personal and work use, resulting in a new normal.
- WFH becomes ever more ubiquitous as more companies encourage its adoption.
- Expectations that unemployment will reduce as customers regain their jobs and businesses start to flourish again on the back of a recovering economy.

In a post-COVID-19 world, there will be both winners and losers. The new normal will be driven by changes in consumer behaviour, as people strike the balance between health concerns, with work obligations and lifestyle needs.

We foresee e-commerce as one of the big winners in the future, driven by more evolved digital lifestyles. Business norms will change, as corporations choose to conduct online video conferences instead of travelling to other countries for short meetings, which in turn will adversely impact the aviation and tourism sectors.

Over the next year or two within the short and medium-term, telcos will be relatively better off compared to other sectors, but will still be negatively impacted. However, beyond that period of time, I believe telcos will be one of the strongest drivers of economic growth. Telcos will not only be the connectivity platform as a required basic utility for a functioning society, similar to the water and electricity utilities sectors, but also provide many digital solutions and services to businesses.

In a post-COVID-19 world, SMEs will have no recourse but to digitise their solutions in order to effectively manage daily operations and supply chains. The underlying basic need for both consumers and enterprise will predominantly be broadband and mobile services. Some businesses will choose to engage alternative telco suppliers to ensure continuous service.

For Axiata, opportunities lie in selling fixed wireless access and broadband to the enterprise segment. Axiata’s Enterprise business will be well placed to equip SMEs with the digital tools and platforms they need in the new normal, such as software to conduct online meetings and Cloud applications to access files online, as well as the knowledge and skills to adapt to working and conducting businesses digitally.

The possibility for innovations in industry solutions such as logistics, healthcare, agriculture and tourism are immense and exceedingly exciting! We will be looking at different ways of selling our products and services, leveraging on IR 4.0 technologies such as virtualisation to meet new demands in retail, healthcare and education.

On the financial aspect, while we expect some short-term impact to our profit and loss, in the longer term we believe we will emerge far stronger. Axiata kickstarted 2020 from a position of great strength, with a solid profit trajectory, robust balance sheet and cost management well on track. Given that we are starting on a strong footing and fundamentals, we are confident that we are able to navigate the storm ahead.

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For more details on how our OpCos are dealing with the impacts of COVID-19, please refer to pages 50 to 68 in the “Assess How Our Operating Companies Have Contributed To Creating Value” section.

For more details on Axiata’s COVID-19 responses, please refer to page 32 in the “Nurturing People” section.
9. You will pass the baton to Dato’ Izzaddin Idris by end 2020. What does this leadership transition signal to investors?

We are looking forward to leadership transition that gives a good balance between continuity and fresh leadership. Being on the Axiaita Board over the last three years, as well as Chairman of one OpCo and Board member at three OpCos, Izzaddin is not only well versed with the Group but also involved with many of its subsidiaries and companies. In the time he has been with us, Izzadin as Board member, has worked on crafting and approving Axiaita's long-term strategy that provides some continuity.

As a non-executive director who was unconstrained by the minutiae of day-to-day operations, he was able to step back and look at the business from a fresh angle. For the most part, he will not be "beholden" to the same execution tactics or even strategy, should there be a reason to make necessary changes, especially given the ever-changing business, social and technology demands. He will be able to provide the fresh leadership that Axiaita needs in the future. Hence, by appointing Izzadin, together with his vast experience and skills, we are getting the “best of both worlds” to inspire confidence in all our stakeholders.

10. You will be ending an illustrious 12-year tenure as CEO of one of Malaysia’s more admired companies. What are your parting words?

The last twelve years have been exciting, challenging and incredibly demanding, to say the least. Time has flown past in the blink of an eye! To an extent, my more than a decade at Axiaita can best be described as a mini-rollercoaster ride of almost 50 financial quarters of rigour and scrutiny, with its ups and downs and unexpected twists and turns, as we battled heightened competition, unpredictable regulatory environments and global events beyond our control.

Back in 2007, when Tan Sri (then Dato’) Azman Mokhtar pitched the leadership role in Axiaita (or TMI and Celcom as it was known then), I was intrigued by the once-in-a-lifetime opportunity to transform a homegrown GLC up from an already good company into a great multinational group that is globally recognised and respected. As a Malaysian who is grateful for the countless opportunities the country had provided me to develop my own professional growth, I was confident we had the talent, capacity and vision to put Malaysia on the world map as one of the top telecom players in the region, and well known globally.

Putting it in perspective, the Axiaita of today is present in 11 countries in ASEAN and South Asia with revenue almost 2.5 times larger since inception. Our local companies are fierce competitors, fighting hard to stake their number one and strong number two positions in their markets. As a Regional Champion, we take pride in how Smart has leapfrogged to grow by five times in the Cambodian market within a short time span. The same can be said for Robi in Bangladesh, XL in Indonesia and Dialog in Sri Lanka, all of which have tripled in size since we first started. All our OpCos are now recognised as one of their countries’ best performers, if not the best in their respective markets.

If I were to pick a guiding principle that has been Axiaita’s stealth weapon that drove our performance, it would be our obsessive adoption of diversity as one of our key differentiating strategies. Diversity in Axiaita is very gratifying on all fronts, as we see talents from various nationalities, cultures and races working closely together towards achieving a common goal. We have 42 nationalities working across the Group, with 31 Malaysians serving in other countries. It reminds us that the world is much larger and more complex than we imagine it to be, filled with people who have unique perspectives and viewpoints from what we may be ordinarily used to. It is in that difference diversity offers, that Axiaita has found our edge and confidence to challenge ourselves, stay ahead of the curve and create sustainable value throughout all our markets of operation. We could not have performed as well without the strength of our diversity. It is also an excellent experience for all our staff to work in this diverse environment, reflecting the globalised world, and providing the impetus to get out of the “katak di bawah tempurung” and “jaguh kampung” mindsets.

What I will miss most is the people I have been working with. That is the saddest part of leaving Axiaita. But on the other hand, one of my happiest memories is to look back and see how many talents have grown and flourished over the years.

What I will miss most is the people I have been working with. That is the saddest part of leaving Axiaita. But on the other hand, one of my happiest memories is to look back and see how many talents have grown and flourished over the years. I know hundreds of examples - people who have grown in their career from clerks to managers, rookies to senior managers, managers to heads of operations or CxOs, and for some, all the way to CEOs of our OpCos. In fact, all the CEOs in all our eight major OpCos and many smaller Strategic Business Units (SBU) were groomed within the Company.

Hence, the term “illustrious” career is quite misleading, as it is only “illustrious” because of the people who made up the Axiaita family. I happened to be the “stem”, but they are the colourful “flowers” that blossomed and collectively made the plant so beautiful! My parting words are simply to thank each and every one of them, for contributing to the growth and success of the company. They are a great, collegial, high performing team. I will miss them!

I am grateful to Tan Sri Azman for giving me the opportunity to lead Axiaita, and Tan Sri Ghazzali for continuing to have faith in me during all the good and challenging times, as well as the long list of people who have guided and helped me throughout this entire journey. It has been the role of a lifetime, and I especially thank all the Axiaita teams across our footprint for working alongside and rallying to the cause.

It is my humble hope we have built an iconic Malaysian multinational with the right balance of systems, people and culture, that will achieve our vision to be a Digital Champion by 2022, while upholding our values of Uncompromising Integrity and Exceptional Performance within a humane and people-oriented organisation. I hope we will continue to have highly motivated talent contributing to all our markets and unstintingly serving our communities, especially here in Malaysia. After all, this company, in the end, is mostly about its people.

TAN SRI JAMALUDIN IBRAHIM
President & Group Chief Executive Officer

Notes:
9 Numbers are as of 31 December 2019
10 A Malay proverb literally translating to “frog underneath a coconut shell”. It refers to an ignorant or unknowledgeable person, with a very limited world view, outlook and experience
11 A Malay idiom literally translating to “village champion”. It refers to an individual who can only succeed at the village/home ground level, and lacks the ability to take it further
UNDERSTAND HOW WE PROGRESS STRATEGY
The Environment We Operate In

Operating within 11 markets across ASEAN and South Asia, Axiata faces a complex and challenging operating environment in an industry marked by rapidly evolving trends and demands.

### Macroeconomic Environment
- Onset of COVID-19 pandemic in early 2020, with the IMF declaring a global recession, and emerging market countries requiring USD2.3 trillion in financial resources to navigate the crisis
- National lockdowns and restricted movement orders in affected countries, severely limiting business activities and eroding consumer confidence
- Forex volatilities with the Ringgit Malaysia weakening against the US Dollar

### Regulatory Environment
- Spectrum allocations and reassignment, renewal of key operating licenses, and increased tax levels
- Regulatory framework modernisation and national connectivity blueprints in some markets
- Weak competition regulations, and unregulated OTT players, resulting in imbalanced competition

### Internalising the Digital Shift
- Regulatory management as a core component of the 10 Key Focus Areas of Axiata 5.0 under Stakeholder Management
- Develop public policy thought pieces on the digital economy and IR 4.0

### Operating Environment
- Lack of the right digital talent to effect organisational digital transformation strategies
- Need for telcos to adapt operating and business models to capture IR 4.0 opportunities

### Strategic Implications
- Efficient cost management and effective strategic resource allocation to maintain long-term growth
- Exposure to unfavourable forex translation from regional OpCo contributions, and forex and derivatives losses
- Measures to mitigate the adverse impacts of COVID-19 to Axiata's business, and capturing opportunities arising due to greater utilisation of digital technologies

### Way Forward
- OE strategy focused on becoming the lowest cost producer relative to customer promise
- Maintain our OpCos market position across key metrics
- Continue with portfolio rationalisation and optimisation aligned with strategy
- Maintain optimal mix of hedged/unhedged loans, at fixed/floatiing rates
- Activated Axiata's Business Continuity Management plan in light of COVID-19 crisis, to implement the COVID-19 Pandemic Plan, cutting across all aspects of our business, including instituting “work for home” measures for employees

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**Notes:**
1. As at 30 March 2020, a total of 721,512 people worldwide have been diagnosed with COVID-19, with 33,956 deaths and 151,004 recoveries. (Source: www.covidvisualizer.com)
2. OE = Operational Excellence
3. IMF = International Monetary Fund

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The Importance Of Listening To Our Stakeholders

Axiata’s commitment to create long-term value for our ecosystem of stakeholders throughout our regional footprint in ASEAN and South Asia, takes into account the feedback we receive from our stakeholders. Continuous engagements with our stakeholders which are conducted through multiple channels. The table below provides highlights of engagement activities and outcomes in 2019.

<table>
<thead>
<tr>
<th>Regulators and Government</th>
<th>Shareholders</th>
<th>Customers</th>
</tr>
</thead>
</table>

**WHY THEY ARE IMPORTANT**
- Legislate on laws and regulations that determine the license and scope of our business activities in the countries we operate in
- Provide OpCos access to operating licenses, and impose regulatory measures with potential cost implications for the Group
- Essentially comprising our owners, shareholders provide the financial capital required to sustain our business growth
- Consequently, they are entitled to receive a return on their investment, and be apprised of developments in the Group
- We value each of our customers and their customer experience journey with us
- Axiata is committed to deliver optimum performance to meet customer needs and expectations
- We value each of our customers and their customer experience journey with us
- Axiata is committed to deliver optimum performance to meet customer needs and expectations

**HOW WE ENGAGE**
- Proactively engage with national regulators and authorities through industry meetings, thought leadership, and capacity building workshops to support and enable the digital ecosystem
- Conduct an Annual General Meeting to meet and be accountable to shareholders
- Conduct a range of surveys across our markets to understand customer satisfaction and expectations
- Scores are benchmarked against our peers, and drives our operational excellence

**SUBJECTS RAISED**
- Spectrum allocations and licensing fees
- Compliance with regulations and customer standards
- Information security and data protection
- Developing local digital talents
- Current financial performance
- Long-term business strategy
- Board composition
- Environmental, Social and Governance (ESG) strategy and performance
- Share price
- Network quality and availability
- Improving customer care experience
- Product affordability and innovation

**AXIATA’S RESPONSE AND RESULTS**
- Investing in development of local communication infrastructure
- Direct and indirect contributions to the local digital economy
- Supporting digital innovation funds to drive development of local digital ecosystem
- Deploying best data privacy and cyber security practices
- Transparency in corporate reporting and disclosures through multiple platforms
- Conduct briefing and engagement with shareholders
- Be the lowest cost producer relative to our customer promise
- Drive operational excellence in relation to customer expectations
- Creating digital lifestyle products and self-care services
- Digitising processes to provide seamless customer experience
# The Importance Of Listening To Our Stakeholders

## Suppliers

### WHY THEY ARE IMPORTANT
- Provide us business critical products and services that enable us to drive our business strategy
- We partner with our suppliers to deliver best value for our operations, as well as developing their capabilities and capacity

### HOW WE ENGAGE
- Engaging key suppliers to understand solutions and services that can drive operational excellence
- Recognising outstanding suppliers through the Biennial Axiata Supplier Awards, and address opportunities through Performance Management and the Annual Supplier Forum

### SUBJECES RAISED
- Emerging corporate developments, and understanding the long-term strategy
- Opportunities for vendor development
- Performance against Supplier Code of Conduct

### AXIATA’S RESPONSE AND RESULTS
- Sourcing local vendors
- Supporting the Bumiputera Empowerment Agenda to build local, regional and global champions
- Verticalisation of procurement services across the Group to provide scale

## Employees

### WHY THEY ARE IMPORTANT
- Innovative and diverse workforce is essential to deliver the best digital customer experience
- We drive a culture of high performance and accountability that attracts, develops, and retains the best talent to deliver on our strategy

### HOW WE ENGAGE
- Conducting annual Employee Engagement Surveys, quarterly Town Hall Meetings and a range of digital employee engagement platforms

### SUBJECTS RAISED
- Long-term business strategy and performance
- Career and talent development opportunities
- Work-life balance

### AXIATA’S RESPONSE AND RESULTS
- Group and OpCos Talent Development programmes
- Organisational transformation to Modern, Agile and Digital (M.A.D.) Organisation
- Providing job opportunities to local citizens

## Community

### WHY THEY ARE IMPORTANT
- Axiata is present in a diverse and fast developing economic region
- Strong community participation and engagement is required as part of our social license to operate

### HOW WE ENGAGE
- Maintaining strong community relationships through digital inclusion initiatives, corporate responsibility programmes and local stakeholders’ needs assessment
- Communicating initiatives through digital and print media

### SUBJECTS RAISED
- Support of the UN SDGs
- Pre and post disaster assistance
- Build capacity for future leaders
- Address local social needs

### AXIATA’S RESPONSE AND RESULTS
- Local direct and indirect employment through the supply chain
- Digital and Financial Inclusion initiatives
- Disaster Management and Response initiatives
- Axiata Young Talent Programme
- Digital Innovation Funds

## Media

### WHY THEY ARE IMPORTANT
- Provides a platform to communicate with our key stakeholders and local communities
- Publicise new products and services, corporate events and thought leadership

### HOW WE ENGAGE
- Media engagement conducted via interviews, press releases and conferences

### SUBJECTS RAISED
- Corporate developments
- Financial performance
- Thought leadership

### AXIATA’S RESPONSE AND RESULTS
- Providing regular performance, network and Merger and Acquisition updates
- Implementation of the “Shifting Gear” strategy to advance our digital footprint

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For more details of our Stakeholder Engagements, please refer to pages 13 and 14 in the “You’ll See How We Anchor Our Sustainability Efforts Across Our Group” section.
Axiata’s risk identification and mitigation actions and controls are a critical component of the Group’s growth strategies. We are cognisant of the risks that challenge our business model, future performance and financial standing, and ensure sufficient mitigations are in place to minimise our risk exposure.

To demonstrate how Axiata has evolved our strategy to address business risks in line with industry developments, we have included our strategic responses to each risk category based on the 10 Key Focus Areas under Axiata 5.0.

**Our Risks Linked To Strategy**

The impact of the COVID-19 pandemic is unprecedented and remains to be fully understood world over. To date, Axiata has been monitoring the risks associated with this across multiple angles including business, supply chain, technology, and employee safety in ensuring the continuity of our business. While it remains uncertain what the new normal will be at the end of this crisis, or the full impact of this pandemic to our business operations, Axiata will continue to monitor this risk area.

**Financial**

**CONTEXT**
- Exposure to foreign currency exchange volatilities across 11 markets of operations could adversely affect cash flow and financial performance
- The Group’s borrowings are in foreign currencies, subject to foreign exchange and interest rates exposures

**RISK LEVEL AND MOVEMENT**
Unchanged since 2017

**MITIGATING ACTIONS AND OPPORTUNITIES ARISING**
Risk Owners: Axiata Treasury Management Centre (ATMC)
- Oversees and controls the Group’s treasury and funding matters, and develops hedging strategies strictly governed by treasury policies
- Takes into consideration current and future outlook of relevant economies and foreign exchange markets to preserve our profitability and sustainability

**PEAK RISK INDICATORS**
50:50 mix of local currency borrowings and foreign currency borrowings

**LINK TO MATERIAL ISSUES**
- Sustainable Business Growth

**OUR STRATEGIC RESPONSE**
1. Drive efficiencies and innovation
2. Cost efficiency programmes
3. Establish strategic ties with Over-the-Top (OTT) and digital product developers to create products and services that meet evolving customer needs, increase customers’ walet share, and maintain PAT

**Market**

**CONTEXT**
- Axiata’s OpCos operate predominantly in emerging markets which are exposed to economic uncertainties and sensitive towards changes in developed countries
- OpCos challenged by stiff price competition with little certainty of market consolidation in some markets, and industry revenue declining in others

**RISK LEVEL AND MOVEMENT**
Unchanged since 2017

**MITIGATING ACTIONS AND OPPORTUNITIES ARISING**
Risk Owners: OpCo CEOs
- Driving efficiencies and innovation via investment in new technologies
- Cost efficiency programmes
- Establishing strategic ties with Over-the-Top (OTT) and digital product developers to create products and services that meet evolving customer needs, increase customers’ walet share, and maintain PAT

**KEY RISK INDICATORS**
Return on Invested Capital (ROIC) < Weighted Average Cost of Capital (WACC)

**LINK TO MATERIAL ISSUES**
- Sustainable Business Growth
- Network Quality and Coverage
- Customer Service
- Digital Inclusion

**OUR STRATEGIC RESPONSE**
2. Sustainable Business Growth
3. Network Quality and Coverage
4. Customer Service
5. Digital Inclusion

**Regulatory**

**CONTEXT**
- Telcos are subjected to a broad range of rules and regulations across different markets, high tax rates, spectrum acquisition costs and multiple levies
- These factors could potentially disrupt business operations, impair returns and long-term growth, and limit flexibility to respond to market conditions, competition and new technologies

**RISK LEVEL AND MOVEMENT**
Unchanged since 2017

**MITIGATING ACTIONS AND OPPORTUNITIES ARISING**
Risk Owners: Group Regulatory
- Advocate strict compliance, fair and transparent practices of government policies
- Dedicated personnel and resources to constantly monitor developments
- Continuously enhance process flows for quick and cost-effective response to regulatory changes
- Regulatory engagement advocating sustainable regulatory regimes for healthy sectoral development
- Participate in government consultations and industry events, to collaborate and share knowledge for best industry policies and practices

**KEY RISK INDICATORS**
Shifts in regulatory requirements and policy uncertainty due to change in government or introduction of new laws

**LINK TO MATERIAL ISSUES**
- Network Quality and Coverage
- Sustainable Business Growth
- Business Ethics and Compliance
- Climate Action and Environment Management
- Digital Inclusion

**OUR STRATEGIC RESPONSE**
4. Network Quality and Coverage
5. Sustainable Business Growth
6. Business Ethics and Compliance
7. Climate Action and Environment Management
8. Digital Inclusion

For more details on our strategic responses to each risk category, please refer to pages 26 to 35 in the “Statement Risk Management and Internal Control” section.
### Our Risks Linked To Strategy

#### Data Privacy and Cyber Security

**CONTEXT**
- Digital companies will have to be sensitive towards customers’ information encompassing personal data, communication records, behaviours, locations, Internet use and digital applications
- To protect customers and foster trust amongst stakeholders, there is need for effective data privacy and information security policies, frameworks and management that guide how Axiata collects, uses and shares personal data

**RISK LEVEL AND MOVEMENT**
- High level, Unchanged since 2017

**MITIGATING ACTIONS AND OPPORTUNITIES ARISING**
- Risk Owners: Group Cyber Security Steering Committee
- Axiata Supplier Code of Conduct requires vendors and business partners to adhere to high data protection and compliance standards
- A three-year cyber security strategy, Digital Trust 2020 (DT2020), to improve on people, processes and technology
- Cyber security KPI for all OpCos, with ongoing collaborations
- In the area of cybersecurity, the Privacy Maturity Model is aligned to the AICPA/CICA Privacy Maturity Model and the CMMI maturity levels

**KEY RISK INDICATORS**
- Deviation from agreed project timeline

**LINK TO MATERIAL ISSUES**
- Privacy and Data Protection
- Customer Service
- Business Ethics & Compliance
- Sustainable Business Growth

**OUR STRATEGIC RESPONSE**
- 

#### Digital

**CONTEXT**
- As Axiata’s digital portfolio grows, business could be impacted by new regulations being considered by Governments within our footprint for digital companies and OTT players to create a more level-playing field
- Digitisation of functions and processes has expanded Axiata’s compliance to new cyber regulations

**RISK LEVEL AND MOVEMENT**
- Medium level, Unchanged since 2017

**MITIGATING ACTIONS AND OPPORTUNITIES ARISING**
- Risk Owners: Group Executive Vice President
- Uncertainties and inconsistencies in legal and regulatory requirements requires Axiata to keep pace with national and international policy initiatives
- Expedite implementation of action plans to ensure compliance, and strengthening cyber security measures to safeguard data security and integrity

**KEY RISK INDICATORS**
- 

**LINK TO MATERIAL ISSUES**
- Sustainable Business Growth
- Business Ethics and Compliance
- Privacy and Data Protection
- Customer Service

**OUR STRATEGIC RESPONSE**
- 

#### Operational

**CONTEXT**
- Telecoms industry is dominated by a handful of vendors, and a loss of supply due to a key vendor suffering business failure may significantly affect our core business and operations
- The global COVID-19 pandemic and subsequent issuance of restricted movement orders could impact various aspects of our operations and business activities, and Axiata’s ability to achieve its business goals and targets

**RISK LEVEL AND MOVEMENT**
- Medium level, Unchanged since 2017

**MITIGATING ACTIONS AND OPPORTUNITIES ARISING**
- Risk Owners: Group Enterprise Risk Management
- In relation to vendors, Axiata Procurement Centre manages risks, monitors performance and develops new relationships to reduce dependencies
- Axiata’s Business Continuity Management (BCM) Plan addresses risks of supply chain disruptions, technical failures, partner failures, human errors, wilful acts and natural disasters, through systematic identification of critical business processes and adequate recovery actions
- Conducted COVID-19 Preparedness Process based on BCM Framework, to implement an Integrated Pandemic Plan that addresses risk points across all aspects of our operations

**KEY RISK INDICATORS**
- Disruption to service availability

**LINK TO MATERIAL ISSUES**
- Sustainable Business Growth
- Business Ethics and Compliance
- Privacy and Data Protection
- Network Quality and Coverage

**OUR STRATEGIC RESPONSE**
- 

#### Geo-political

**CONTEXT**
- The markets Axiata operates in stand the risk of being impacted by political instability, civil unrest and other social tensions which may cause business disruptions, and undermine market sentiment and investor confidence

**RISK LEVEL AND MOVEMENT**
- High level, Unchanged since 2017

**MITIGATING ACTIONS AND OPPORTUNITIES ARISING**
- Risk Owners: OpCo Management
- Work closely with OpCos and leverage on their local expertise, knowledge and ability to continually assess changing scenarios
- Various measures in place to ensure timely response in the event of such occurrences
- Emphasis on maintaining neutral government relations and contribute to national socio-economic development

**KEY RISK INDICATORS**
- General Election

**LINK TO MATERIAL ISSUES**
- Sustainable Business Growth
- Business Ethics and Compliance
- Community Impact/ Development
- Fair Employment and Welfare
- Talent Development

**OUR STRATEGIC RESPONSE**
- 

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Notes: 1. AICPA = American Institute of Certified Public Accountants; CICA = Canadian Institute of Chartered Accountants 2. CMMI = Capability Maturity Model Integration
Our Risks Linked To Strategy

**CONTEXT**

- Keeping pace with changing consumer expectations and competitive pricing has become a common challenge for the Group across our markets
- In entering new digital growth ventures, the Group recognises the risk and repercussions involved in poor investment decisions and the management of these new initiatives post-acquisition

**RISK LEVEL AND MOVEMENT**

- **High level,** Unchanged since 2017

**MITIGATING ACTIONS AND OPPORTUNITIES ARISING**

Risk Owners: Mergers and Acquisitions Committee
- Oversees all acquisitions and divestments, with robust due diligence process to evaluate and manage potential risks
- Post-acquisition transition teams to ensure implementation of organisational, cultural and mindset changes
- Closely monitors competitive landscape, to make appropriate technology and network investments
- Prudently managing cost, whilst maintaining strategic alliances with network vendors

**KEY RISK INDICATORS**

- Return on Invested Capital (ROIC) < Weighted Average Cost of Capital (WACC)

**LINK TO MATERIAL ISSUES**

- Sustainable Business Growth
- Digitisation and Modernisation
- Network Quality and Coverage
- Digital Inclusion

**OUR STRATEGIC RESPONSE**

- 1
- 2
- 3
- 4
- 5
- 6
- 7
- 8

---

**CONTEXT**

- The need for and retention of digital talents underpins Axiata’s ability to implement our strategy and deliver superior customer service
- Hiring the right employee and loss of key talent remain a challenge, especially in the digital economy
- Ensuring the health and safety of our employees at all times, to protect their welfare and well-being

**RISK LEVEL AND MOVEMENT**

- **Medium level,** Unchanged since 2017

**MITIGATING ACTIONS AND OPPORTUNITIES ARISING**

Risk Owners: Talent Management Team
- Actively seek suitable employees who are capable and motivated to live Axiata’s values
- Robust talent development programmes, continuous employee engagement, attractive performance based rewards and providing a safe and healthy work environment to ensure employee retention
- Empower staff to respond to rapidly changing customer demands and work processes
- Business Continuity Management plan implemented in light of national lockdowns to contain the COVID-19 pandemic, enabling all employees to work remotely from home

**KEY RISK INDICATORS**

- Turnover rate of talents and key influencers

**LINK TO MATERIAL ISSUES**

- Fair Employment and Welfare
- Talent Development

**OUR STRATEGIC RESPONSE**

- 3
- 4
- 7
- 8

---

**CONTEXT**

- As Axiata strives for market leadership and for continued competitive advantage, Axiata will need to be able to invest in new technologies, upgrades and equipment
- Rapid technological advances may result in premature obsolescence of key technology and equipment before the end of their useful life cycle
- Lagging deployment of new technologies may result in the group falling behind its competitors

**RISK LEVEL AND MOVEMENT**

- **Medium level,** Unchanged since 2017

**MITIGATING ACTIONS AND OPPORTUNITIES ARISING**

Risk Owners: Group Finance, Group Technology
- Constantly reviewing and refreshing our technology to remain relevant, as we maintain financial prudence
- Future proofing a critical criteria in network equipment selection, and is built into the procurement process
- Closely studying new technological advancements, especially 5G, whilst crafting the future network strategy

**KEY RISK INDICATORS**

- ROIC < WACC

**LINK TO MATERIAL ISSUES**

- Digital Inclusion
- Digitisation and Modernisation
- Network Quality and Coverage

**OUR STRATEGIC RESPONSE**

- 2
- 3
- 4
- 5
- 6

---

**CONTEXT**

- Axiata’s values of Uncompromising Integrity, Exceptional Performance (ULPE) drive our efforts to ensure high ethical standards and good corporate governance, to maintain our continued success
- To come into effect in June 2020, the Malaysian Anti-Corruption Commission (Amendment) Act 2018 on corporate liability for bribery and corruption heightens corporate liability risks

**RISK LEVEL AND MOVEMENT**

- **Medium level,** Increased in 2019

**MITIGATING ACTIONS AND OPPORTUNITIES ARISING**

Risk Owners: Group Risk and Compliance, Group Human Resource, Group Company Secretary
- Axiata’s Code of Conduct guides personnel conducting business for/on behalf of the Group
- Developing a strong ethics and governance platform to support Axiata’s business integrity
- Ensuring a strong anti-bribery and anti-corruption culture by revising policies and procedures, realigning processes with appropriate control mechanisms, establishing automated systems, and conducting staff awareness programmes

**KEY RISK INDICATORS**

- Deviation from Group’s set standards and governance framework, Corporate liability charges/Regulatory fines

**LINK TO MATERIAL ISSUES**

- Sustainable Business Growth
- Business Ethics and Compliance
- Supply Chain Management
- Climate Action and Environment Management
- Community Impact/Development

**OUR STRATEGIC RESPONSE**

- 3
- 7
- 8

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Note: 1 Risk level changed from low (2017-2018) to medium following maturity level gaps assessment conducted in 2019
Advancing Asia: Evolving And Adapting Our Strategy To A New Operating Landscape

In 2016, we announced our aspiration to become a “New Generation Digital Champion” by 2022 powered by our three core businesses. Since then, Axiata has continued to evolve our response to changes and shifts in the global and regional telecommunications industry.

Bringing together all our learnings over the past four years, we are now embarking on Axiata 5.0 to reimagine the Group’s future. To translate the Axiata 5.0 vision into execution, we will double down on strengthening leadership towards accelerating improvements in 10 Key Focus Areas. In parallel, we will deploy a new Group engagement model that harnesses critical learnings from all our Operating Companies (OpCos) by leveraging off our “collective brains” to unlock maximum Group synergies and drive elevated levels of cross-functional and OpCo collaboration.

Our strategy will be further reassessed in light of the impacts arising from the COVID-19 pandemic.

**OUR VISION:** New Generation Digital Champion by 2022

**TRIPLE CORE STRATEGY**

- **DIGITAL TELCO**
  Transform from Mobile-Centric Telcos to Converged Digital Operators
  Target: #1 / Strong #2 in All Markets

- **DIGITAL BUSINESSES**
  Pivot from Portfolio Company to Three Lines of Digital Businesses
  Target: 3 “Unicorns”

- **INFRASTRUCTURE**
  Advance from Regional Champion to Global Champion
  Target: Top 5 in the World

**AXIATA 5.0**

10 KEY FOCUS AREAS

1. **“Shifting Gear”:** Focus on Profit and Cash
2. **OpCos Transformation:** Beyond Short-Term Turnaround
3. **Operational Excellence:** As Our New Corporate DNA
4. **New Group Engagement Model:** Virtual Centralisation via the “Collective Brain”
5. **Digitisation and Analytics:** Our Biggest Differentiator
6. **New Growth Areas:** Especially Enterprise
7. **Stakeholder Management:** Including Regulatory and Government, Shareholders, Customers, Employees and Media
8. **Organisation 5.0:** Develop Modern, Agile, Digital Values and Support Key Focus Areas
9. **Industry Consolidation**
10. **Investment and Portfolio Optimisation**
Adapting Our Strategy To A New Operating Landscape

Our 2019 achievements are mapped according to the 10 Key Focus Areas.

<table>
<thead>
<tr>
<th>1</th>
<th>“Shifting Gear”</th>
<th>2</th>
<th>OpCo Transformation</th>
<th>3</th>
<th>Operational Excellence</th>
<th>4</th>
<th>New Group Engagement Model</th>
<th>5</th>
<th>Digitisation and Analytics</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>OUR KEY PROGRESS</strong></td>
<td><strong>OUR KEY PROGRESS</strong></td>
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<td><strong>OUR KEY PROGRESS</strong></td>
</tr>
<tr>
<td>• Recorded the highest reported PAT since 2016</td>
<td>• All OpCos are either #1 or #2 Performers in EBITDA, Profit and Cash in their markets, while still maintaining respective revenue market share positions</td>
<td>• Delivering Operational Excellence through a combination of:</td>
<td>• Effected the Virtual Centralisation via the “Collective Brain” engagement model across all OpCos to allow for more efficient ways of working and better cross-pollination of learning</td>
<td>• Axiata Analytics Centre (AAC) trained 300 data scientists and data engineers</td>
<td>• Performance</td>
<td>• Performance</td>
<td>• Performance</td>
<td>• Performance</td>
<td>• Performance</td>
</tr>
<tr>
<td>• ROIC improved by 5.1ppt to hit 6.4% as a result of the successful implementation of our divestment strategy in 2018</td>
<td>• All OpCos continued to deliver on Triple Core Strategy transformation targets, network modernisation and digitisation initiatives</td>
<td>- Profitable Growth</td>
<td>• Identified Network, IT and Procurement as three priority areas for virtual centralisation to realise incremental strategic and financial value across all OpCos</td>
<td>• Axiata Digital Labs collaborated with OpCos to enhance Enterprise digital offerings</td>
<td>• People</td>
<td>• People</td>
<td>• People</td>
<td>• People</td>
<td>• People</td>
</tr>
<tr>
<td>• All OpCos (Digital Converged Telcos) are now profitable with:</td>
<td></td>
<td>- Optimum Customer Satisfaction</td>
<td>• Independent and externally assessed DTI ranked Dialog and Robi as digital leaders, on par with global technology companies</td>
<td>• Partnership</td>
<td>• Partnership</td>
<td>• Partnership</td>
<td>• Partnership</td>
<td>• Partnership</td>
<td></td>
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<tr>
<td>- Double digit EBITDA growth at XL, Robi, Smart and edotco</td>
<td></td>
<td>- Sustainable Cost Structure</td>
<td>• Improved internal processes across all OpCos with process simplification and digitisation</td>
<td>• Planet &amp; Society</td>
<td>• Planet &amp; Society</td>
<td>• Planet &amp; Society</td>
<td>• Planet &amp; Society</td>
<td>• Planet &amp; Society</td>
<td></td>
</tr>
</tbody>
</table>
| - Double digit PATAMI and FCF growth in Celcom, XL, Dialog, Smart and edotco | | - Digitisation and Analytics | • Enhanced customer experiences using digitisation as an enabler to automate customer registrations, and analytics to identify Next Best Action and optimise dealer experience | Note: 1 Applies to Digital Converged Telco subsidiaries Celcom, XL, Smart, Dialog, Robi and Ncell

Note: 1 Applies to Digital Converged Telco subsidiaries Celcom, XL, Smart, Dialog, Robi and Ncell
### New Growth Areas

**OUR KEY PROGRESS**
- Growth in Home/Convergence business at Celcom, XL, Smart and Dialog
- Growth in Enterprise business at Celcom, XL and Dialog
- Launched Enterprise solutions at Ncell
- Dialog developed IoT-based digital solutions — smart electricity meters and SARU app for farmers
- Digital businesses on track to profitability, with ADA PAT positive in 2019
- Axiata Analytics Centre and Axiata Digital Labs continued to expand on digitally skilled talents to strengthen the Group's digitisation and analytics focus
- Launched Aspirasi providing micro-financing and micro-insurance
- Apigate refocused on Payment and Application-to-person Messaging to drive future growth

**LINK TO 4P GOALS**
- Performance
- People
- Partnership
- Planet & Society

### Stakeholder Management

**OUR KEY PROGRESS**
- Memorandum of Understanding (MOU) with Malaysia Digital Economy Corporation to share best practices, cyber threat scenarios and contribute to national talent development
- Partnered with regulatory bodies and GCERT in Malaysia to enhance national incident response and threat intelligence
- Strengthened data privacy and cyber security, to achieve a CMMI Maturity Level 3 for all NIST functions Group-wide
- Digital venture funds of ADIF, DADIF and SADIF to accelerate the development of the digital ecosystem in Malaysia, Sri Lanka and Cambodia respectively
- Provided innovative digital service solutions for underserved communities to bridge the digital divide
- edotco’s focused carbon reduction strategy led to 54% reduction in carbon emission per site

**LINK TO 4P GOALS**
- Performance
- People
- Partnership
- Planet & Society

### Organisation 5.0

**OUR KEY PROGRESS**
- AAC provided technical analytics training and advanced technology courses to enable digital talent transformation
- Fast Forward as a Group-wide intelligent learning technology platform, providing learning modules for employees
- LEAP focused on advanced technologies of analytics, Artificial Intelligence, Machine Learning, Deep Learning, Augmented Reality and Virtual Reality
- Launched LEAP Awards with eight functional assessments on OpCo digitisation and transformation initiatives

**LINK TO 4P GOALS**
- Performance
- People
- Partnership
- Planet & Society

### Industry Consolidation

**OUR KEY PROGRESS**
- Explored a strategic merger with Telenor ASA’s Asian operations to leapfrog growth in local and regional operations but did not proceed due to technical complexities of a merger of this magnitude

**LINK TO 4P GOALS**
- Performance
- People

### Investment & Portfolio Optimisation

**OUR KEY PROGRESS**
- Portfolio rationalisation in 2019:
  - Divested stake in M1 Limited
  - Disposed Idea rights
  - Divested non-core digital businesses
- Axiata Digital obtained a strategic minority investment from Mitsui & Co. Ltd, with a pre-money enterprise value of USD500 million
- Agreement with Princeton Digital Group to acquire 70% equity in XL Axiata Data Centre
- Announced plans to list Robi on the Bangladesh Stock Exchange in 2020

**LINK TO 4P GOALS**
- Performance
- People

---

Notes:
2 GCERT = Government Computer Emergency Response Team
3 ADIF = Axiata Digital Innovation Fund; DADIF = Dialog Axiata Digital Innovation Fund; SADIF = Smart Axiata Digital Innovation Fund
4 LEAP = Learn, Engage, Accelerate and Perform

For more details on our strategic activities and outcomes, please refer to pages 48 to 68 in the “Assess How Our Operating Companies Have Contributed To Creating Value” section, and pages 32 to 38 in the “See How We Intend To Create Long-Term Value” section

For more details on our sustainability related activities and outcomes that contributed to Axiata’s strategic performance, please refer to the SNCR
SEE HOW WE INTEND TO CREATE LONG-TERM VALUE
Our Value Creation Model

Axiata utilises input from our six capitals to drive through our strategies in our value creation process. Our efforts lead to output, as well as outcomes and value created in the short, medium and long-term for our base of stakeholders. The Group’s efforts are also contributing to advancing some of the UN SDGs. As a result of the nature of the trade-offs and interconnectivity of our six capitals, Axiata’s value creation reporting focuses on the key activities that lead to the outcomes aligned with achieving our ambition of becoming a New Generation Digital Champion by 2022.

**Financial Capital**
Capital providers supply us with the necessary funding for our business, in addition to cash generated from operations and investment.

**Human Capital**
Our skilled workforce is a pivotal part of Axiata’s business model. Our engaged, diverse, and innovation-driven employees contribute to the success of our business.

**Intellectual Capital**
Our strong brand equity and trust, culture, partnerships, know-how as well as our procedures and processes differentiate us in the marketplace.

**Social & Relationship Capital**
Trusted relationships with customers, communities, governments and regulators, suppliers, trade unions, industry bodies, among others, are key towards ensuring that we maintain strong relationships of trust with our stakeholders.

**Manufactured Capital**
Our network infrastructures, data centres and software applications are an important source of competitive differentiation. Our Manufactured Capital also includes the office buildings housing our workforce.

**Natural Capital**
We consume energy in our operations, and use land to house our towers and other infrastructure.

Unfold To See How We Create Value
Our Value Creation Model

THE INPUT OUR CAPITALS PROVIDE

Financial Capital
- Market capitalisation of RM37.9 billion in 2019
- Gross debt/EBITDA ratio of 2.4x
- Debt Equity Ratio of 1.6x
- Credit ratings of Ba2 on Moody’s and bbb+ on S&P
- Operating expenses of RM14.0 billion
- Capital expenditure of RM6.2 billion

Human Capital
- More than 12,976 employees from 42 nationalities across Asia
- Male: Female employee ratio of 71:29
- RM85.0 million spent on talent management initiatives
- 71:29 employees
- 42 nationalities across Asia

Intellectual Capital
- Mobile licenses and spectrum allocations throughout our operating markets
- Investment in digitisation and modernisation initiatives
- Data privacy, cyber security and information security initiatives

Social & Relationship Capital
- 2019 Brand Equity score:
  - #1 in Sri Lanka, Cambodia & Nepal
  - #2 in Malaysia, Indonesia & Bangladesh
- Industry and community partnerships
- Customer base of approximately 153 million subscribers

Manufactured Capital
- 31,924 towers owned and managed by edotco
- Group-wide BTS infrastructure
- Group Capex of RM6.2 billion
- Group Plant, Property and Equipment (PPE) value of RM25.6 billion
- Telecommunication network equipment (net book value) of RM11.0 billion
- edotco tower Capex of RM923.0 million
- edotco PPE value of RM14.2 billion
- Global digital platform business, Apigate

Natural Capital
- Direct energy consumption of 1.6 million GJ
- Indirect energy consumption of 5.7 million GJ
- Renewable energy capacity of 38,000 GJ
- Energy intensity of 699.1 GJ per million GB (digital telco only)

TRADE-OFFS
- In the short-term, expanding and modernising our networks will increase our base of Manufactured Capital, but reduce our Financial Capital. However in the long-term, these investments expand our business’ capacities, and therefore grow our Financial Capital
- Investments in Intellectual Capital reduces our Financial Capital in the short-term. However in the long-term, it leads to increasing the value of our Human, Financial, and Social and Relationship Capital
- Our Social and Relationship Capital investments reduces our Financial Capital in the short-term. However in the long-term, our efforts to bridge the digital divide and foster regional socioeconomic development augments the value of our Social and Relationship, Human, Intellectual and Financial Capitals
- Our Manufactured Capital base negatively impacts upon our Natural Capital. However, through concerted efforts to reduce our carbon footprint, we are able to mitigate our business impact on our Natural Capital

Notes:
1. As at 31 December 2019
2. In line with explanations provided in the IAR 2018, this number excludes Idea and M1 subscribers

THE STRUCTURES IN PLACE FOR VALUE CREATION

To be one of Asia’s largest telcos in all financial metrics in the top three area of: Return on Invested Capital, Capitalisation and g

10 KEY FOCUS AREAS FOR AXIATA 5.0

"Shifting Gear": Focus on Profit and Cash
OpCos Transformation: Beyond Short-Term Turnaround
Operational Excellence: As Our New Corporate DNA
New Group Engagement Model: Via Virtual Collaboration
Digitisation & Analytics: Our Biggest Differentiator

STAKEHOLDER MANAGEMENT: Especially Enterprise
Stakeholder Management: Including Regulatory and Government, Shareholders, Customers, Employees and Media
Organisation 5.0: Develop Modern, Agile, Digital Values and Support Key Focus Areas
Industry Consolidation
Investment & Portfolio Optimisation

ADVERSE OUTPUT

By-products: GHG emissions

OUR OUTPUTS AS A BUSINESS

Differentiated connectivity services
Seamless connection
Comprehensive digital platforms for businesses
Data-driven digital advertising
Secure digital financial services
Enterprise solutions/IoT
Reliable network availability
Sustainable network tower solutions
Fibre connectivity
End-to-end tower management services

OUTCOMES WHICH BENEFIT ALL

1. Delivering Long-Term Value to Shareholders
- Maximise shareholder value
- Sustained long-term business growth and profitability

UN SDG:
Refer to page 35 for more details

2. Building a Modern, Agile and Digital Asia Talent Factory
- Talent development platform geared towards being a Modern, Agile and Digital (M.A.D.) Asian Talent Factory
- Attract and retain talented employees
- Diverse workforce, with multiple opportunities to advance their careers

UN SDG:
Refer to page 34 for more details

3. Becoming a Trusted and Reliable Digital Partner
- Provide amazing customer experience across our footprint
- Establish strong brand equity and trust
- Digital platforms to cater to customer needs for innovative digital products and services

UN SDG:
Refer to page 35 for more details

4. Supporting Governments and Communities in Our Markets
- Contribute to the socioeconomic development of the countries we operate in through national contributions and social responsibility initiatives

UN SDG:
Refer to page 36 for more details

5. Enabling Digitally-Connected Societies
- Increase population coverage and connect underserved areas
- Aid digital and financial inclusion

UN SDG:
Refer to page 37 for more details

6. Minimising Environmental Impact
- Focused carbon reduction strategy
- Optimise energy consumption through design innovations and renewable energy sources

UN SDG:
Refer to page 38 for more details
1. Delivering Long-Term Value To Shareholders

### Activities and Processes to Create Value
- Operational Excellence delivered on **sustainable cost structure**
  - Group-wide
- “Shifting Gear” Tactics delivered on profitability and cash growth
- The Cost Excellence Programme continues to deliver ahead of our expectation and well on course to deliver our target of RM5.0 billion by 2021
- Optimised strategic resource allocation towards new growth areas and technology investments in line with becoming a **New Generation Digital Champion** by 2022
- Portfolio rationalisation in 2019:
  - Divested stake in M1 Limited for total cash proceeds of RM1.65 billion and an estimated gain of RM113.4 million, and shared gains with shareholders
- Gain on disposal of Idea rights with cash proceeds of RM96.1 million
- Gain on divestment of non-core digital businesses of RM367.1 million

### OUTCOMES AND VALUE CREATED

| Maximise shareholder value by maintaining sustainable dividend payout | Sustained long-term business growth and profitability by ensuring financial resilience |

### PERFORMANCE INDICATORS

#### Operating Revenue

<table>
<thead>
<tr>
<th>Year</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017</td>
<td>RM24.4 billion</td>
</tr>
<tr>
<td>2018</td>
<td>RM23.9 billion</td>
</tr>
<tr>
<td>2019</td>
<td>RM24.6 billion</td>
</tr>
</tbody>
</table>

#### EBITDA

<table>
<thead>
<tr>
<th>Year</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017</td>
<td>RM9.2 billion</td>
</tr>
<tr>
<td>2018</td>
<td>RM8.3 billion</td>
</tr>
<tr>
<td>2019</td>
<td>RM10.6 billion</td>
</tr>
</tbody>
</table>

#### Normalised PATAMI

<table>
<thead>
<tr>
<th>Year</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017</td>
<td>RM1.2 billion</td>
</tr>
<tr>
<td>2018</td>
<td>RM1.0 billion</td>
</tr>
<tr>
<td>2019</td>
<td>RM0.96 billion</td>
</tr>
</tbody>
</table>

#### Dividend Per Share (DPS)/ Dividend Payout Ratio (DPR)

<table>
<thead>
<tr>
<th>Year</th>
<th>DPS</th>
<th>DPR</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017</td>
<td>8.5 sen</td>
<td>64%</td>
</tr>
<tr>
<td>2018</td>
<td>9.5 sen</td>
<td>85%</td>
</tr>
<tr>
<td>2019</td>
<td>9.0 sen + Special dividend of 0.5 sen</td>
<td>86%</td>
</tr>
</tbody>
</table>

#### Cost Savings

With more than RM4 billion already delivered in the first three years of the programme, we are ahead of our expectation to achieve our target of RM5 billion by 2021

<table>
<thead>
<tr>
<th>Year</th>
<th>Amount</th>
<th>Ratio</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017</td>
<td>RM1.3 billion</td>
<td>26%</td>
</tr>
<tr>
<td>2018</td>
<td>RM1.5 billion</td>
<td>30%</td>
</tr>
<tr>
<td>2019</td>
<td>RM1.3 billion</td>
<td>26%</td>
</tr>
</tbody>
</table>

#### Gross Debt to EBITDA Ratio

<table>
<thead>
<tr>
<th>Year</th>
<th>Ratio</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017</td>
<td>2.1x</td>
</tr>
<tr>
<td>2018</td>
<td>2.3x</td>
</tr>
<tr>
<td>2019</td>
<td>2.4x</td>
</tr>
</tbody>
</table>

#### Cash Reserves

<table>
<thead>
<tr>
<th>Year</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018</td>
<td>RM5.1 billion</td>
</tr>
<tr>
<td>2017</td>
<td>RM6.8 billion</td>
</tr>
</tbody>
</table>

#### Maintained Credit Ratings, despite challenging external environment

<table>
<thead>
<tr>
<th>Rating Agency</th>
<th>Rating</th>
</tr>
</thead>
<tbody>
<tr>
<td>Moody’s Baa2</td>
<td>S&amp;P bbb+</td>
</tr>
<tr>
<td>2017</td>
<td>2018</td>
</tr>
<tr>
<td>Moody’s Baa2</td>
<td>S&amp;P bbb+</td>
</tr>
<tr>
<td>2019</td>
<td></td>
</tr>
</tbody>
</table>

Notes:
1. The Group announced lower DPR in 2016 and 2017 based on two reasons. First, for prudent reasons, to mitigate against impacts of volatile forex and regulatory risk. Second, for strategic reasons, to enable 4G/data leadership investments as well as for possible mergers and acquisitions (M&A) exercises in the areas of market consolidation. Axiata reverted to DPR of 85% in 2018.
2. DPR = Dividend Payout Ratio excluding special dividend
3. Includes MFRS 16 impact. For comparison purposes, gross debt to EBITDA would be 1.8x on a pre-MFRS 16 basis

For more details on our financial performance, please refer to pages 39 to 47 in the “Take Measure Of Our Financial Performance” section.

For our Audited Financial Statements, please refer to the GAFS.
2. Building A Modern, Agile And Digital Asian Talent Factory

### OUTCOMES AND VALUE CREATED

- **Attract and retain talented employees**
- Diverse workforce with multiple opportunities to advance their career

### PERFORMANCE INDICATORS

#### Building the M.A.D. Culture

- **Developing Digital Talent Base**
  - **AAC**
    - AAX trained 300 data scientists and data engineers in 2019, and targets to increase to 600 in 2020
  - **ADL**
    - Digital talent employee base growth of 3x to 650 employees as at end 2019
- **e-Learning Platforms**
  - **5,626** learners
- **Synapse**
  - Accelerates learning across the Group
  - > 1,000 visits/month
- **Cultivating a Digitisation Culture**
  - OpCos submitted > 250 Unique digitisation initiatives under the LEAP Awards 2019
- **Overall Winner**
  - **Dialog**
  - **Runners-up**
  - **celcom**, **robi**

#### Building Data Privacy and Cyber Security Awareness

- **Cyber-aware employees and vendors with the appropriate knowledge**
  - Built a team of capable incident handlers who can respond decisively in the event of a cyber-attack
- Axiata’s Group-wide cyber security training and awareness programme covering > 12,800 employees and > 1,300 vendors resulted in 96% of the employees and 100% of the vendors being trained and tested on their knowledge of cyber security

#### HSE Key Indicators

<table>
<thead>
<tr>
<th>Site Inspections and Audits</th>
<th>8,728 2019</th>
<th>2,121 2018</th>
<th>3,688 2017</th>
</tr>
</thead>
</table>

#### Group Employee Engagement Survey Result

<table>
<thead>
<tr>
<th>SEI²</th>
<th>UI.EP</th>
<th>Ethics</th>
<th>High Performance Culture</th>
</tr>
</thead>
<tbody>
<tr>
<td>2019: 89%</td>
<td>2018: 88%</td>
<td>2017: 88%</td>
<td>2019: 85%</td>
</tr>
<tr>
<td>2018: 90%</td>
<td>2017: 90%</td>
<td>2017: 84%</td>
<td>2018: 84%</td>
</tr>
<tr>
<td>2017: 90%</td>
<td>2018: 84%</td>
<td>2017: 84%</td>
<td>2017: 80%</td>
</tr>
</tbody>
</table>

#### Talent at Axiata

- **Top Management**
  - 125 2019
  - 174 2018
  - 145 2017
- **Middle Management**
  - 438 2019
  - 513 2018
  - 650 2017

#### Improved External : Internal Hiring Ratio

- **77% filled internally**
- **2018: 78%**
- **2017: 88%**
- **2019: 83%**
- **2018: 17%**
- **2017: 12%**

#### Leadership at Axiata

- **Leadership positions in 2019**
  - 60% Male
  - 40% Female
- **Gender Diversity in Leadership**
  - 2019: 86%
  - 2018: 83%
  - 2017: 88%

#### Notes:

1. Data Privacy Champions are Data Privacy Officers and their teams
2. SEI refers to Sustainable Engagement Index
3. Locals – Locals working in their respective OpCo country. Footprint – Non-locals from Axiata’s footprint countries. External: Non-locals from outside Axiata’s footprint countries

For more details on our training and development programmes, please refer to pages 27 to 33 in the “Nurturing People” section.
3. Becoming A Trusted And Reliable Digital Partner

Activities and Processes to Create Value

- Axiata Digital Labs (ADL) continued to serve as one of the Group’s technology hubs providing disruptive digital platforms and highly advanced digital solutions to help businesses advance in the digital era
- Group-wide Digital Transformation Strategy leveraging on digitisation and analytics to provide differentiated digital products and services, and enhanced customer experience
- Conducted the Digital Telco Index (DTI) assessment, an independent evaluation that benchmarks Axiata against global technology peers

OUTCOMES AND VALUE CREATED

Digital platforms to cater to customer needs for innovative digital products and services

Provide amazing customer experience across our footprint

Establish strong brand equity and trust

PERFORMANCE INDICATORS

<table>
<thead>
<tr>
<th>Total Number of Mobile Customers (million)</th>
<th>Strengthened Data Privacy and Cyber Security</th>
<th>Achieved Capability Maturity Model Integration (CMMI) Maturity Level 3 for all NIST functions Group-wide</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017 150 million</td>
<td>CaP established stronger co-operation</td>
<td>GSOC accredited by the Forum of Incident Response and Security Teams (FIRST)</td>
</tr>
<tr>
<td>2018 350 million</td>
<td>between cyber and privacy domains</td>
<td>More robust cyber defence to improve detection, response and recovery capability</td>
</tr>
<tr>
<td>2019 153 million¹</td>
<td>to protect all stakeholders’ data privacy and security</td>
<td></td>
</tr>
</tbody>
</table>

Net Promoter Score in Mobile Markets

- in 4 markets: Malaysia, Sri Lanka, Cambodia & Nepal
- in 2 markets: Indonesia & Bangladesh

Brand Equity Score

- in 3 markets: Sri Lanka, Cambodia & Nepal
- in 3 markets: Malaysia, Indonesia & Bangladesh

Social Reputation Score

- in 5 markets: Malaysia, Indonesia, Cambodia, Nepal & Bangladesh
- in 1 market: Sri Lanka

DTI 2019

- 2 OpCos in digital leader category, on par with global digital leaders
- 1 OpCo very close to the digital leader category

Analytics as Enabler²

Colum used Next Best Action to identify unique personalised offers for each prepaid customer
- Increased take-up rate by 4x
- Increased Average Revenue Per User (ARPU) by 20%-25%

Dealer Optimisation

Smart improved new dealer recommendations with 75% accuracy

For more details on data privacy and cyber security, please refer to pages 38 and 39 in the "Strengthening Data Privacy And Cyber Security in 2019" section

For more details on:
- Our training and development programmes, please refer to pages 27 to 33 in the “Nurturing People” section
- Our digitisation initiatives, please refer to pages 34 to 39 in the “Process Excellence & Governance” section

Notes:
- In line with explanations provided in the IAR 2018, this number excludes Idea and M1 subscribers
- Examples of Digitisation and Analytics as Enablers

Scan to watch more from our Chief Executive Officer – Telecommunications Business/ Group Executive Vice President

35
4. Supporting Governments And Communities In Our Markets

**RELATED KEY CAPITALS**

Activities and Processes to Create Value
- Developed digital services aligned with national digital policies and aspirations
- Maintained our commitments to the GSMA’s Humanitarian Connectivity Charter and Connected Women Initiative

- edotco’s innovative energy recycling initiatives:
  - Tower to Community (T2C) project channels surplus electricity from sites to underserved communities
  - Launched T2C’s vaccination refrigeration programme in Myanmar

- Axiata contributed taxes to all Governments of the countries we operate in
- Contributed to job creation and supported national economies in all our markets

**OUTCOMES AND VALUE CREATED**

Contribute to the socioeconomic development of the countries we operate through national contributions and social responsibility initiatives

**PERFORMANCE INDICATORS**

**Total National Contributions**
- 2017: USD15.9 billion
- 2018: USD13.9 billion
- 2019: USD8.4 billion

**Number of Jobs Supported Across the Region**
- 2017: 1.0 million
- 2018: 0.9 million
- 2019: 0.6 million

**2019 Contributions to Connected Women Initiative**
OpCos | Initiatives | 2019 Contributions to Humanitarian Connectivity Charter
--- | --- | ---
Celcom | > 1,000 women underwent Digital Entrepreneurship Training | Smart
Dialog | Tuisyen Pintar > 2,700 female students from B40 were provided with after-class learnings | XL
Robi | Yeheli Thozhi > 5,000 app downloads | Smart
Caret | Tuisyen Pintar > 2,700 female students from B40 were provided with after-class learnings | XL
Smart | Tuisyen Pintar > 2,700 female students from B40 were provided with after-class learnings | XL
Ncell | Early warning SMS system - 2.6 million flood alerts | XL
Dialog | Early Warning Network - close to 6 million alerts | XL
Celcom | Flood Aid - Johor & Kelantan | XL
Ncell | Reconstructed school - Northern Lombok | XL
Dialog | Post-tsunami aid - Palu, Central Sulawesi | XL
Celcom | Drought relief - West Java | XL
Dialog | Flood aid - Java & Sumatra | XL

**T2C Impacts**
- 2019: 4,567 families in 4 countries
  - Bangladesh 600 families
  - Malaysia 560 families
  - Myanmar 2,000 families
  - > 4,600 families in rural areas in Malaysia, Bangladesh, Pakistan & Myanmar
  - > 2,500 families in Myanmar
  - Benefitting > 800 students in Cambodia & Bangladesh

**Partnerships to Strengthen the Cyber Security Ecosystem in 2019:**
Collaborated with national regulatory bodies and Government Computer Emergency Response Team (GCERT) in Malaysia to improve incident response and threat intelligence
- Axiata signed Memorandum of Understanding (MOU) with Malaysia Digital Economy Corporation to promote sharing of best practices, cyber threat scenarios, and support national agenda on talent development
- Celcom signed a MOU with CyberSecurity Malaysia (CSM) to collaborate on incident response and provide a lab for IoT testing

**Note:** Total National Contributions for 2019 excludes economic contributions from M1 and Idea, following our divestment in shareholdings in these two companies in 2019.
5. Enabling Digitally-Connected Societies

**RELATED KEY CAPITALS**

**Activities and Processes to Create Value**
- Technology venture funds to catalyse the growth of tech start-ups: ADIF, DADIF, SADIF
- Since 2015, Robi 10 Minute School has provided quality education and skills training for free to students of all ages and backgrounds in Bangladesh

**OUTCOMES AND VALUE CREATED**

Increase population coverage and connect underserved areas

Aid digital and financial inclusion

**PERFORMANCE INDICATORS**

**ADIF Funding for Digital Startups**
- 2019: RM54.9 million
  - 2018: RM45.6 million
  - 2017: RM27.2 million

**SADIF Funding for Digital Startups**
- 2019: USD2 million
  - 2018: USD1.2 million

**DADIF Funding for Digital Startups**
- 2019: SLR278 million
  - 2018: SLR219 million

**Robi 10 Minute School**
- Quality education for > 360,000 students since 2015
- > 850 live classes viewed > 30 million times

**Registered Users**

<table>
<thead>
<tr>
<th>Year</th>
<th>2017</th>
<th>2018</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Boost</td>
<td>0.64 million</td>
<td>3.5 million</td>
<td>5.0 million</td>
</tr>
<tr>
<td>Aspirasi</td>
<td>3.0 million</td>
<td>3.4 million</td>
<td>3.7 million</td>
</tr>
<tr>
<td>Diagonal</td>
<td>53,982</td>
<td>103,408</td>
<td>134,000</td>
</tr>
</tbody>
</table>

**Note:**
1. SADIF and DADIF were established in 2017 and 2018 respectively

For more details on our digital inclusion initiatives, please refer to pages 17 to 26 in the "Beyond Short-Term Profits" section.
6. Minimising Environmental Impact

**Integrated Annual Report 2019**

**RELATED KEY CAPITALS**

**Activities and Processes to Create Value**

- Axiata has committed to the GSMA-led Carbon Disclosure Project, towards achieving net-zero carbon emissions by 2050, by managing Group energy consumption for networks and buildings.
- Ongoing network transformation across our digital telcos to manage energy consumption with new energy efficient equipment, transferring sites from diesel to grid and installing non air-conditioned cabinets.
- edotco launched Green Office initiatives across all National Tower Companies (NTC).

- edotco has extended its commitment to reduce its carbon footprint to 60% by the end of 2020, from a 2013 baseline.
- As at end 2019, edotco had 1,450 green sites comprising:
  - 1,395 renewable energy sites, including:
    - 1,262 solar sites
    - 12 wind turbine sites
    - 4 hybrid solar and wind turbine sites
    - 2 methanol fuel sites
    - 1 onsite hydrogen generation fuel site
  - 114 solar air conditioned sites
  - 35 sites built from alternative materials
  - 16 Bamboo structures
  - 19 Carbon fibre

- Bamboo tower footprint expanded beyond Bangladesh with two sites deployed in Myanmar, bringing the total to 16 towers.
- Total of 135 smart lamp poles in Sri Lanka, while three smart poles were deployed in Myanmar, and two in Bangladesh.
- Partnered with Solar NRJ to deploy a hybrid renewable energy service to power remote, off-grid BTS sites in Sabah.
- Monitors 49% of sites with ECHO, a centralised monitoring system that ensures energy efficiency in passive infrastructure.
- Conducts a tree planting programme to offset CO₂ production from site build.
- A total of 2 bus stop solutions were deployed in Malaysia.

**Group-wide Total Energy Consumption**

- 2019 Total: 7.3 million GJ
  - Direct: 1.6 million GJ (21%)
    - Network Fuel: 19%
    - Building Fuel: 2%
  - Indirect: 5.7 million GJ (79%)
    - Network Electricity: 77%
    - Building Electricity: 2%

**Group-wide GHG Emissions**

- 2019: 106,676 tCO₂e
  - 2018: 83,120 tCO₂e
  - 2017: 54,701 tCO₂e

**Group-wide Total Energy Consumption by OpCos**

- 2019 Total: 7.3 million GJ

**OUTCOMES AND VALUE CREATED**

**Focused carbon reduction strategy**

**Optimise energy consumption through design innovations and renewable energy sources**

**PERFORMANCE INDICATORS**

**Carbon Footprint Reduction by edotco:**

- Carbon fibre towers compared to steel towers: 20%
- Bamboo towers compared to steel towers: 70%
- Eliminating the use of diesel generators in hard to reach sites: 41%
- Transitioning from 4-legged to 3-legged towers: 25%
- Smaller innovative designs using less materials: 30%
- Replacing diesel generators with renewable energy: 100%

**Bamboo tower footprint expanded beyond Bangladesh with two sites deployed in Myanmar, bringing the total to 16 towers.**

**Notes:**

1. Networks account for 96% of total energy consumption.
2. tCO₂e refers to tonnes carbon dioxide equivalent.

For more details on our climate change and environmental management initiatives, please refer to pages 40 to 46 in the “Planet & Society” section.
TAKE MEASURE OF OUR FINANCIAL PERFORMANCE
### FIVE-YEAR GROUP FINANCIAL HIGHLIGHTS

<table>
<thead>
<tr>
<th>Year</th>
<th>Operating Revenue (RM Billion)</th>
<th>EBITDA (RM Billion)</th>
<th>PAT (RM Billion)</th>
<th>Normalised PATAMI (RM Billion)</th>
<th>ROIC (%)</th>
<th>Customers (Million)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015</td>
<td>19.9</td>
<td>7.3</td>
<td>2.1</td>
<td>Note 5</td>
<td>7.7</td>
<td>275</td>
</tr>
<tr>
<td>2016</td>
<td>21.6</td>
<td>8.0</td>
<td>1.4</td>
<td>Note 4</td>
<td>4.5</td>
<td>320</td>
</tr>
<tr>
<td>2017</td>
<td>24.4</td>
<td>9.2</td>
<td>1.2</td>
<td>Note 3</td>
<td>4.7</td>
<td>348</td>
</tr>
<tr>
<td>2018</td>
<td>23.9</td>
<td>8.3</td>
<td>1.01</td>
<td>Note 2</td>
<td>0.96</td>
<td>149</td>
</tr>
<tr>
<td>2019</td>
<td>24.6</td>
<td>10.6</td>
<td>0.96</td>
<td>Note 1</td>
<td>1.3</td>
<td>153</td>
</tr>
</tbody>
</table>

Note 1 - 2019 normalised PATAMI excludes gain on divestment of non-core digital businesses (RM367.1 million), gain on disposal of associate (RM113.4 million), gain on disposal of Idea rights (RM96.1 million), foreign exchange gains (RM51.7 million), gain on disposal of towers (RM82.2 million) and purchase price allocations amortisation (RM121.8 million).

Note 2 - 2018 normalised PATAMI excludes Idea related losses (RM3,862.5 million), one-off asset write-off, impairment and accelerated depreciation on property, plant and equipment (gross: RM1,816.6 million), foreign exchange loss (RM208.9 million) Note 6, gain on disposal of towers (RM80.5 million) and purchase price allocations amortisation (RM236.3 million).

Note 3 - 2017 normalised PATAMI excludes gain on disposal of towers (RM91.3 million), purchase price allocations amortisation (RM159.2 million), loss on asset held-for-sale (RM161.4 million), severance payment (RM62.8 million), loss on disposal of joint venture (RM40.1 million) and foreign exchange gain (RM165.6 million).

Note 4 - 2016 normalised PATAMI excludes gain on disposal of towers (RM339.6 million), accelerated depreciation (RM303.8 million), purchase price allocations amortisation (RM105.5 million), merger one-off adjustments (RM20.2 million) and foreign exchange loss (RM824.1 million).

Note 5 - 2015 normalised PATAMI excludes gain on disposal of towers (RM399.8 million), one-off tax impact (RM49.0 million) and foreign exchange gain (RM132.3 million).

Note 6 - 2018 are based on restated financials.

Note 7 - Number are based on pre MFRS 16 “Leases” and growth rate at constant currency of 2018.
SUMMARY BREAKDOWN OF OPERATING REVENUE, EBITDA, TOTAL ASSETS AND TOTAL LIABILITIES & EQUITY

Operating Revenue

- **Celcom**: 2019 27.3% (2018 30.7%)
- **Dialog**: 2019 11.0% (2018 11.4%)
- **Smart**: 2019 5.3% (2018 4.9%)
- **Others**: 2019 3.4% (2018 3.2%)

EBITDA

- **Celcom**: 2019 30.0% (2018 27.3%)
- **Dialog**: 2019 14.9% (2018 13.7%)
- **Ncell**: 2019 8.1% (2018 8.8%)
- **Robi**: 2019 8.1% (2018 8.8%)
- **Others**: 2019 -0.8% (2018 2.2%)

Total Assets

- **Property, plant and equipment**: 2019 38.5% (2018 42.7%)
- **Intangible assets**: 2019 31.1% (2018 32.8%)
- **Right-of-use assets**: 2019 13.4% (2018 N/A)
- **Other assets**: 2019 2.5% (2018 7.5%)
- **Deposit, cash and bank balances**: 2019 6.4% (2018 7.9%)
- **Trade and other receivables**: 2019 8.1% (2018 9.1%)

Total Liabilities & Equity

- **Borrowings**: 2019 25.3% (2018 30.0%)
- **Non-controlling interests**: 2019 9.1% (2018 9.0%)
- **Reserves**: 2019 3.5% (2018 6.2%)
- **Share capital**: 2019 20.8% (2018 21.1%)
- **Other liabilities**: 2019 8.8% (2018 9.5%)
- **Trade and other payables**: 2019 19.2% (2018 24.2%)
- **Lease liabilities**: 2019 13.3% (2018 N/A)
## FIVE-YEAR GROUP FINANCIAL SUMMARY

### Operational Highlights

<table>
<thead>
<tr>
<th>All in RM Million unless stated otherwise</th>
<th>FY2019</th>
<th>FY2018¹</th>
<th>FY2017</th>
<th>FY2016¹</th>
<th>FY2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Operating Revenue</td>
<td>24,583</td>
<td>23,886</td>
<td>24,402</td>
<td>21,565</td>
<td>19,883</td>
</tr>
<tr>
<td>2. Earnings Before Interest, Tax, Depreciation and Amortisation (EBITDA)</td>
<td>10,619</td>
<td>8,334</td>
<td>9,230</td>
<td>8,013</td>
<td>7,284</td>
</tr>
<tr>
<td>3. Earnings from Associates and Jointly Controlled Entities</td>
<td>(3)</td>
<td>(428)</td>
<td>(404)</td>
<td>30</td>
<td>434</td>
</tr>
<tr>
<td>4. Profit Before Tax (PBT)</td>
<td>2,872</td>
<td>(4,075)</td>
<td>1,936</td>
<td>1,140</td>
<td>3,331</td>
</tr>
<tr>
<td>5. Profit After Tax (PAT)</td>
<td>1,815</td>
<td>(4,975)</td>
<td>1,162</td>
<td>657</td>
<td>2,636</td>
</tr>
<tr>
<td>6. Profit After Tax and Minority Interests (PATAMI)</td>
<td>1,458</td>
<td>(4,762)</td>
<td>909</td>
<td>504</td>
<td>2,554</td>
</tr>
<tr>
<td>7. Normalised PATAMI⁴</td>
<td>960</td>
<td>1,010</td>
<td>1,205</td>
<td>1,418</td>
<td>2,071</td>
</tr>
<tr>
<td>8. Total Shareholders’ Equity</td>
<td>16,181</td>
<td>17,477</td>
<td>24,731</td>
<td>23,581</td>
<td>23,525</td>
</tr>
<tr>
<td>9. Total Assets</td>
<td>66,534</td>
<td>63,855</td>
<td>69,911</td>
<td>70,753</td>
<td>56,118</td>
</tr>
<tr>
<td>10. Total Borrowings (exclude lease liabilities)</td>
<td>16,826</td>
<td>19,130</td>
<td>19,184</td>
<td>22,260</td>
<td>16,392</td>
</tr>
<tr>
<td>11. Total Lease Liabilities</td>
<td>8,840</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td>12. Customers (million)³</td>
<td>153</td>
<td>149</td>
<td>348</td>
<td>320</td>
<td>275</td>
</tr>
</tbody>
</table>

### Growth Rates YoY

<table>
<thead>
<tr>
<th></th>
<th>FY2019</th>
<th>FY2018¹</th>
<th>FY2017</th>
<th>FY2016¹</th>
<th>FY2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Operating Revenue</td>
<td>2.9%</td>
<td>-2.1%</td>
<td>13.2%</td>
<td>8.5%</td>
<td>6.3%</td>
</tr>
<tr>
<td>2. EBITDA</td>
<td>27.4%</td>
<td>-9.7%</td>
<td>15.2%</td>
<td>10.0%</td>
<td>4.1%</td>
</tr>
<tr>
<td>3. Total Shareholders’ Equity</td>
<td>-7.4%</td>
<td>-29.3%</td>
<td>4.9%</td>
<td>0.2%</td>
<td>13.3%</td>
</tr>
<tr>
<td>4. Total Assets</td>
<td>4.2%</td>
<td>-8.7%</td>
<td>-1.2%</td>
<td>26.1%</td>
<td>14.3%</td>
</tr>
<tr>
<td>5. Total Borrowings (exclude lease liabilities)</td>
<td>-12.0%</td>
<td>-0.3%</td>
<td>-13.8%</td>
<td>35.8%</td>
<td>18.0%</td>
</tr>
</tbody>
</table>

### Share Information

<table>
<thead>
<tr>
<th></th>
<th>FY2019</th>
<th>FY2018¹</th>
<th>FY2017</th>
<th>FY2016¹</th>
<th>FY2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Per Share Earnings (basic) - sen</td>
<td>16.0</td>
<td>(52.6)</td>
<td>10.1</td>
<td>5.7</td>
<td>29.5</td>
</tr>
<tr>
<td>Earnings (diluted) - sen</td>
<td>16.0</td>
<td>(52.4)</td>
<td>10.1</td>
<td>5.7</td>
<td>29.3</td>
</tr>
<tr>
<td>Net Assets - RM</td>
<td>1.8</td>
<td>1.9</td>
<td>2.7</td>
<td>2.6</td>
<td>2.7</td>
</tr>
<tr>
<td>2. Share Price information - RM</td>
<td>5.26</td>
<td>5.70</td>
<td>5.49</td>
<td>6.34</td>
<td>7.22</td>
</tr>
<tr>
<td>High</td>
<td>3.73</td>
<td>3.25</td>
<td>4.29</td>
<td>4.19</td>
<td>5.71</td>
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</tbody>
</table>

### Financial Ratio

<table>
<thead>
<tr>
<th></th>
<th>FY2019</th>
<th>FY2018¹</th>
<th>FY2017</th>
<th>FY2016¹</th>
<th>FY2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Return on Invested Capital⁶</td>
<td>6.4%</td>
<td>1.3%</td>
<td>4.7%</td>
<td>4.5%</td>
<td>7.7%</td>
</tr>
<tr>
<td>Gross Debt to EBITDA²</td>
<td>2.4</td>
<td>2.3</td>
<td>2.1</td>
<td>2.8</td>
<td>2.3</td>
</tr>
<tr>
<td>Debt Equity Ratio⁶</td>
<td>1.6</td>
<td>1.1</td>
<td>0.8</td>
<td>0.9</td>
<td>0.7</td>
</tr>
</tbody>
</table>

### Notes:

1. Excludes foreign exchange gain/loss, gain/loss on disposal of associates & joint venture, gain on divestment of non-core digital businesses, loss on asset held-for-sale, one-off asset write-off, impairment and accelerated depreciation on property, plant and equipment, Ncell purchase price allocations, XL gain on disposal of towers, Robi-Airtel merger one-off adjustments, XL and Robi severance payment, Dialog tax impact and Idea related transactions (loss on derecognition of associate, loss on dilution, operational losses and gain on disposal of rights).
2. FY2018 and FY2016 are based on restated financials.
3. FY2019 and FY2018 customers exclude Idea & ML.
4. EBIT less tax over average invested capital.
5. FY2019 (Post MFRS 16): Gross debt (Total borrowings + Lease liabilities) over EBITDA; FY2015-FY2018: Total borrowings over EBITDA.
6. FY2019 (Post MFRS 16): Debt (Total borrowings + Lease liabilities) over total shareholders’ equity; FY2018: Total borrowings over total shareholders’ equity.
7. 2019 are based on post MFRS 16 “Leases”.

---

**Financial Review**
## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

<table>
<thead>
<tr>
<th>Financial Year Ended</th>
<th>Operating Revenue</th>
<th>31/12/2019</th>
<th>31/12/2018</th>
<th>Restated</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>RM’000</td>
<td>RM’000</td>
<td></td>
</tr>
<tr>
<td>Operating costs</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- depreciation, impairment and amortisation</td>
<td>(7,084,236)</td>
<td>(7,644,816)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>- foreign exchange gains</td>
<td>5,421</td>
<td>8,389</td>
<td></td>
<td></td>
</tr>
<tr>
<td>- domestic interconnect and international outpayment</td>
<td>(1,980,257)</td>
<td>(2,408,317)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>- marketing, advertising and promotion</td>
<td>(2,001,470)</td>
<td>(2,147,698)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>- other operating costs</td>
<td>(7,762,235)</td>
<td>(8,927,499)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>- staff costs</td>
<td>(2,220,200)</td>
<td>(2,068,333)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>- other losses - net</td>
<td>(22,601)</td>
<td>(25,242)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other operating income/(expenses) - net</td>
<td>806,853</td>
<td>(3,057,592)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Operating profit/(loss) before finance cost</td>
<td>4,324,587</td>
<td>(2,385,127)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Finance income</td>
<td></td>
<td>230,468</td>
<td>221,459</td>
<td></td>
</tr>
<tr>
<td>Finance cost excluding net foreign exchange gains/(losses) on financing activities</td>
<td>(1,738,473)</td>
<td>(1,272,385)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net foreign exchange gains/(losses) on financing activities</td>
<td>59,085</td>
<td>(208,689)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(1,679,388)</td>
<td>(1,481,074)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Joint ventures</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- share of results (net of tax)</td>
<td>(2,819)</td>
<td>1,678</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Associates</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- share of results (net of tax)</td>
<td>(647)</td>
<td>(26,364)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>- loss on dilution of equity interests</td>
<td>-</td>
<td>(403,712)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Profit/(Loss) before taxation</td>
<td>2,872,201</td>
<td>(4,073,140)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Taxation and zakat</td>
<td></td>
<td>(1,057,105)</td>
<td>(901,552)</td>
<td></td>
</tr>
<tr>
<td>Profit/(Loss) for the financial year</td>
<td>1,815,096</td>
<td>(4,974,692)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Profit/(Loss) for the financial year attributable to:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- owners of the Company</td>
<td>1,457,550</td>
<td>(4,762,025)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>- non-controlling interests</td>
<td>357,546</td>
<td>(212,667)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Earnings per share (sen)</td>
<td>1,815,096</td>
<td>(4,974,692)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>- basic</td>
<td>16.0</td>
<td>(52.6)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>- diluted</td>
<td>16.0</td>
<td>(52.4)</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

## CONSOLIDATED STATEMENT OF CASH FLOWS

<table>
<thead>
<tr>
<th>Financial Year Ended</th>
<th>Payment from customers</th>
<th>31/12/2019</th>
<th>31/12/2018</th>
<th>Restated</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>RM’000</td>
<td>RM’000</td>
<td></td>
</tr>
<tr>
<td>Operating revenue</td>
<td></td>
<td>24,875,636</td>
<td>24,510,506</td>
<td></td>
</tr>
<tr>
<td>Payments to suppliers and employees</td>
<td>(13,413,645)</td>
<td>(16,222,297)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Payment of finance costs</td>
<td>(1,689,589)</td>
<td>(1,176,600)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Purchase of PPE (net of proceeds from disposal)</td>
<td>(6,770,736)</td>
<td>(6,613,083)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Acquisition of intangible assets</td>
<td>(429,628)</td>
<td>(540,640)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Investment in deposits maturing more than three months</td>
<td>133,618</td>
<td>(970,029)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Investment in subsidiaries (net of cash acquired)</td>
<td>21,451</td>
<td>(103,510)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Investment in associates</td>
<td>(14,664)</td>
<td>(59,551)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Disposal of associates</td>
<td>1,649,256</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Interest received</td>
<td>230,232</td>
<td>223,962</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Disposal of rights on right issue of a financial asset at FVTOCI</td>
<td>96,149</td>
<td>-</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Dividends received from an associate</td>
<td>-</td>
<td>-</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Dividends paid</td>
<td>1,237,355</td>
<td>(395)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total cash flows used in investing activities</td>
<td>(5,099,659)</td>
<td>(7,973,059)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Repayments of borrowings and Sukuk (net of proceeds)</td>
<td>(2,352,263)</td>
<td>(257,425)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Partial disposal of subsidiaries (net of transaction costs)</td>
<td>-</td>
<td>367,434</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Additional investment in a subsidiary by NCI</td>
<td>82,444</td>
<td>396,456</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Repayment of lease liabilities</td>
<td>(1,207,992)</td>
<td>(208,300)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Dividends paid</td>
<td>(613,669)</td>
<td>(855,445)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net decrease in cash and cash equivalents</td>
<td>(726,840)</td>
<td>(2,550,819)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Exchange gains/losses and restricted cash</td>
<td>(45,803)</td>
<td>(133,091)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and cash equivalents at the beginning of the financial year</td>
<td>3,787,748</td>
<td>6,471,658</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and cash equivalents at the end of the financial year</td>
<td>3,015,105</td>
<td>3,787,748</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Bank overdraft</td>
<td>134,442</td>
<td>103,300</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Deposits and others</td>
<td>1,084,552</td>
<td>1,180,400</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Deposits, cash and bank balances</td>
<td>4,231,099</td>
<td>5,071,448</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
### CONSOLIDATED STATEMENT OF FINANCIAL POSITION

<table>
<thead>
<tr>
<th></th>
<th>As at 31/12/2019 RM’000</th>
<th>As at 31/12/2018 RM’000</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>CAPITAL AND RESERVES</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Share capital</td>
<td>13,857,268</td>
<td>13,502,368</td>
</tr>
<tr>
<td>Reserves</td>
<td>2,323,525</td>
<td>3,974,431</td>
</tr>
<tr>
<td>Total equity attributable to owners of the Company</td>
<td>16,180,793</td>
<td>17,476,799</td>
</tr>
<tr>
<td>Non-controlling interests</td>
<td>6,039,230</td>
<td>5,737,907</td>
</tr>
<tr>
<td><strong>Total equity</strong></td>
<td>22,220,023</td>
<td>23,214,706</td>
</tr>
<tr>
<td><strong>NON-CURRENT LIABILITIES</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Borrowings</td>
<td>9,194,490</td>
<td>14,646,553</td>
</tr>
<tr>
<td>Derivative financial instruments</td>
<td>110,818</td>
<td>1,698,722</td>
</tr>
<tr>
<td>Deferred income</td>
<td>383,337</td>
<td>363,196</td>
</tr>
<tr>
<td>Deferred gain on sale and lease back assets</td>
<td>559,351</td>
<td>663,228</td>
</tr>
<tr>
<td>Trade and other payables</td>
<td>607,967</td>
<td>2,987,844</td>
</tr>
<tr>
<td>Provision for asset retirement</td>
<td>517,288</td>
<td>487,396</td>
</tr>
<tr>
<td>Deferred taxation</td>
<td>1,205,422</td>
<td>1,391,214</td>
</tr>
<tr>
<td>Lease liabilities</td>
<td>7,397,617</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total non-current liabilities</strong></td>
<td>19,976,290</td>
<td>22,238,151</td>
</tr>
<tr>
<td><strong>NON-CURRENT ASSETS</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Intangible assets</td>
<td>20,724,361</td>
<td>20,926,703</td>
</tr>
<tr>
<td>Contract cost assets</td>
<td>182,908</td>
<td>108,503</td>
</tr>
<tr>
<td>Property, plant and equipment</td>
<td>25,633,223</td>
<td>27,290,458</td>
</tr>
<tr>
<td>Right-of-use assets</td>
<td>8,937,706</td>
<td>-</td>
</tr>
<tr>
<td>Associates</td>
<td>207,357</td>
<td>266,475</td>
</tr>
<tr>
<td>Joint ventures</td>
<td>21,709</td>
<td>27,699</td>
</tr>
<tr>
<td>Financial assets at fair value through other comprehensive income</td>
<td>301,347</td>
<td>1,659,412</td>
</tr>
<tr>
<td>Financial assets at fair value through profit or loss</td>
<td>3,459</td>
<td>-</td>
</tr>
<tr>
<td>Derivative financial instruments</td>
<td>15,256</td>
<td>-</td>
</tr>
<tr>
<td>Trade and other receivables</td>
<td>656,639</td>
<td>686,804</td>
</tr>
<tr>
<td>Deferred taxation</td>
<td>324,187</td>
<td>586,961</td>
</tr>
<tr>
<td><strong>Total non-current assets</strong></td>
<td>57,008,152</td>
<td>51,553,015</td>
</tr>
</tbody>
</table>

### CURRENT ASSETS

<table>
<thead>
<tr>
<th></th>
<th>As at 31/12/2019 RM’000</th>
<th>As at 31/12/2018 RM’000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Inventories</td>
<td>154,328</td>
<td>219,130</td>
</tr>
<tr>
<td>Trade and other receivables</td>
<td>4,721,973</td>
<td>5,115,230</td>
</tr>
<tr>
<td>Derivative financial instruments</td>
<td>9,247</td>
<td>238,506</td>
</tr>
<tr>
<td>Financial assets at fair value through profit or loss</td>
<td>60,417</td>
<td>38</td>
</tr>
<tr>
<td>Tax recoverable</td>
<td>70,944</td>
<td>54,860</td>
</tr>
<tr>
<td>Deposits, cash and bank balances</td>
<td>4,231,099</td>
<td>5,071,448</td>
</tr>
<tr>
<td><strong>Total current assets</strong></td>
<td>9,248,008</td>
<td>10,699,212</td>
</tr>
</tbody>
</table>

**LESS: CURRENT LIABILITIES**

<table>
<thead>
<tr>
<th></th>
<th>As at 31/12/2019 RM’000</th>
<th>As at 31/12/2018 RM’000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Trade and other payables</td>
<td>12,178,262</td>
<td>12,484,444</td>
</tr>
<tr>
<td>Deferred gain on sale and lease back assets</td>
<td>124,748</td>
<td>120,942</td>
</tr>
<tr>
<td>Borrowings</td>
<td>7,631,753</td>
<td>4,483,197</td>
</tr>
<tr>
<td>Lease liabilities</td>
<td>1,442,700</td>
<td>-</td>
</tr>
<tr>
<td>Derivative financial instruments</td>
<td>2,041,199</td>
<td>155,901</td>
</tr>
<tr>
<td>Current tax liabilities</td>
<td>899,811</td>
<td>1,157,686</td>
</tr>
<tr>
<td><strong>Total current liabilities</strong></td>
<td>24,337,490</td>
<td>18,402,170</td>
</tr>
</tbody>
</table>

**Net current liabilities**

<table>
<thead>
<tr>
<th></th>
<th>As at 31/12/2019 RM’000</th>
<th>As at 31/12/2018 RM’000</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Net current liabilities</strong></td>
<td>42,196,313</td>
<td>45,452,857</td>
</tr>
</tbody>
</table>
GROUP FINANCIAL ANALYSIS 2019

Through disciplined execution of “Shifting Gear” to deliver cash and profit as well as initiatives under “Operational Excellence”, Axiata Group concluded the financial year with revenue at RM24,583.3 million, Earnings Before Interest, Tax, Depreciation and Amortisation (EBITDA) at RM10,619.1 million and Profit After Tax and Minority Interests (PATAMI) at RM1,457.5 million.

Revenue

- Driven by strong growth in data revenue, the Group’s total revenue expanded by 2.9% in FY19 to RM24.6 billion
- All Operating Companies (OpCos) delivered growth except Celcom and Ncell

EBITDA

- Group EBITDA grew 27.4% to RM10.6 billion
- At constant currency and excluding MFRS 16 impact, Group EBITDA registered solid growth of 10.9% as a result of improved performance by all OpCos except Ncell
- Excluding MFRS 16 impact, double-digit growth from XL, Robi, Smart and edotco

Revenue

During the year, the Group successfully realised gains of RM367.1 million from divestment of non-core digital businesses and gain of RM13.4 million from disposal of stake in M1. In addition, the Group also recognised gain of RM96.1 million from sale of Idea rights.

PAT/PATAMI

- Group registered Profit After Tax (PAT) and PATAMI of RM1,815.1 million and RM1,457.5 million respectively driven by better underlying performance, lower depreciation, amortisation and assets written off, foreign exchange gain, discontinuation of Idea related losses, gain on disposal of non-strategic investments and gain on disposal of Idea’s rights, partly being offset by higher finance cost and tax

- Adjusting for one-off items mainly from merger and acquisition (M&A) related gains, forex and derivative, Group normalised PATAMI stood at net profit of RM960 million
- Bridging of 2019 PATAMI to normalised/underlying PATAMI:

<table>
<thead>
<tr>
<th>FY19 Underlying1 PATAMI</th>
<th>FY19 Normalised PATAMI</th>
<th>FY19 M&amp;A Related Gains</th>
<th>FY19 Forex and Derivative</th>
<th>FY19 Others</th>
<th>FY19 Translation</th>
</tr>
</thead>
<tbody>
<tr>
<td>1,458</td>
<td>960</td>
<td>577</td>
<td>78</td>
<td>65</td>
<td>3</td>
</tr>
<tr>
<td>PATAMI</td>
<td>M&amp;A Related Gains</td>
<td>Forex and Derivative</td>
<td>Others</td>
<td>FY19 MFRS 16</td>
<td>FY19 Forex Translation</td>
</tr>
<tr>
<td>1,458</td>
<td>577</td>
<td>78</td>
<td>1</td>
<td>65</td>
<td>3</td>
</tr>
<tr>
<td>FY19 Underlying1 PATAMI</td>
<td>FY19 M&amp;A Related Gains</td>
<td>Forex and Derivative</td>
<td>Others</td>
<td>FY19 MFRS 16</td>
<td>FY19 Forex Translation</td>
</tr>
<tr>
<td>1,458</td>
<td>577</td>
<td>78</td>
<td>1</td>
<td>65</td>
<td>3</td>
</tr>
</tbody>
</table>

Cost Optimisation

In 2019, the Cost Excellence programme incrementally delivered RM1.3 billion of savings and avoidance across the Group, aided by over 200 distinct initiatives

- The programme continues to be balanced between capital expenditure (capex) and operating expenditure (opex), with each contributing nearly 50% of overall savings delivery

Cost Optimisation

The Network domain (capex and opex) continues to drive the majority of savings, with improving contributions from Sales and Marketing, and Support functions. Negotiation is the major driver with increasing weightage from Operational Excellence and Digitisation

The Group continues to trend ahead of our expectation to deliver RM5.0 billion goal by 2021, having delivered more than RM4 billion in the first three years of the programme

Note: 1 Numbers are based on constant currency and pre MFRS 16
GROUP FINANCIAL POSITION

As at 31 December 2019, the Group’s financial position maintains its strong investment grade rating with gross debt/EBITDA of 2.4x, and a solid cash position of RM4.2 billion after net loan repayment of RM2.3 billion. Excluding MFRS 16 impact, the Group’s gross debt/EBITDA is 1.8x.

Key Highlights of Group Financial Position

- Total equity decreased by RM1.0 billion
- Despite profit for the financial year of RM1.8 billion, the decrease in equity balance in 2019 was mainly due to the following:
  - dividend via cash payment to shareholders and NCI of RM613.7 million
  - revaluation of financial assets at fair value through other comprehensive income of RM1.6 billion

- Total liabilities stood at RM44.3 billion
- Gross liabilities increased by RM3.7 billion
- As a result of adoption of MFRS 16, Group recorded lease liabilities of RM8.8 billion, which includes RM3.0 billion reclassed from finance lease payables
- Gross borrowing (excluding lease liabilities) reduced by RM2.3 billion to close at RM16.8 billion mainly due to net loan repayment of RM2.3 billion

- Total assets balance stood at RM66.5 billion
- Total assets increased by RM2.7 billion
- Property, plant and equipment (PPE) decreased by RM1.7 billion driven by:
  - depreciation of RM4.5 billion
  - RM3.3 billion was reclassified to right-of-use assets as a result of adoption of MFRS 16
  - reduction was partially offset by additions during the year amounting to RM6.2 billion
- Group recorded right-of-use assets of RM8.9 billion as at year end, which includes reclassification from intangible assets and PPE
- Assets classified as held-for-sale decreased by RM1.3 billion to RM277.6 million mainly due to disposal of stake in M1
- Financial assets at fair value through other comprehensive income decreased by RM1.4 billion to RM301.3 million mainly due to revaluation of assets marked-to-market

Cash Position and Dividends

- The Group cash balance remained healthy at RM4.2 billion
- The decrease in cash balance compared to last year by RM840.3 million was the result of:
  - cash dividend payment
  - capital investment in network
  - repayment of loans
- As a result of the Group’s steady FY19 performance, the Board of Directors approved a total dividend of 9.0 sen per ordinary share. Total dividend for FY19 translated to 86% dividend payout ratio (DPR) compared to 85% in FY18. The Board also approved a special dividend of 0.5 sen to share gain from disposal of M1 investment

Capital Structure and Capital Resources

- The Group’s debt to equity gearing ratio (gross borrowing including lease liabilities over total shareholder’s equity) recorded at 1.6 as at 31 December 2019

Capital Allocation and Balanced Portfolio

- The Group continually strives to maximise shareholder return, with “Shifting Gear” tactics focusing on profit and cash
- Capital is allocated in line with the strategy to reprioritise or re-scope investment with long payback
- The Group follows a balances approach towards moderate growth and moderate dividend

Capital Investments

- The Group has spent RM6.2 billion, at 25% capex intensity ratio. The spend is in line with our aspiration to be New Generation Digital Champion by 2022 in enhancing customer experience, expanding non-urban areas (ex-Java in Indonesia and non-CCD in Bangladesh) and digitisation business
KEY PERFORMANCE INDICATORS

On 22 February 2019, the Group announced its Headline KPIs guidance for the financial year ended 31 December 2019. The Group’s 2019 Headline KPIs announced were as below:

<table>
<thead>
<tr>
<th>Headline KPIs</th>
<th>FY19 Statutory</th>
<th>FY19 Headline KPIs</th>
<th>FY19 Achievements</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Post MFRS16 @ Actual rate</td>
<td>Pre MFRS16 @ Constant rate¹</td>
<td></td>
</tr>
<tr>
<td>Revenue Growth</td>
<td>2.9%</td>
<td>3 - 4%</td>
<td>2.3%</td>
</tr>
<tr>
<td>EBITDA Growth</td>
<td>27.4%</td>
<td>5 - 8%</td>
<td>10.9%</td>
</tr>
<tr>
<td>Return on Invested Capital² (ROIC)</td>
<td>6.4%</td>
<td>5.2 - 5.6%</td>
<td>6.7%</td>
</tr>
</tbody>
</table>

Notes: ¹ Constant rate is based on the FY18 Average Forex Rate (e.g. 1 USD = RM4.034) ² ROIC is defined as EBIT - tax + Share of Assoc / Average Invested Capital (excluding cash)

FY19 has been a strong year for the Group despite the challenges faced by the OpCos namely difficult macro-economic conditions, regulatory changes and intense competition. On a statutory reporting basis, the Group posted revenue and EBITDA growth of 2.9% and 27.4% Year on Year (YoY), while Return on Invested Capital (ROIC) stood at 6.4%.

On a like for like basis, (pre MFRS16 at constant rate), the Group exceeded the EBITDA and ROIC KPIs at 10.9% and 6.7% respectively. Although Axiata recorded lower revenue growth of 2.3% YoY, the Group revenue excluding device sales rose by 5.1% YoY.

In Malaysia, Celcom grew profitability YoY on the back of a subdued industry in addition to adverse impact from mobile termination rates, devices and wholesale revenue. In Indonesia, XL once again demonstrated exceptional execution of its dual brand and data led strategy. XL performance is further uplifted by its ex-Java investments and network expansions. 4G services are currently available in more than 400 cities. Smart in Cambodia, continued to deliver sustained excellent performance during the year.

In Bangladesh, Robi recorded strong results reaping the benefit from investments in 4G as well as the Airtel merger in FY16, despite the adverse impact from changes in taxes introduced during the National Budget in June 2019. Dialog in Sri Lanka performed better than peers despite being impacted by price competition arising from new regulations and subdued economic conditions following Easter Sunday incident. In Nepal, Ncell performance was dragged by multiple regulatory challenges and slow pick up of domestic data volumes and declining ILD revenue as earlier expected.

The digital business recorded top line growth in FY19 with reduced losses. Our infrastructure business, edotco continued delivering excellent performance underpinned by YoY growths in most markets.

The Group’s performance in FY19 was supported by the cost excellence programme, which delivered RM1.3 billion savings (capital and operating expenditures).
ASSESS HOW OUR OPERATING COMPANIES HAVE CONTRIBUTED TO CREATING VALUE
2019 Overview Of Operating Companies’ Performance

REPORTING BY GEOGRAPHICAL LOCATION

Malaysia
(RM Billion)

2015 2016 2017 2018 2019

2015 7.3 2.7 1.3 6.6 6.3
2016 6.6 2.3 1.1 6.6 6.1
2017 7.3 1.9 0.3 6.7 2.6
2018 7.3 1.9 0.3 6.7 2.6
2019

Indonesia
(IDR Trillion)

2015 23.0 8.4 (0.06)
2016 21.4 8.1 0.4
2017 22.9 8.3 0.4
2018 25.0 8.5 (0.3)
2019 25.2 10.0 0.7

Sri Lanka
(SLR Billion)

2015 77.9 23.8 5.2 86.7 29.2 50.2 33.9 10.8 43.5 7.5 11.8 46.7 10.8
2016 77.9 23.8 5.2 86.7 29.2 50.2 33.9 10.8 43.5 7.5 11.8 46.7 10.8
2017 77.9 23.8 5.2 86.7 29.2 50.2 33.9 10.8 43.5 7.5 11.8 46.7 10.8
2018

Notes: All financial numbers are based on audited financial figures and follows the respective country’s local GAAP except for Ncell which had a different financial year end.
1 2019 numbers are post-International Financial Reporting Standards 16 (IFRS 16) except for Indonesia, Cambodia and Nepal as the entities have yet to adopt the standard.
2 Axiata’s reporting by geographical location is conducted for its OpCos: Celcom, XL, Smart, Dialog, Robi and Ncell.
3 2017 figures have been restated to exclude edotco Cambodia’s results, for like to like comparison with 2018 figures.
Year of Investment/Shareholding: 2008/100.0%
Nature of Business: Mobile Telecommunications
Customers: 8.4 million\(^4\)
Technology Deployed:
- Mobile: GSM/GPRS/EDGE, 3G/HSPA+, LTE/LTE-A/VoLTE
- Fixed Network: FTTx, WTTx
No. of BTS:
- 2G: 8,227
- 3G: 15,043
- 4G: 15,968
Network Coverage (by population and technology):
- 2G: 95.22%
- 3G: 94.14%
- 4G: 93.23%

Revenue (RM Billion) | EBITDA (RM Billion) | EBITDA Growth (%) | EBITDA Margin (%) | PATAMI (RM Billion) | PATAMI Growth (%) | Customers (Million) | Blended ARPU (RM)
---|---|---|---|---|---|---|---
2018 | 7.3 | 2.1 | -4.5% | 25.9% | 0.3 | 9.1 | 48
2019 | 8.7 | 2.6 | +7.8% | 30.6% | 0.8 | 8.4\(^4\) | 51

No. of BTS:
- 2G: 8,227
- 3G: 15,043
- 4G: 15,968

Network Coverage (by population and technology):
- 2G: 95.22%
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- 4G: 93.23%

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- 3G: 94.14%
- 4G: 93.23%

Performance

- **Revenue (RM Billion)**
  - 2018: 7.3
  - 2019: 8.7

- **EBITDA (RM Billion)**
  - 2018: 2.1 (pre-MFRS 16)
  - 2019: 2.6 (post-MFRS 16)

- **EBITDA Growth (%)**
  - 2018: -4.5%
  - 2019: +7.8% (pre-MFRS 16)
  - 2019: +37.6% (post-MFRS 16)

- **EBITDA Margin (%)**
  - 2018: 25.9%
  - 2019: 30.6% (pre-MFRS 16)
  - 2019: 39.0% (post-MFRS 16)

- **PATAMI (RM Billion)**
  - 2018: 0.3
  - 2019: 0.8

- **PATAMI Growth (%)**
  - 2018: -64.4%
  - 2019: +169.7% (pre-MFRS 16)
  - 2019: +161.9% (post-MFRS 16)

- **Customers (Million)**
  - 2018: 9.1
  - 2019: 8.4\(^4\)

- **Blended ARPU (RM)**
  - 2018: 10.4
  - 2019: 13.7

Key Highlights 2019

- Strong focus on Operational Excellence and cost optimisation delivered results
- Stringent cost management delivered 7.8% EBITDA growth and double-digit YoY PATAMI growth
- Mobile service revenue declined 3.9% due to lower Mobile Termination Rates, wholesale revenue and a challenging market environment
- FCF grew 21.9% due to EBITDA expansion whilst Capex reduced 3.6%
- Despite being a new entrant in the fixed wireless market for the Home segment, the company recorded encouraging growth in this area
- Non-mobile Enterprise revenue delivered double-digit growth in key Business to Business (B2B) verticals
- Maintained leadership position in the Internet of Things (IoT) and Machine to Machine (M2M) services and solutions
- Digital transformation efforts resulted in excellent growth in digital customer engagements, with a +20pp increase in digital transactions and double-digit growth in online sales

Performance

- **Key Highlights 2019**
  - Strong focus on Operational Excellence and cost optimisation delivered results
  - Stringent cost management delivered 7.8% EBITDA growth and double-digit YoY PATAMI growth
  - Mobile service revenue declined 3.9% due to lower Mobile Termination Rates, wholesale revenue and a challenging market environment
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  - Non-mobile Enterprise revenue delivered double-digit growth in key Business to Business (B2B) verticals
  - Maintained leadership position in the Internet of Things (IoT) and Machine to Machine (M2M) services and solutions
  - Digital transformation efforts resulted in excellent growth in digital customer engagements, with a +20pp increase in digital transactions and double-digit growth in online sales

People

- Ranked as Top 4 Employer in Malaysia by Ranstad
- Launched Axiata Virtual Academy, a fully virtual integrated learning platform
- Digitalising employee experience with the launch of employee app We@Celcom
- Culture infusion of Celcom’s new vision and purpose through the introduction of Celcom’s Compass
- Significant enhancements to the Celcom Life App, including in-app personalised offerings, drove higher customer adoption and doubled subscriber base penetration rate amongst Smartphone users
- Doubled subscriber base penetration on the back of increased customer adoption of the Celcom Life app which was enhanced with new in-app personalised offerings
- Focused execution of its customer centric strategy resulted in stellar customer experience metrics to retain its #1 industry leading Relational Net Promoter Score (rNPS)
- OpenSignal Awards 2019 acknowledged Celcom as the clear #1 mobile leader in “Latency Experience”, “4G Availability” and “Video Experience”
- YouTube Malaysia crowned Celcom with “The Ad of the Year” award for its witty and heart-warming “Guna Celcom” campaign during the festive season
- Efforts to empower underserved communities and ensure environmental sustainability were recognised by the “Asia Responsible Enterprise Award 2019 – Green Leadership Category”
- Focused execution of its customer centric strategy resulted in stellar customer experience metrics to retain its #1 industry leading Relational Net Promoter Score (rNPS)
- OpenSignal Awards 2019 acknowledged Celcom as the clear #1 mobile leader in “Latency Experience”, “4G Availability” and “Video Experience”
- YouTube Malaysia crowned Celcom with “The Ad of the Year” award for its witty and heart-warming “Guna Celcom” campaign during the festive season
- Efforts to empower underserved communities and ensure environmental sustainability were recognised by the “Asia Responsible Enterprise Award 2019 – Green Leadership Category”

Notes:
1. All growth figures in 2018 are based on pre-MFRS 15
2. All absolute Revenue, EBITDA and PATAMI in 2018 are post-MFRS 15 and 9
3. EBITDA Margin in 2018 is post-MFRS 15 and 9
4. This excludes MVNO subscribers on Celcom’s Network
OPERATING ENVIRONMENT

Year on Year (YoY) decline in industry revenue. **Intense competition** and challenging macro conditions in Malaysia.

**Growth opportunities in fixed broadband and Enterprise segments.** Consumer preferences shifting from prepaid to postpaid.

**5G and IR 4.0 gaining traction** with strong government push.

Regulatory focus on ensuring Quality of Service (QoS) and bridging the digital divide.

BUSINESS REVIEW IN 2019

**Flat mobile service revenue YoY** when normalised for wholesale and interconnect impacts.

**Growth in postpaid revenue** despite marginal dip in subscriber base. **Prepaid growth in line with market trend.** Addressing lower end of the market through Mobile Virtual Network Operator (MVNO).

**Improved profitability, with > RM280 million of annualised savings** from cost optimisation.

**Reduced operating expenditure (opex)** by executing cost optimisation initiatives.

**Serving > 13 million users,** the largest in the country, and continued to maintain network leadership position.

**Launched new regional operating model** to empower employees for faster time to market.

**Enhanced digital platforms** to support customer service.

Outlook for 2020 and Beyond

Following the Government’s economic stimulus announcement in response to challenges due to the COVID-19 pandemic, Celcom launched a comprehensive COVID-19 Relief Programme for consumers, the Ministry of Health, state operations and frontline organisations; and in collaboration with Axiata and its other subsidiaries - a RM150 million micro-SME financing fund.

Activation of comprehensive Business Continuity Management framework to mitigate pandemic-related impacts on operations and customers through deployment of alternative digital channels, enhanced network operations and QoS management, and the use of digital tools enabling employees to Work-From-Home (WFH).

Continuous pursuit of Operational Excellence, and driving growth through innovation, digitisation and new business areas.

Conducting smart investments to enhance network infrastructure towards delivering the best customer experience.

Enhancing cost and Operational Efficiency by transforming cost base to deliver YoY improvements in EBITDA and PATAMI.


Continuous Digital Journey focusing on End-to-End Digitisation to become the nation’s most inspiring digital organisation.

Leverage on Data Science, Analytics and Artificial Intelligence capabilities in all core processes and daily operations.

To focus talent and people development on enhancing skills towards becoming an exemplary high performing organisation.

Maintain our commitment to develop the local vendor ecosystem through VDP2.0 to fulfil our purpose of Advancing Our Societies and building an Inclusive Digital Nation.

For more details on Celcom’s response to the COVID-19 pandemic, please refer to page 32 in the “Nurturing People” section.
**Year of Investment/Shareholding:**
2005/66.3%

**Nature of Business:**
Mobile

**Customers:**
56.7 million

**Technology Deployed:**
- GSM, GPRS, EDGE, 3G, HSPA+,
  DC-HSPA+, 4G LTE, 4.5G

**No. of BTS:**
2G/3G: 89,953
4G: 40,264

**Network Coverage (by population and technology):**
- 2G Population Coverage: > 92%
- 3G Population Coverage: > 94%
- 4G Population Coverage: > 94%

---

### Performance

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2019</th>
<th>2018</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenue (IDR Trillion)</strong></td>
<td>23.0</td>
<td>25.2</td>
<td>8.5</td>
<td>10.0</td>
</tr>
<tr>
<td><strong>EBITDA (IDR Trillion)</strong></td>
<td>+0.4%</td>
<td>+9.3%</td>
<td>+2.3%</td>
<td>+17.1%</td>
</tr>
<tr>
<td><strong>EBITDA Margin (%)</strong></td>
<td>37.0%</td>
<td>39.6%</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>PAT (IDR Trillion)</strong></td>
<td>(3.3)</td>
<td>0.7</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**PAT Growth (%):**
- 2018: -> 100%
- 2019: ➔ 100%

**Customers (Million):**
- 2018: 54.9
- 2019: 56.7

**Blended ARPU (IDR):**
- 2018: 32
- 2019: 35

**Total Traffic (PB):**
- 2018: 2,200.7
- 2019: 3,319.9

**Smartphone Penetration:**
- 2018: 80%
- 2019: 86%

---

### Key Highlights 2019

- Revenue driven by data monetisation and upselling
- ROIC improved by 4.1ppt to 6.7%
- Free cash flow (FCF) surged up by 14.6%, due to improved EBITDA
- Sustained focus on network investments and product innovations resulted in the company’s recognition as one of the leading brands in the industry
- Data revenue contributed 89% to service revenue, with smartphone penetration at 86%
- Network investments geared towards growing its data business, resulted in more than 40,000 4G BTS, and expansion of reach to 425 cities
- Obtained the “Best Network Transformation”, “Best B2B Service” and “CEO of the Year” awards at the Selular Award 2019
- Product and technology innovation for XL PRIORITAS acknowledged with the “Apresiasi Inovasi” award from Koran Sindo
- Strong corporate governance led to its recognition as a “Top 20 Company” in the “Top 50 of the Biggest Market Capitalisation Public Listed Companies” category at the 11th Indonesian Institute for Corporate Director (IICD) Corporate Governance Conference and Awards 2019

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### People

- Implemented Operational Excellence as part of XL’s DNA

### Partnership

- Partnered with Vocus Group and Alcatel Submarine Networks to operate the Australia-Indonesia-Singapore cable communication system
- Princeton Digital Group to acquire 70% interest in XL Axiata Data Centre, and enable growth by targeting hyperscalers, domestic unicorns, corporations and telecommunications companies

### Planet & Society

- Developed and improved the XL Axiata Sustainability Framework to increase and improve Environmental, Social and Governance measures
OPERATING ENVIRONMENT

Telco market recovery in 2019

Estimated market revenue growth of around 6%

Strong demand for data as more customers migrate to 4G smartphones, with increasing online activities such as video and music streaming, online gaming, e-commerce and online transport

Data growth expected in the short to medium-term, while in the long-term, 5G roll out likely to lead to recovery in data pricing and consolidation/collaboration between industry players

BUSINESS REVIEW IN 2019

Expanded BTS count, focusing on ex-Java

Optimum mobile portfolio with growth in ex-Java, whilst protecting Java stronghold

Invested in network fibreisation to:

- Meet rising data needs
- Prepare for 5G roll out

Expanded network reach by 289 points located in remote areas through the Universal Service Obligation scheme

Ex-Java remained key growth area, as well as the Home and Enterprise segments

Increased digitisation of business processes for simpler and more efficient ways of working

Partnered with content providers such as Netflix to drive demand for data

Quality data services

4G LTE network in Anambas and Riau Islands, Kalimantan and Sumatra

Outlook for 2020 and Beyond

As a result of the COVID-19 pandemic, in the short-term XL is benefiting from more people and students working from home, with network traffic increasing

Drive further industry consolidation and restructuring by consistently engaging with key stakeholders

Embed Operational Excellence as the business DNA, and within the employee work culture

Ensuring a healthy, happy and safe work environment to continue to attract the best talents in the industry

Continue internal digitisation initiatives, whilst involving key external stakeholders such as business partners and vendors, to further improve efficiencies in the ways of working

Expand mobile business to strengthen mobile revenue, whilst driving revenue growth in Home and Enterprise segments

Continue to build partnerships and expand product portfolio, while remaining abreast of the latest industry development and incorporate insights into future business plans

Maintain stakeholder engagements and meeting emissions targets responsibly

Enhancing corporate governance standards, by regularly reviewing and updating the framework

For more details on XL’s response to the COVID-19 pandemic, please refer to page 32 in the “Nurturing People” section
Year of Investment/Shareholding:
1995/83.3%

Nature of Business:
Communication Services, Telecommunications Infrastructure Services, Media and Digital Services including Financial Services and Dialog Enterprise

Customers:
14.9 million

Technology Deployed:
Mobile
- GSM/EDGE, 3G/ HSPA+, LTE/ LTE-A, 5G Pilot

Fixed Network
- FTTx, DOCSIS, LTE, WiFi, CDMA, WiBAS
- DTH (Satellite TV), IPTV, VIU Hub Mini (Android TV), VIU Hub (Hybrid Satellite & IPTV)

No. of BTS:
2G : 5,163
3G : 3,325
4G LTE FDD : 3,467
4G LTE TDD : 2,436

Network Coverage
(by population and technology):
2G - 98%
3G - 86%
Mobile 4G (FDD) : 92%
Fixed 4G (TDD): 68%

Scan QR code to visit Dialog’s website

• Enhanced digital culture via:
  - Digital skills development
  - Agile at scale measures
  - Driving digital engagement through gamification
  - Digitising HR processes
  - Ensured that Dialog’s Enterprise and organisational transformation were aligned with talent development objectives

Performance

<table>
<thead>
<tr>
<th>Revenue (SLR Billion)</th>
<th>EBITDA (SLR Billion)</th>
<th>EBITDA Margin (%)</th>
<th>PAT (SLR Billion)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018</td>
<td>2019</td>
<td>2018</td>
<td>2019</td>
</tr>
<tr>
<td>109.2</td>
<td>116.8</td>
<td>43.5</td>
<td>39.8</td>
</tr>
<tr>
<td>+15.9%</td>
<td>+7.0%</td>
<td>(pre-IFRS 16)</td>
<td>(pre-IFRS 16)</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>7.5</td>
</tr>
<tr>
<td></td>
<td></td>
<td>10.8</td>
<td>(post-IFRS 16)</td>
</tr>
</tbody>
</table>

PAT Growth (%)

<table>
<thead>
<tr>
<th>Customers (Million)</th>
<th>Blended ARPU (SLR)</th>
<th>Blended MOU (Per Sub Per Month) (Minutes of Use Per Sub Per Month)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018</td>
<td>2019</td>
<td>2018</td>
</tr>
<tr>
<td>-30.4%</td>
<td>+43.4% (pre-IFRS 16)</td>
<td>+43.7% (post-IFRS 16)</td>
</tr>
<tr>
<td>13.8</td>
<td>14.9</td>
<td>403</td>
</tr>
<tr>
<td>+7.8%</td>
<td>+8.0%</td>
<td>117</td>
</tr>
<tr>
<td></td>
<td></td>
<td>123</td>
</tr>
</tbody>
</table>

Data Usage
(Per Data Sub Per Month) (GB)

<table>
<thead>
<tr>
<th>2018</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>3.5</td>
<td>4.9</td>
</tr>
</tbody>
</table>

Key Highlights 2019

- Revenue growth led by TV at +17%, fixed at +71% and mobile at +0.6%
- More than 100% OCF growth
- Spearheaded a technology first in South Asia and Sri Lanka, by commissioning the first fully functional and standards compliant 5G pilot transmission which showcased next generation technology to establish its position as a regional 5G leader. Recorded the fastest mobile 5G speeds in the region
- Pioneered the launch of Sri Lanka’s first Google certified Android TV device VIU hub mini, Sri Lanka’s first fully managed SD WAN Product, Sri Lanka’s first eLTE network at Colombo International Port Terminals and Sri Lanka’s first data science hackathon on Smart City planning
- Postpaid power plan with voice flat rates
- Partnered with Samsung to offer unlimited data for YouTube and Dialog ViU Premium
- Per day home broadband plans for wide affordability
- Exclusive Netflix partnership
- Winner of the “Industrial IoT Initiative of the Year” in the “IoT Solutions for Industries in Emerging Markets” category at the Global Telecoms Awards 2019
- SLIM-Nielson Peoples Awards 2019 named Dialog as the “Internet Service Provider of the Year” for the seventh consecutive year, and “Telecom Service Provider of the Year” for the eighth year running
- Awarded Sri Lanka’s “Most Valuable Brand” by BrandFinance

People

- The first telco in South Asia to demonstrate a fully standards-based Live 5G Showcase that integrated 5G network infrastructure with a mobile 5G device featuring holographic video call, holographic remote music production, 360° 8K video calling, and 360° 8K Live Virtual Reality enabled video streaming, ‘AI powered Digital Twins’ mechanism and ‘Robotic Arm’
- Set up a regional connectivity hub connecting Maldives and Sri Lanka in partnership with Dhivehi Raajjeyge Gulhun PLC and Ooredoo Maldives PLC

Partnership

- Dialog Axiata Digital Innovation Fund (DADIF) – invested in 7 start-ups, and created 400 jobs
- Kidsteam the implementation of the ISO 14001 Environmental Management System, which upon completion will make Dialog the first mobile operator in South Asia with this certification
- Established Rally to Care initiative to assist families affected by 4/21 incidents by providing immediate term out-patient support, psychosocial rehabilitation and awarding long-term scholarships to 353 affected children

Planet & Society

- Dialog Axiata Digital Innovation Fund (DADIF) – invested in 7 start-ups, and created 400 jobs
- Kidsteam the implementation of the ISO 14001 Environmental Management System, which upon completion will make Dialog the first mobile operator in South Asia with this certification
- Established Rally to Care initiative to assist families affected by 4/21 incidents by providing immediate term out-patient support, psychosocial rehabilitation and awarding long-term scholarships to 353 affected children
### OPERATING ENVIRONMENT

**Fall in economic growth**
To 2.3% due to the unfortunate Easter Sunday incident and policy uncertainty.

**Easter Sunday incident** led to slowdown in tourism that affected allied businesses.

**Subdued consumer/business confidence** as a result of the impending election cycle and reduced economic growth.

The removal of the floor rate in 2018 led to aggressive industry competition in data and voice services which resulted in a drop in their respective prices by around 36% and 33% during 2019.

### BUSINESS REVIEW IN 2019

<table>
<thead>
<tr>
<th>Category</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>+2.3pp growth in mobile market share</strong></td>
<td>Despite intense competition and unfavourable macroeconomic environment, Dialog achieved a growth of 2.3 percentage points.</td>
</tr>
<tr>
<td><strong>Expanded 2G, 3G and 4G coverage with &gt; 3,500 sites</strong></td>
<td>Maintained product innovation with the Triple Blaster product, a product with &gt;1 million activations.</td>
</tr>
<tr>
<td><strong>Maintained product innovation</strong></td>
<td>MyDialog App reached 4 million registrations.</td>
</tr>
<tr>
<td><strong>Retail Hub</strong></td>
<td>Retail Hub, the 1st digital retail platform in Sri Lanka, 100% E2E customer onboarding.</td>
</tr>
<tr>
<td><strong>Expanded roaming coverage collaborations ~ 681 operators and 230 countries worldwide</strong></td>
<td>Deployed IoT based smart prepaid electricity meters in collaboration with Lanka Electricity Company and the Ministry of Power and Renewable Energy.</td>
</tr>
</tbody>
</table>

#### Strong performance in the Fixed and TV space

Dialog TV’s (DTV) subscribers increased by 26% to 1.4 million, and has 72% market share.

Dialog Broadband Networks (DBN) serves 888,000 individuals and corporates, providing multiple services including broadband, Internet Data Centre, converged ICT solutions, transmission and backbone services.

#### Digital portfolio growth

- **eZ Cash**: 3.7 million subscribers, 22,000 merchant partners
- **Multi-award winning financial inclusion app, Genie**: Sri Lanka’s first and only PCI-DSS certified mobile payment app - 300,000 downloads, 20,000 merchant touch points; Annual Transaction Value of > SLR2 billion
- **InsureTech vertical, 1st of its kind in Sri Lanka**: partnered with the largest insurers to offer exclusive value-added services to customers - > 4.5 million subscribers
- **Idemart launched an innovative product, ‘APPMAKER’**
- **Digital health vertical**: Established ‘Digital Health Innovation Laboratory’ to incubate innovative digital solutions for the healthcare sector
- **Online doctor appointment platform, Doc990**: > 2 million bookings, 126 leading hospitals; > 1,500 network partners

#### Outlook for 2020 and Beyond

COVID-19 pandemic led to market downturn in Sri Lanka. Dialog is providing community and enterprise support during the pandemic, including emergency support of 1GB offer, free remote medical consultations via 1390, free access to educational platforms and VUI, free access to more than 130 DTV channels, WFH support, double data for emergency loads and loans, and increased credit limits.

Sri Lanka's telecommunications industry continues to rapidly transform, with greater focus on emerging digital services and digitisation. Market focus is predominantly on providing the best experience supported via aggressive 4G and 5G expansion strategies.

Dialog’s strategy will focus on building value at the core, synergies in convergence, common market operations and technology. Focusing on mobile data leadership, capturing greater market share and monetisation of Home broadband offerings, driving Enterprise growth via connectivity and ICT platforms, and Digital Transformation and Analytics at Scale.

Dialog will leverage on its transformational progress in 2019 to further improve performance in 2020. Organisational transformation efforts will be further matured, towards developing and driving Dialog’s digital culture.

Continue to focus on Lean implementation and agile at scale. Maintain people investments in building digital skills towards achieving the New Generation Digital Champion ambition.

For more details on Dialog’s response to the COVID-19 pandemic, please refer to page 32 in the “Nurturing People” section.
### Performance

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Service Revenue</strong></td>
<td>67.4</td>
<td>73.9</td>
</tr>
<tr>
<td>(BDT Billion)</td>
<td>9.5%</td>
<td>9.7%</td>
</tr>
<tr>
<td><strong>Device Revenue</strong></td>
<td>0.6</td>
<td>0.9</td>
</tr>
<tr>
<td>(BDT Billion)</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total Revenue</strong></td>
<td>68.0</td>
<td>74.8</td>
</tr>
<tr>
<td>(BDT Billion)</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total Revenue Growth (%)</strong></td>
<td>-0.4%</td>
<td>10.0%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>EBITDA</strong> (BDT Billion)</td>
<td>16.6</td>
<td>24.0 (pre-IFRS 16)</td>
</tr>
<tr>
<td><strong>EBITDA Margin (%)</strong></td>
<td>24.5%</td>
<td>32.0% (pre-IFRS 16)</td>
</tr>
<tr>
<td><strong>PAT</strong> (BDT Billion)</td>
<td>2.1</td>
<td>0.8 (pre-IFRS 16)</td>
</tr>
<tr>
<td><strong>PAT Growth (%)</strong></td>
<td></td>
<td>-62.8% (pre-IFRS)</td>
</tr>
</tbody>
</table>

### Key Highlights 2019

- ROIC improved 5.2pp to 4.8%<sup>5</sup>
- FCF turned positive to BDT14.6 billion<sup>6</sup>
- PATAMI declined in 2019 due to the absence of gain of the sale of tower assets to edotco and higher taxation in Bangladesh in 2019. Had the sale to edotco been excluded from 2018, PATAMI would have risen more than 100%
- Digital Telco Index (DTI) 2019 score of 7.4, an increase of +1.6 from 2018, resulted in Robi upgraded to a “Digital Telco” as a global digital company
- The national information centre (333) is a collaborative initiative of Robi, the Government’s Aspire to Innovate (a2i) programme under the ICT Division, and a prominent call center company, and helps citizens to conveniently receive information on how to obtain public services and provides a window for them to seek assistance from Government institutions to address various social problems. This innovative national platform was lauded as the Best Citizen Engagement project in Asia by GovInsider, an international organisation that promotes innovation in the public sector.
- Exemplary human resource management was recognised with the “Asia’s Best Employer Brand 2019” award by CHRO-Asia, and the “Global Best Employer Brand 2020”

### People

- Maintained Modern, Agile and Digital (M.A.D.) initiatives to accelerate people transformation
- Focus on digital talent development, led to employees scoring 93% on the digital readiness assessment, shifting from ‘Digital Bachelor’ to ‘Digital Professors’

### Partnership

- Deployed Machine Learning based Dynamic Spectrum Sharing for better spectral efficiency
- Focused on analytics readiness, scoring 91% on the Analytics Maturity Index as an ‘Innovative Leader’

### Planet & Society

- Bangladesh’s largest free online school, Robi-10 Minute School, continued to improve educational outcomes amongst students
- Strong Social Reputation Score

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Notes:

1. All 2019 figures are pre- and post-IFRS 16, while 2018 figures are pre-IFRS 16
2. For 2019, Blended ARPU/Sub was calculated based on a new method of average active sub-base. In previous years, the average active sub-base was calculated by adding the average prepaid active base and average postpaid HLR base (180 days rolling sub-base). As at 2019, the average postpaid active base (90 days rolling sub-base) is used instead of the average postpaid HLR base as per the industry practice. The figure for 2018 has been restated based on this calculation
3. For 2019, Blended MOU/Sub was calculated based on a new method of average active sub-base. In previous years, the average active sub-base was calculated by adding the average prepaid active base and average postpaid HLR base (180 days rolling sub-base). As at 2019, the average postpaid active base (90 days rolling sub-base) is used instead of the average postpaid HLR base as per the industry practice. The figure for 2018 has been restated based on this calculation
4. For 2019, Data Usage/Sub was calculated based on average Internet sub-base as per industry practice. In previous years, only the closing sub-base was used. The figure for 2018 has been restated based on this calculation
5. Based on post-IFRS 16. Pre-IFRS 16, ROIC improved 4.7pp to 4.3%
6. Based on post-IFRS 16. Pre-IFRS 16, FCF was BDT19.75 billion
### OPERATING ENVIRONMENT

<table>
<thead>
<tr>
<th>Competitive landscape expected to change</th>
<th>Increased data usage nationwide, as market leader ramped up 4G investments in 2019</th>
<th>Unified floor price for voice services led to more level playing field</th>
<th>Absence of data pricing regulations led to data pricing war</th>
</tr>
</thead>
<tbody>
<tr>
<td>Market Player regulations’ threshold of 40% subscriber/revenue market share</td>
<td>4G</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### BUSINESS REVIEW IN 2019

<table>
<thead>
<tr>
<th>Robust execution of Dual-brand Strategy led to both brands growing faster than market</th>
<th>Fastest roll out of 4G sites in all districts nationwide</th>
<th>Substantial gains in Corporate and SME segment via Mobile Number Portability (MNP) service, with 5 out of 7 MNP customers choosing Robi</th>
<th>Growth across all metrics:</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td>Core service revenue from digital services</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Revenue from Robi’s appstore, bdapps.com</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Revenue from MIFE, Robi’s premier and B2B API platform</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>+44%</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>+85%</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>+111%</td>
</tr>
</tbody>
</table>

Robi significantly increased its spectral efficiency, data capacity and user speed experience by 3x, by being the first operator to adopt Dynamic Spectrum Sharing

Sustained focus on process efficiency, simplification and digitisation led to optimised cost structure

Implemented data governance and data privacy initiatives for secure customer experience

Strict compliance with cyber security regulations

### Outlook for 2020 and Beyond

Despite the impact of COVID-19, Asian Development Bank projects Bangladesh economy to grow at 7.9% in 2020.

Garments and other exports to the European Union expected to fall dramatically as a result of COVID-19 pandemic, leading to job losses.

Smartphone penetration expected to take a hit due to the economic downturn caused by COVID-19

Robi to maintain focus on its core business, while expanding its digital services and exploring commercial deployment of IR 4.0 technologies

With firm focus on cost optimisation, Robi is set to drive Operational Excellence, internal process digitisation, and introduce digital innovation to drive growth

Focus on beefing up its capabilities in data analytics to emerge as the preferred solution provider in the Enterprise segment

Upcoming Initial Public Offering (IPO) for Robi to be held in 2020. Based on IPO volume, Robi will be the largest listed company in Bangladesh in terms of the size of the IPO. Listing of Robi’s share on the stock market is projected to increase the country’s market cap to GDP by 2%

Maintain focus on digital talent development with the aim of unlocking employees’ zeal for innovation and operational excellence, by further embracing digital culture in the workplace

Conduct job rotations at different levels to ensure employees better understand emerging technologies and ongoing business transformation

Continue to focus on National Champion aspirations through strong corporate governance and socially responsible initiatives

### Notes:

1. Source: [https://www.adb.org/countries/bangladesh/main](https://www.adb.org/countries/bangladesh/main)
2. Source: Dr. Ahsan H. Mansur, economist and executive director of the Policy Research Institute (PRI) in Bangladesh, in the article “Corona could hit Bangladesh’s employment sector too” published in The Business Standard on 19 March 2020

For more details on Robi’s response to the COVID-19 pandemic, please refer to page 32 in the “Nurturing People” section
Year of Investment/Shareholding: 2013/72.5%
Nature of Business: Mobile Telecom Operator
Customers: 7.5 million
Technology Deployed:
Mobile: - GSM/EDGE, 3G/ HSPA+, LTE/ LTE-A, 5G Pilot
Fixed Network LTE
No. of BTS:
2G: 2,650
3G: 2,697
4G: 2,685
Network Coverage (by population and technology):
2G: 99.2%
3G: 84.9%
4G: 75.0%

Performance

<table>
<thead>
<tr>
<th>Year</th>
<th>Revenue (USD Million)</th>
<th>EBITDA (USD Million)</th>
<th>EBITDA Margin (%)</th>
<th>PAT (USD Million)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018</td>
<td>287.5</td>
<td>134.8</td>
<td>46.9%</td>
<td>67.6</td>
</tr>
<tr>
<td>2019</td>
<td>315.3</td>
<td>151.0</td>
<td>47.9%</td>
<td>77.5</td>
</tr>
</tbody>
</table>

PATAMI Growth (%)

<table>
<thead>
<tr>
<th>Year</th>
<th>Customers (Million)</th>
<th>Blended ARPU (USD)</th>
<th>Blended MOU (Per Sub Per Month)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018</td>
<td>-0.8%</td>
<td>7.5</td>
<td>2.32</td>
</tr>
<tr>
<td>2019</td>
<td>+14.9%</td>
<td>7.5</td>
<td>2.68</td>
</tr>
</tbody>
</table>

Data Usage (Per Data Sub Per Month in GB)

<table>
<thead>
<tr>
<th>Year</th>
<th>Data Usage</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018</td>
<td>11</td>
</tr>
<tr>
<td>2019</td>
<td>14</td>
</tr>
</tbody>
</table>

Key Highlights 2019

- Smart continued with its excellent performance track record, delivering another year of solid double digit growth across all metrics
- FCF increased by 47%
- Robust focus on cost management, asset utilisation and Capex efficiency led to strong EBITDA margin and PAT
- Recorded superior data growth, with data subscribers increasing by 6.9%, and contributing 68% towards overall revenue
- Smart remains the overall market leader in Cambodia, with a strong #2 position in Home Broadband
- First OpCo in the Group, as well as the first telco in Cambodia, to launch Google Mobile Data Plan
- First telco to host a 5G live network showcase in Cambodia
- Rebranded its music streaming app to Pleng by Smart which hosts more than 1 million songs, further cementing its leading lifestyle provider tag in the country
- Industry leader in cyber security protections and safeguards, with each NIST Function having met or exceeded a score of 3.0 as at end 2019
- 2019 Frost & Sullivan Asia Pacific Best Practices Awards recognised Smart as “Cambodia’s Mobile Service Provider of the Year 2019” and “Cambodia’s Mobile Data Service Provider of the Year 2019”
- Obtained “Best Telecommunications Company Cambodia 2019” and “Best Corporate Social Responsibility (CSR) Company Cambodia 2019” awards from Global Banking and Finance Review

People

- Enhanced people development programmes to improve digital competencies and address skill gaps
- Strengthened data privacy and cyber security culture via Cyber Security Awareness and internal capabilities
- Promoted and incentivised online learning

Partnership

- Launched innovative new products - Google Mobile Data Plan, GigaGigs by Smart, Ideamart by Smart and Smart WeChat Go SIM
- Improved customers’ digital experience with robot shop assistant, Oun Smart, offering voice interaction services
- 2-year partnership agreement with Cambodia’s largest football club, Phnom Penh Crown Football Club; launched the Smart Youth League and acquired stadium naming rights

Planet & Society

- Launched digital literacy pilot programme encouraging responsible digital citizenship with Google and GSMA, reaching out to 1,500 students
- Launched the three-month accelerator programme with Seedstands, MSP and DI, SmartScale, with 11 early stage start-ups
- Piloted the Seedstars Lean Launchpad to encourage ideation among high-school students
OPERATING ENVIRONMENT

- Mobile-led telco industry, with top three mobile operators dominating > 90% of market share
- Industry growth led by a self-regulated environment
- Hyper-competition and increased regulatory cost burden
- Encouraging smartphone adoption rates, digital literacy, social media usage and mobile Internet proliferation

BUSINESS REVIEW IN 2019

- Comprehensive talent development platform - Smart Talent Programme, Smart Leader Programme, CTO/CIO Competency Training, Smart Shop SOP Training and AI for Everyone, developing English competencies, LinkedIn Learning and Telco Mini-MBA
- Launched SmartEdu Induction Camp to equip SmartEdu scholars with 3C (Creativity, Critical Thinking and Communication) skills to be future ready
- Piloted 6-week coding programme, Tiny Coding Cats with Raintree, reaching out to 100 students aged between 8 and 12
- Piloted Seedstars Lean Launchpad to inspire high school students to solve education and environment issues through entrepreneurship
- 4 new SADIF investees in 2019, bringing total to 8:
  - Okra
  - Solar
  - Sousdey Cambodia
  - GoGames
  - Sala
- Maintained Corporate Social Responsibility (CSR) leadership in industry, awarded Best Capacity Building and Research and Development Fund Contributor in Cambodia

Outlook for 2020 and Beyond

Muted economic growth expected due to ongoing China-US trade war, COVID-19 virus, withdrawal of the Everything But Arms (EBA) scheme and slow economic diversification

Service, tourism, and garment and footwear sectors especially heavily impacted by the COVID-19 pandemic. Cambodia’s economic growth is projected to slow sharply to 2.5% in 2020 due to the impact of the COVID-19 outbreak, according to a World Bank report as of 31st March 2020

Cambodian government has identified the digital economy and IR 4.0 as priorities under the National Rectangular Strategy IV

Digital economy, technology innovation and SME growth are gaining traction, as policy incentives are released to catalyse growth of digital start-ups

5G roll out expected in 2020, once government provides regulatory clarity

Smart has earmarked USD80 million in Capex for network expansion and upgrades to enable advanced mobile technologies including the first phase of its 5G rollout

In line with its aim to be Cambodia’s #1 and most loved communication tech brand in Cambodia by 2022, Smart will further strengthen its mobile data leadership while introducing new digital, entertainment and lifestyle offerings

Smart will continue playing a key role in developing the ICT sector as well as building a Digital Cambodia and advancing national socio-economic growth through a strong CSR and sustainability agenda

For more details on Smart’s response to the COVID-19 pandemic, please refer to page 32 in the “Nurturing People” section
Year of Investment/Shareholding: 2016/80%

Nature of Business:
Mobile Telecom Operator

Customers: 16.9 million

Technology Deployed:
Mobile - GSM, EDGE, 3G/HSPPA+

No. of BTS:
2G: 3,567
3G: 3,179
4G: 2,963

Network Coverage (by population and technology):
2G Population Coverage: 92.47%
3G Population Coverage: 59.88%
4G Population Coverage: 51.52%

Revenue (NPR Billion)

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>57.5</td>
<td>54.2</td>
</tr>
</tbody>
</table>

EBITDA (NPR Billion)

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>35.5</td>
<td>31.1</td>
</tr>
</tbody>
</table>

EBITDA Margin (%)

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>61.7</td>
<td>57.4</td>
</tr>
</tbody>
</table>

PAT (NPR Billion)

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>15.3</td>
<td>13.9</td>
</tr>
</tbody>
</table>

PAT Growth (%)

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>-19.3%</td>
<td>-8.9%</td>
</tr>
</tbody>
</table>

Customers (Million)

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>16.3</td>
<td>16.9</td>
</tr>
</tbody>
</table>

Blended ARPU (NPR Per Month)

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>286</td>
<td>269</td>
</tr>
</tbody>
</table>

Data Usage (Per Data Sub Per Month)

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>702</td>
<td>963</td>
</tr>
</tbody>
</table>

Key Highlights 2019

- Remained Nepal’s market leader with more than 60% of revenue market share in 2019
- Reduction in revenue primarily due to lower revenue contributions from International Long Distance (ILD), Voice and Data, which decreased by 10.6%, 5.6% and 6.6% respectively
- Unavailability of additional spectrum for most of the year impacted Ncell’s revenue growth and profitability
- Recorded growth in digital services revenue, which increased more than 40%

People

- Organised 3 M.A.D. Leadership Conferences
- Conducted Train the Trainer workshops sharing Ncell’s mission, vision and purpose

Partnership

- Good performance in digitisation and transformation:
  - DTI Score: 4.9
  - Data Population Coverage (3G/4G): 65.84%
  - Mobile Video Mean Opinion Score (vMOS):
    - Dense urban: 3.02
    - Suburban: 3.06
  - Brand Tracker Index: 83%

Planet & Society

- Obtained additional spectrum in 1800 band in December 2019
- In October 2019, Ncell signed a MOU with the Ministry of Health and Population to increase health awareness on epidemic/non-epidemic diseases. Ncell supported public service announcements on dengue awareness by the Ministry, UNICEF and WHO
- Collaborated with Dhulikhel Hospital for Telemedicine and Health Informatics Centre to connect 22 rural villages and provide quality healthcare services to 8 health centers under Dhulikhel Hospital by using connectivity, modern telemedicine kits
**OPERATING ENVIRONMENT**

| Sluggish subscriber market growth with mobile market penetration at > 100% | Smart phone penetration > 60% | Reduction in Voice and ILD segments | Steady growth in digital services, despite reduction in data revenue |

**BUSINESS REVIEW IN 2019**

Opex savings of NPR706 million due to:
- First line maintenance with Z&H
- BSS AMC
- Huawei and ZTE Corporation
- Care Support
- Reduction in scratch card unit price

Capex savings of NPR1,175 million due to:
- Radio supply from Huawei and ZTE Corporation
- CSS service for 781 sites
- IT consolidation and migration
- Launched pilot FWA in Tikapur, and sold 1,000 units with positive customer feedback

**Launched Ncell for Business (N4B) in July 2019,** with product portfolio comprising Ncell National Connect, Ncell International Connect, Ncell Biz Fiber Broadband, Field Force Automation, IP Transit, Data Centre Colocation and Vehicle Tracking

**Completed digital initiatives:**
- Enhanced cyber security: 100% compliance with CJ
- Achieved NIST Function of 3.0
- Finalisation of UI/UX Ncell app
- Retailer app
- Employer portal
- RPA implementation for back office digitisation

**Outlook for 2020 and Beyond**

Disruption of telco market as a result of the COVID-19 pandemic, with overall telco revenue estimated to decline by 15% to 20%

Fixed broadband business expected to grow, while voice and roaming decline

Ncell to focus on data and digital services as growth areas in 2020, offering QoS, competitive pricing and new data-led products

Consolidate and monetise the 4G network, and restructure the IT Blueprint

Focus on new growth areas:
- Consumer fixed wireless access
  - Establish a strong Home proposition
  - Maximise subscriber and revenue growth by optimising network capacity
- Enterprise segment
  - Providing low complexity connectivity solutions focused on key verticals to establish credibility and build scale
- Digital Financial Services
  - Initial focus on e-top-up and international remittance

Opex and Capex savings target of > NPR1 billion.

People development strategy to focus on 4 main pillars of Talent Management, Engagement, Performance and Reward, and Process Improvements

Digitisation efforts to focus on customer service, improving sales and distribution, and app enhancement

Maintain CSR focus on health, education and environment

For more details on Ncell’s response to the COVID-19 pandemic, please refer to page 32 in the “Nurturing People” section
Key Highlights 2019

- Recorded adjusted EBITDA growth of 21.7%, and expanded adjusted EBITDA margin by 1.6ppt to 50.2% on improved revenue assurance, new tenancy growth and improved service revenue
- EBITDA improvement lifted PATAMI by 23.9%
- Recorded 11.4% increase in the number of towers whilst sustaining a stable tenancy ratio of 1.61x
- Successfully entered and secured local partners in two new markets - the Philippines and Laos
- IBS colocations and tenancy recorded growth of 300% and 130% respectively
- Focused execution of cost optimisation measures led to maintenance opex per site per month reducing by 27% YoY, while average yield per site increased by 6.4%
- Further strengthened its commitment to sustainability throughout its operational footprint with a total of 1,419 green sites, comprising 1,384 sites using renewable energy and 35 structures built from alternative materials
- In 2019, edotco was awarded the Frost & Sullivan “Asia Pacific Telecoms Tower Company of the Year Award” for its demonstrated exemplary business growth and performance in Southeast Asia

Year of Investment/Shareholding: 2012/63%
Nature of Business: Telecommunications Infrastructure and Services

Performance

<table>
<thead>
<tr>
<th></th>
<th>Revenue (RM Billion)</th>
<th>Revenue Growth (%)</th>
<th>Tenancies (No. of Tenancies)</th>
<th>Tenancy Growth (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1.5</td>
<td>1.8</td>
<td>+23.0%</td>
<td>+17.9%</td>
</tr>
</tbody>
</table>

Malaysia
- 4,607 towers owned
- 8,394 towers managed
- 1,93x tenancy ratio
- 8,884 tenancies

Sri Lanka
- 161 towers owned
- 162 tenancies
- 1.01x tenancy ratio

Bangladesh
- 9,105 towers owned
- 1,102 towers managed
- 1.47x tenancy ratio
- 13,394 tenancies

Cambodia
- 2,713 towers owned
- 1,000 towers managed
- 1.44x tenancy ratio
- 3,907 tenancies

Myanmar
- 2,097 towers owned
- 1,027 towers managed
- 2.04x tenancy ratio
- 4,283 tenancies

Pakistan
- 1,617 towers owned
- 2,097 tenancies
- 1.30x tenancy ratio

Laos
- 1 tower owned
- 1 tenancy
- 1.00x tenancy ratio

People
- Accelerated progress towards becoming a people centric organisation:
  - Developed and implemented Succession Planning framework
  - Launched Coaching and Mentoring programme with 21 employees trained as mentors
  - Established the Centre of Design Excellence to enhance efficiency in sustainable design, roll out, Capex optimisation and innovation
  - Launched Hero 2.0, with automated key HR functions

Partnership
- Completed Tower Preventive Maintenance of over 2,700 towers, of which 400 sites used drones
- Successfully implemented NIST Cyber Security Framework to improve overall cyber security maturity

Planet & Society
- Launched first Tower To Community (T2C) project in Malaysia in Pos Lemoi, Cameron Highlands to channel surplus electricity from BTS sites to a clinic serving some 600 indigenous villagers
- Launched Green Office Initiatives across all National Tower Companies (NTC) towards reducing its carbon footprint
## OPERATING ENVIRONMENT

| Opportunities emerging from anticipated 5G roll outs in advanced markets and 4G catch up in developing markets | Quick adoption to industry shifts with service diversification, responding to the growing demand for fibre to tower, IBS and small cells | Good uptake of low cost solutions in certain markets, and healthy co-location traction across the footprint | Declining customer financial health in certain markets, while regulatory restrictions heightened in Bangladesh |

## BUSINESS REVIEW IN 2019

| Increased non-anchor revenue to 65% of total revenue, with non-Axiata tenancies at 52% | Improvement of DC Uptime across the Group by 0.02pp to 99.77% in 2019 | NTCs: Implemented revenue assurance functions in 4 NTCs | Design optimisation and sourcing efficiencies across all NTCs enabled Capex savings of > RM35 million |

| Innovative structures: Deployed 2 smart bus stops in Malaysia | Expanded tower portfolio: Took over energy assets and management of 930 self-built sites in Myanmar | Acquired 1,318 towers in Pakistan | Built-to-suit sites: Signed built-to-suit contracts with all MNOs in Pakistan |

| Key collaborations: Designed and implemented new KPI framework towards more holistic performance management, with a new culture fit assessment tool as part of recruitment process | Intelsat SA to advance connectivity capabilities and expand remote site monitoring and surveillance |

| Acquired 20% stake in edotco Cambodia from Southern Coast Ventures | NTCs: Implemented ePIC BI Analytics and eQUIP WFM at all NTCs |

### Outlook for 2020 and Beyond

With the onset of COVID-19, key focus was given to Operation and Maintenance (O&M), with corrective maintenance, Tower Operation Centre and selective preventive maintenance given the highest priority.

Towards ensuring employee health and safety, only staff with critical functions worked at all offices that remained open, while all other employees adopted WFH.

To ensure employees health and safety, appropriate measures were implemented across all NTCs in response to the pandemic. All offices remained open, staffed by critical functions, while remaining employees worked from home.

In 2019, edotco identified 17 areas for simplification and automation towards achieving business efficiency, which it will implement in 2020, known as Project Proteus.

edotco will continue to explore opportunities to expand the business organically and inorganically, towards further strengthen the company’s position as the leading integrated telecommunications infrastructure services provider.

To focus on deploying next generation technology solutions towards enabling countries it operates within to be 5G ready.

To focus on developing a 5G ecosystem, towards establishing edotco as nation building partners contributing to the digital ambitions of the nations within its footprint.

To continue championing sustainability in all aspects of the business, including infrastructure design, practices and social responsibility.

To maintain strict focus on Operational Excellence through digitisation and automation, and provide an enhanced customer experience.

For more details on edotco’s response to the COVID-19 pandemic, please refer to page 32 in the “Nurturing People” section.
AXIATA
DIGITAL

Year of Investment/Shareholding: 2014/96.47%
Nature of Business: Investment Holding and Operations of Digital Services

Operations of Digital Services

Investment Holding and Nature of Business:
2014/96.47%
Shareholding:

WHAT WE DO

Axiata Digital Services (AD), the digital services arm of Axiata Group Berhad (Axiata), was established to support the increasingly digital lifestyle of Axiata consumers. AD’s role has evolved from an investor of 30 brands to a business operator with portfolios concentrated on three strategic businesses. These include digital financial services such as e-wallets, micro-financing and micro-insurance, digital advertising that use data driven solutions to enhance business success, and platform services focused on API’s (Application Programming Interface) that redefine the way businesses communicate with consumers. Flagship brands within the portfolio are Boost, Aspirasi, ADA, and Apigate.

Digital Financial Services

Boost
Boost is a proudly homegrown lifestyle e-wallet that revolutionises the way consumers transact daily, bringing convenience and security through a cashless ecosystem.

Aspirasi
Aspirasi is a digital financing services provider that serves and empowers micro-enterprises and SMEs. We offer a range of micro-financing and micro-insurance solutions to help the underserved community achieve their life and business goals without having to worry about financial support and protection no matter where they are at in their journey of dynamic financial growth.

ADA
ADA is a data and artificial intelligence company that designs and executes integrated digital, analytics, and marketing solutions.

Digital Advertising

APA
Apigate is Axiata’s homegrown global Application Programming Interface (API) platform that connects businesses to a world-class ecosystem and customers from around the globe.

Paradigm shift
in how consumers communicate, work and purchase products and services

As at end 2019, within ASEAN:

Primary growth areas - e-Commerce and Ride Hailing

Booming Internet/digital economy:

Internet economy growth:
> 40% annually

Netizens: 360 million

Internet users

20% and 30% annually

Gearing digital financial services towards becoming a "Digital Bank"

Established Aspirasi, a digital financing services provider that empowers micro-enterprises and SMEs in Malaysia with a range of micro-financing and micro-insurance solutions

Received a No Objection Certificate from Bangladesh Bank to setup a mobile financial services business in partnership with Trust Bank Limited

Carved out non-strategic digital venture assets to an independent Singapore based fund at a valuation of USD140 million

Sourced for the right talent for Boost and Aspirasi in terms of capability and culture fit

Reviewed and refined policies based on gaps identified in the HR Assessment and Employee Engagement Survey

Built strong HR foundation and strengthened the digitisation journey

Outlook for 2020 and Beyond

Seeking investors and strategic partners in the digital financial services business

3 key areas of focus for people development in 2020:
• Driving a culture of high-performance and accountability by accurately and effectively cascading business goals across all levels
• Creating an Employee Value Proposition, including reviewing the Total Rewards Philosophy, Culture and Values

• Establishing robust talent development programmes, focusing on communications and first-line manager training

Enhancing threat protection capability
Ensuring regulatory compliance for the Digital Financial Services businesses
Driving active collaboration to standardise adoption of controls across all businesses
 WHAT WE DO

A proudly homegrown venture, Boost is Malaysia’s own rewarding lifestyle e-wallet that is revolutionising consumers’ daily transactions, in line with the Government’s agenda of a cashless society. Backed by Axiata’s vast expertise in digital technology, Boost is at the forefront of the Malaysian digital economy and is now the country’s preferred lifestyle e-wallet. As a relatively new industry, Digital Financial Services (DFS) is regulated by Bank Negara Malaysia (BNM). Over the past year, Boost has worked closely with BNM to raise public awareness and build up this nascent space.

While keeping to the sound practices of any business operating in the financial sector, Boost is also a disruptor that is reimagining the future of the country and taking bold steps to drive the adoption of a cashless ecosystem that makes daily transactions simpler and more rewarding, as well as safer, secure and more transparent. In keeping with its ambition, Boost is continuing to provide DFS for underserved and unbanked Malaysians, with safer, secure and more transparent. In keeping with its ambition, Boost is continuing to provide DFS for underserved and unbanked Malaysians, with safer, secure and more transparent. In keeping with its ambition, Boost is continuing to provide DFS for underserved and unbanked Malaysians, with safer, secure and more transparent. In keeping with its ambition, Boost is continuing to provide DFS for underserved and unbanked Malaysians, with safer, secure and more transparent.

Performance

- Achieved significant growth:
  - 5 million users
  - 125,000 merchants
  - 46.5 million transactions
- Rolled out new use cases targeting customers’ daily behaviour and lifestyles

People

- Focused employee engagement led to stronger employee affinity
- Ramp up talent acquisition by 97% to cater to rapidly growing business

Partnership

- Boost selected as an official e-wallet for the Government’s e-Tunai Rakyat initiative
- New Boost loyalty rewards programme and Cash UP online shopping discounts have successfully engaged high quality users

Planet & Society

- Pioneer e-wallet donation platform in Malaysia, Do Good with Boost, registered 58 non-profit organisations and 140 religious institutions, to collect > RM800,000 in public donations
- First e-wallet in Malaysia to be accepted at four public health clinics in the Klang Valley

Increased competition within the industry

Recorded an increase in weekly spend per active user from RM114 in 2018 to RM323 in 2019, denoting higher user confidence in e-wallet technology

Reinvented payment experiences, to create a seamless experience for users

Partnered with insurance providers to differentiate from competitors, with Prudential one of the largest GVT contributors

Customer focus:
- Promote higher engagement through the Boost UP loyalty programme
- Introduce new use cases and reimagine users’ daily payment experiences

For merchants:
- Enhance the Real-time Payment Platform to complete merchant payment settlement faster
- Diversify partnerships with major supermarkets, grocery stores and fuel stations

Boost has been selected as Samsung’s exclusive platform in Malaysia, most notably Sabah and Kedah

Stronger acceptance for e-wallets from the Government sector

Made a strategic decision to move away from customer rewards focusing on instant gratification, to a more sustainable loyalty rewards programme that drives engagement over the customer lifecycle, and reduces operating expenses

New use cases included indoor gated parking, Boost UP Loyalty Rewards, Cash UP online shopping cashback, travel packages, purchases for ferry tickets, roadside assistance and insurance premium payments

Continued to build a robust platform that can quickly tailor new offerings based on dynamic trends, such as providing insurance coverage for the COVID-19 pandemic

Active engagement with BNM and Government Ministries via industry engagement sessions, knowledge sharing sessions and informal discussions on pertinent issues

OUTLOOK FOR 2020 AND BEYOND

Merchant growth of 2x YoY

Secured partnerships with Malaysian Government Ministries and leading consumer brands

Increased competition within the industry

Stronger acceptance for e-wallets from the Government sector

Increased competition within the industry

For details on Boost’s response to the COVID-19 pandemic, please refer to page 32 in the “Nurturing People” section
WHAT WE DO

Aspirasi is an end-to-end digital financing services provider that serves and empowers micro-enterprises and SME businesses. Offering a range of micro-financing solutions such as working capital, supply chain financing and invoice financing, along with micro-insurance products that include credit insurance, health insurance, term life insurance and travel insurance, Aspirasi’s aim is to help the underserved community achieve their business goals while providing support on their journey of dynamic financial growth.

Performance

- Total Lending GTV growth of > 4x to RM40 million, benefitting 8,000 SMEs
- Growth of 25% per month, to disburse a total of RM60 million

People

- Invested in people and processes to scale financing and insurance business

Partnership

- Serving the underserved SME and micro-enterprise segments with low cost digital loans
- Loan amount: RM500 - RM150,000
- Tenures: 2 weeks - 12 months
- Providing SME customer base with a quick and convenient service: 3 minute digital journey, instant approval and funds disbursed within 48 hours

Planet & Society

- Promoting financial literacy in underserved business communities
- Providing underserved communities with digital bite-sized insurance policies at affordable prices and at key moments of need

Credit bureau data

Strictly focused on positive unit economics even at low ticket sizes, to keep acquisition and collections completely digital or success-fee based

Telco data

Partnered with industry giants such as CIMB and Lazada to help narrow financial inclusion gap, and inked a strategic partnership with Great Eastern to offer innovative insurtech solutions

Wallet transaction data

Identified premises for a rapidly growing team

Partner transaction data

Continue to nurture start-up culture even as the team grows

OUTLOOK FOR 2020 AND BEYOND

- Continue to fine-tune the business model and drive lower costs at scale
- Expand product base by increasing numbers of partners, deepening partnerships and expanding access to partner bases as competitive differentiator
- Remittance solutions a key product in the pipeline
- Accelerate the growth of financing, by improving data science models to better understand and offer cheaper financing to customers
**ADDA** is a data and artificial intelligence company that designs and executes integrated digital, analytics, and marketing solutions. Operating across 9 markets in South and Southeast Asia, ADA partners with leading brands to drive their digital and data maturity, and achieve their business goals.

**What we do**

*Providing business insights, data enrichment, and advanced analytics*

*Understanding the consumer mindset and designing data-driven creative marketing strategies*

*Executing end-to-end digital marketing solutions for growth hacking, funnel optimisation, and goal optimisation*

ADA complements its unique digital expertise with deep proprietary data of 375 million consumers.

- **>450** data scientists, digital media gurus, agency experts and management consultants
- **Helped 1,917** clients to achieve their business goals

**Performance**

- Strong financial growth
  - PAT positive
  - Revenue grew by 1.5x
  - Client base grew by 2.5x with over 60% on multi-product
- Launched innovative Business Insights for data-driven decision making in telecoms, mobile electronics, retail and financial services
- Scaled outcome-based products for telecoms and financial services

**People**

- Built our digital talent pool from a mix of different backgrounds and expertise - media and creative talent, software engineers, data scientists and management consultants
- ADA Leadership Principles are built on a strong culture around Leadership, Collaboration and Innovation to infuse a growth mindset

**Partnership**

- Efficiently delivered quality data to monetise our data assets and maximise ROI for our clients
- Built our AI maturity through delivering value enhancing marketing insights and decisioning for both clients and ADA

**Planet & Society**

- Regionally-driven pro bono digital marketing work to help change misconceptions towards refugees
- In-market support for local communities and refugee schools for community needs

**Outlook for 2020 and Beyond**

- Plan to win major accounts, by focusing account planning towards excellence in client delivery
- New products, engagement and awareness focusing on state-of-the-art product innovation
- Produce service platforms to automate systems for clients and internal processes to lead in automation

**Business Review in 2019**

- Shift from traditional media to digital advertising - from 19% in 2017 to estimated 22% in 2022
- Increasing analytical and digital maturity in clients - 75% emerging
- Digitisation of the customer purchase funnel - growth of digital purchases in Consumer Packaged Goods, Finance, Insurance and Telco to 25% by 2023
- Explosion of video content and creation at scale - from 15 videos uploaded per minute in January 2009 to 500 videos uploaded per minute in May 2019

**Year of Investment/Shareholding:**
2014/81.7%

**Nature of Business:**
Integrated Digital Advertising and Analytics Agency

For more details on awards won by ADA, please refer page 22 in the “Awards” section.
**WHAT WE DO**

Originally conceptualised as an in-house operating unit supporting Axiata’s core telecommunication business, Apigate has evolved into a new-breed Application Programming Interface (API) platform that connects businesses to a world-class ecosystem and customers from around the globe. Apigate enables connectivity and monetisation, by seamlessly integrating the innovative insights of a telco group and the technology of an award-winning open-source middleware. It unlocks new streams of revenue for Mobile Network Operators (MNO) while connecting digital merchants to find the right customers at the right time.

**Performance**

- Refocused on 2 key pillars of Payment and Application-to-person (A2P) messaging
- Demerged AXP in Apigate Sri Lanka, and launched turnaround plan focusing on Operational Excellence and cost rationalisation

**People**

- Restructured organisation to support turnaround, and reconstructed job roles and department structures post-AXP demerger
- Implemented Objectives and Key Results (OKR) system to create transparency and improve accountability and alignment, with clear focus on measurable goals and execution

**Partnership**

- Tested and validated anti-fraud solutions to address unauthorised payment issues and minimise end-user complaints
- Adopted MBSS and NIST security standards to maintain and improve data privacy and cyber security

**Outlook for 2020 and Beyond**

- Refined company positioning around customer intimacy and geographic focus in ASEAN and South Asia
- Capitalised on opportunities in e-wallet proliferation in key markets of Malaysia and Indonesia to increase reach beyond telcos to OTT / telco-agnostics
- Developed firewall solutions in A2P Messaging to prevent use of ‘grey routes’ and address revenue leakage

**Increased spend on mobile games driven** by increased smartphone penetration, near ubiquitous 4G coverage and global expansion of Chinese gaming companies

- 85% increase in GTV, driven by:
  - 72% increase in monthly active users for Payment
  - 180% increase in traffic A2P

**Emergence of Bundling as key customer acquisition tool** for digital merchants driven by expansion of Video / OTT entertainment

**Growth of A2P messaging** driven by increasing need for secure Two-factor Authentication to access digital services

**Attractive value proposition:**

- 3.79 million monthly active users
- 200 merchants

**Refined company positioning around customer intimacy and geographic focus in ASEAN and South Asia**

**Capitalised on opportunities in e-wallet proliferation in key markets of Malaysia and Indonesia to increase reach beyond telcos to OTT / telco-agnostics**

**Developed firewall solutions in A2P Messaging to prevent use of ‘grey routes’ and address revenue leakage**

**Maintain focus on Operational Excellence, towards becoming PAT neutral in 2020**

**Further capitalise on market trends by launching new products to enrich existing service proposition to digital merchants beyond payment processing for cost-effective customer acquisition and retention**

**Explore deployment of Rich Communication Services to expand A2P Messaging services and create synergies with Payment services**

**Use the OKR system to ensure clear direction, constant communication, to track individual performance and organisational results**

**Increase employee engagement activities to create a great company culture and making Apigate a great place to work**

**Deploy selected solutions across the telco partner ecosystem**
BE ASSURED OF OUR COMMITMENT TO TRANSPARENCY AND ACCOUNTABILITY
Goverance Is At The Heart Of Delivering To All Stakeholders

The Board of Directors of Axiata Group Berhad (“Board” or “BOD”) strongly advocate and support the principles of good corporate governance. The Board has continually strived to enhance and strengthen the Group’s governance system and processes, and to ensure that the highest levels of corporate governance is practised Groupwide.

This Corporate Governance Overview Statement (“CG Overview Statement”) presents key governance highlights for the financial year 2019 and up to the date of this IAR, outlining how Axiata complies with the three principles, 32 practices and four Step-ups of the Malaysian Code on Corporate Governance 2017 (“MCCG 2017”) during the year under review.

This statement has been made in accordance with the authority of the Board dated 20 February 2020 and finalised and updated until the date of the publication of the Integrated Annual Report (“IAR”) 2019 with delegated authority to the Board Annual Report Committee (“BARC”).

This statement is complemented with a Corporate Governance Report (“CG Report”) based on a prescribed format pursuant to paragraph 15.25 of the Main Market Listing Requirements (“Main LR”) of Bursa Malaysia Securities Berhad (“Bursa Securities”). The CG Report is available on the Company’s website https://www.axiata.com/sites/default/files/docs/Axiata-Group-Berhad-Corporate-Governance-Report-2019.pdf as well as via an announcement on the website of Bursa Securities. This statement should also be read in conjunction with the Statement on Risk Management and Internal Control (“SORMIC”) and the Board Audit Committee (“BAC”) Report as well as other information in the Governance and Audited Financial Statements 2019 (“GAFS”) and the Sustainability and National Contribution Report (“SNCR”) accompanying this IAR.

Throughout the Financial Year Ended 31 December 2019 and continuing until the date of this IAR 2019, the Company has complied with the provisions of the MCCG 2017 save for Practice 7.2 and Practice 7.3 and Practice 12.3, as described in the strategy section of this Report.

The Board believes these qualities of governance, which are aligned with the principles of the MCCG 2017, enable the Group to create value for stakeholders in a sustainable manner over the short, medium and long term as described in the strategy section of this Report.

CHANGES IN OUR GOVERNANCE FRAMEWORK

At its Meeting on 20 February 2020, the Board resolved to change the name of the Board Risk Management Committee (“BRMC”) to the BRCC. This change was to better reflect the expansion to the scope of the committee to encompass not just matters of risk but matters of compliance as well. The areas of responsibility for the BRCC encompass Enterprise Risk Management, Compliance, Ethics and Cyber Security & Data Privacy. The additional functions of Compliance and Ethics have been combined with the existing Enterprise Risk Management function to provide an integrated focus on all risk and compliance matters, directly and indirectly, and a single, consistent interface with all other functions in the organisation and in the OpCos.

This expanded role followed the introduction of corporate liability brought about by Section 17A of the Malaysian Anti-Corruption Commission Act 2009 which comes into effect on 1 June 2020. The provision of corporate liability will render directors and senior management personally liable for acts of corruption committed by the company, either by personnel or parties acting on behalf the company unless the company has in place “adequate procedures” designed to prevent persons associated with it from undertaking such conduct. Axiata has put in place such a framework. The purpose of compliance management is to ensure the Group complies, in letter and spirit with all the laws, regulatory requirements and internal standards of protecting our company and management and supporting our employees in doing the right things, detecting and responding to situations of potential non-compliance and driving a corporate culture of integrity.

Our commitment to these important functions led to the appointment of Abid Abdul Adam to the newly created role of Group Chief Risk and Compliance Officer. He will oversee and ensure the framework remains sound and proactive.

OUR GOVERNANCE PRACTICES

Leadership

The Company is headed by an effective Board of Directors, whose roles and responsibilities are all clearly defined. The roles of Chairman and the GCEO are held by separated individuals. The Chairman takes responsibility for leading the Board, whilst day-to-day management of the Group is delegated to the GCEO.

For more details on the Board of Directors and the Board’s role and activities during the year, please refer to pages 72 to 88 in the “Be Assured Of Our Commitment To Transparency And Accountability” section.

Effectiveness

The Nomination and Remuneration Committee oversees many of the activities which, together, underpin the effectiveness of the Board. It takes the lead on succession planning, taking account of the size and structure of the Board, evaluates the balance of skills, experience, independence and knowledge of the Company on the Board, and reviews outputs from the annual effectiveness evaluation of the Board.

For more details on Board activities, please refer to page 85 in the “Board Committees” section.

Accountability

The Audit Committee plays a primary role in supporting the Board’s compliance with the accountability principles. It takes responsibility for assessing whether the Company’s position and prospects are fair, balanced and understandable, monitoring the integrity of corporate reporting, ensuring that the necessary safeguards are in place through effective risk management and internal control systems and advises the Board in this regard. Additionally, the Audit Committee regulates its relationship with the external Auditor through a number of policies and procedures.

For more details on the Audit Committee, please refer to pages 85 and 86 in the “Board Accountability” section.

Relations with Shareholders

An open dialogue is maintained with shareholders regarding strategic, governance and other objectives. This is led by the GCEO and the GCFO, whilst the Chairman and other Non-Executive Directors also engage with shareholders as necessary. The views and concerns of shareholders, as well as engagement with them more generally, is considered by the whole Board.

For more details on our stakeholder relationships, please refer to pages 89 and 90 in the “Communication With Stakeholders” section.
Our Governance Structure

COMPLIANCE
- Main LR of Bursa Securities & Companies Act 2016
- MCCG 2017
- Axiata's Corporate Governance Framework

ASSURANCE
- Audit of financial data (internal & external)
- Facilitation and organisational audit (internal)
- Quality audit and inspections (internal & external)
Who Governs Us

**TAN SRI GHAZZALI SHEIKH ABDUL KHALID**
- **Age**: 74
- **Nationality**: Malaysian
- **Gender**: Male
- **Length of Service**: 12 years
- **Date of Appointment**: 24 March 2008
- **Date of Appointment**: 3 March 2008

**TAN SRI JAMALUDIN IBRAHIM**
- **Age**: 61
- **Nationality**: Malaysian
- **Gender**: Male
- **Length of Service**: 12 years
- **Date of Appointment**: 24 March 2008

**DATO’ MOHD IZZADDIN IDRIS**
- **Age**: 57
- **Nationality**: Malaysian
- **Gender**: Male
- **Length of Service**: 3 years 4 months
- **Date of Appointment**: 24 November 2016
- **Date of Appointment**: 23 April 2016

**DAVID LAU NAI PEK**
- **Age**: 67
- **Nationality**: Malaysian
- **Gender**: Male
- **Length of Service**: 12 years
- **Date of Appointment**: 23 April 2008

**DATO DR NIK RAMLAH NIK MAHMOOD**
- **Age**: 64
- **Nationality**: Malaysian
- **Gender**: Female
- **Length of Service**: 3 years
- **Date of Appointment**: 21 March 2017

Note: Age is as at 31 March 2020. For more details on Directors’ profiles, please refer to pages 4 to 7 in the “Profile of Directors” section.

**Ch**
- **Date of Appointment**: 24 March 2008
- **Appointed as Chairman on 1 November 2018**
- **Re-designated as Non-Independent Non-Executive Director on 24 March 2020**

**CHIR**
- **Date of Appointment**: 23 April 2008
- **Length of Service**: 12 years

**DEPUTY GROUP CHIEF EXECUTIVE OFFICER**
- **Date of Appointment**: 24 January 2020

**GROUP CHIEF EXECUTIVE OFFICER**
- **Date of Appointment**: 3 March 2008
- **Appointed as President & Group Chief Executive Officer on 1 November 2018**
- **Re-designated to Executive Director/Deputy Group Chief Executive Officer on 24 January 2020**
Who Governs Us

BOARD OF DIRECTORS

DR DAVID ROBERT DEAN

Age
61

Nationality
British

Gender
Male

Length of Service
2 years 3 months

Date of Appointment
11 December 2017

KHOO GAIK BEE

Age
62

Nationality
Malaysian

Gender
Female

Length of Service
1 year 3 months

Date of Appointment
1 January 2019

THAYAPARAN S SANGARAPILLAI

Age
65

Nationality
Malaysian

Gender
Male

Length of Service
13 days

Date of Appointment
18 March 2020

TENGKU DATO' SRI AZMIL ZAHRUDDIN RAJA ABDUL AZIZ

Age
49

Nationality
Malaysian

Gender
Male

Length of Service
2 years 2 months

Date of Appointment
12 January 2018

ONG KING HOW

Age
45

Nationality
Malaysian

Gender
Male

Length of Service
4 months

Date of Appointment
27 November 2019

Notes: - Age is as at 31 March 2020 - Dr Muhamad Chatib Basri resigned on 13 December 2019 - Dr Lisa Lim Poh Lin resigned on 26 February 2020 For more details on Directors’ profiles, please refer to pages 4 to 7 in the “Profile of Directors” section.
Our people are core to our success. We are specialists in our markets because we recruit, nurture, motivate, develop and reward talented, professional people. This contributes profoundly to our reputation and our market presence. It supports our ability to work closely with our clients in strong partnerships where trust and reliability are essential. We aim to create a positive experience for all our people with responsive and caring management, effective technology, quality working environments and supportive, collegiate colleagues. This enables us to deliver a professional, high-quality, consistent and compliant work product.

To this end, our senior leadership team leads the charge in the implementation of strategy, progress made towards meeting targets and the management of risk, human resources and Group-wide issues and initiatives. They are responsible for the maintenance of and compliance with Group operating standards. They also discuss issues faced by individual businesses in addition to those common across the Group to ensure that best practice and experience are pooled in meeting the Group’s goals.
An Experienced Leadership

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

Age: 61  Nationality: Malaysian  Gender: Male  Length of Service: 12 years
Date of Appointment to Current Position: 3 March 2008

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

Age: 57  Nationality: Malaysian  Gender: Male  Length of Service: 2 months (as Deputy Group Chief Executive Officer)
Date of Appointment to Current Position: 24 January 2020

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

Age: 51  Nationality: Sri Lankan  Gender: Male  Length of Service: 26 years 2 months
Date of Appointment to Current Position: 24 January 2020

VIVEK SOOD
Group Chief Financial Officer

Age: 55  Nationality: Indian  Gender: Male  Length of Service: 2 years 11 months
Date of Appointment to Current Position: 3 April 2017

AZWAN KHAN OSMAN KHAN
Deputy Group Chief Financial Officer

Age: 50  Nationality: Malaysian  Gender: Male  Length of Service: 14 years 9 months
Date of Appointment to Current Position: 1 November 2018
Resigned as Deputy Group Chief Financial Officer with effect from 15 April 2020

THOMAS HUNDT
Group Executive Vice President – Technology

Age: 42  Nationality: German  Gender: Male  Length of Service: 11 years 8 months
Date of Appointment to Current Position: 24 January 2020

DATIN SRI BADRUNNISA MOHD YASIN KHAN
Group Chief, Axiata Learning

Age: 60  Nationality: Malaysian  Gender: Female  Length of Service: 11 years 11 months
Date of Appointment to Current Position: 10 June 2019
Retired as Group Chief, Axiata Learning with effect from 1 April 2020

ASRI HASSAN SABRI
Group Chief Corporate Officer

Age: 53  Nationality: Malaysian  Gender: Male  Length of Service: 4 years 2 months
Date of Appointment to Current Position: 1 September 2018

Note: Age is as at 31 March 2020
For more details on the Senior Leadership Team profiles, please refer to pages 12 to 17 in the “Profile of Group Senior Leadership Team” section.
An Experienced Leadership

**DARKE M SANI**
Group Chief Human Resources Officer

<table>
<thead>
<tr>
<th>Age</th>
<th>Nationality</th>
<th>Gender</th>
<th>Length of Service</th>
</tr>
</thead>
<tbody>
<tr>
<td>64</td>
<td>Singaporean</td>
<td>Male</td>
<td>8 years 9 months</td>
</tr>
</tbody>
</table>

Date of Appointment to Current Position
1 June 2011

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**ANTHONY RODRIGO**
Group Chief Information Officer

<table>
<thead>
<tr>
<th>Age</th>
<th>Nationality</th>
<th>Gender</th>
<th>Length of Service</th>
</tr>
</thead>
<tbody>
<tr>
<td>52</td>
<td>Sri Lankan</td>
<td>Male</td>
<td>9 years 6 months</td>
</tr>
</tbody>
</table>

Date of Appointment to Current Position
1 August 2017

---

**HADI HELMI ZAINI SOORIA**
Group Chief Internal Auditor

<table>
<thead>
<tr>
<th>Age</th>
<th>Nationality</th>
<th>Gender</th>
<th>Length of Service</th>
</tr>
</thead>
<tbody>
<tr>
<td>50</td>
<td>Malaysian</td>
<td>Male</td>
<td>22 years 8 months</td>
</tr>
</tbody>
</table>

Date of Appointment to Current Position
15 October 2019

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**SURYANI HUSSEIN**
Group Company Secretary

<table>
<thead>
<tr>
<th>Age</th>
<th>Nationality</th>
<th>Gender</th>
<th>Length of Service</th>
</tr>
</thead>
<tbody>
<tr>
<td>54</td>
<td>Malaysian</td>
<td>Female</td>
<td>17 years 3 months</td>
</tr>
</tbody>
</table>

Date of Appointment to Current Position
1 April 2008

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**ANNIS SHEIKH MOHAMED**
Group Chief Corporate Development Officer

<table>
<thead>
<tr>
<th>Age</th>
<th>Nationality</th>
<th>Gender</th>
<th>Length of Service</th>
</tr>
</thead>
<tbody>
<tr>
<td>48</td>
<td>Malaysian</td>
<td>Male</td>
<td>8 years 8 months</td>
</tr>
</tbody>
</table>

Date of Appointment to Current Position
1 July 2011

---

**DOMINIC P ARENA**
Group Chief Strategy and Marketing Officer

<table>
<thead>
<tr>
<th>Age</th>
<th>Nationality</th>
<th>Gender</th>
<th>Length of Service</th>
</tr>
</thead>
<tbody>
<tr>
<td>43</td>
<td>Australian</td>
<td>Male</td>
<td>4 years</td>
</tr>
</tbody>
</table>

Date of Appointment to Current Position
1 March 2016

---

**HADI HELMI ZAINI SOORIA**
Group Chief Internal Auditor

<table>
<thead>
<tr>
<th>Age</th>
<th>Nationality</th>
<th>Gender</th>
<th>Length of Service</th>
</tr>
</thead>
<tbody>
<tr>
<td>50</td>
<td>Malaysian</td>
<td>Male</td>
<td>22 years 8 months</td>
</tr>
</tbody>
</table>

Date of Appointment to Current Position
15 October 2019

---

**ABID ABDUL ADAM**
Group Chief Risk and Compliance Officer

<table>
<thead>
<tr>
<th>Age</th>
<th>Nationality</th>
<th>Gender</th>
<th>Length of Service</th>
</tr>
</thead>
<tbody>
<tr>
<td>38</td>
<td>South African</td>
<td>Male</td>
<td>2 years 4 months</td>
</tr>
</tbody>
</table>

Date of Appointment to Current Position
2 March 2020

---

**TAN GIM BOON**
Group General Counsel and Risk Officer

<table>
<thead>
<tr>
<th>Age</th>
<th>Nationality</th>
<th>Gender</th>
<th>Length of Service</th>
</tr>
</thead>
<tbody>
<tr>
<td>47</td>
<td>Malaysian</td>
<td>Male</td>
<td>15 years 5 months</td>
</tr>
</tbody>
</table>

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

Note: Age is as at 31 March 2020

For more details on the Senior Leadership Team profiles, please refer to pages 12 to 17 in the “Profile of Group Senior Leadership Team” section.
In 2019, Ncell welcomed Andy Chong as its new CEO. Andy, an internal talent, was Ncell’s Chief Marketing Officer before helming his new role in 2019. This appointment, along with the three Operating Companies’ (OpCos) CEOs promoted through internal ranks in 2016, demonstrate orderly succession planning undertaken in accordance with the Axiata Talent Management Framework. The succession plans are presented to the Board at least twice a year. The plans include talent (both internal and identified external talent) ready to take on senior roles within different time frames and the intervention required for key talent.

The succession planning process provides Axiata a ready pool of talent to plan ahead with and when there is insufficient bench strength, to scout the market and identify promising candidates in advance of the anticipated demand.

Note: 1 Resigned as Chief Executive Officer edotco Group Sdn Bhd with effect from 1 May 2020
Our Governance At A Glance

Board of Directors

<table>
<thead>
<tr>
<th>Role</th>
<th>Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>Independent</td>
<td>5</td>
</tr>
<tr>
<td>Non-Independent</td>
<td>2</td>
</tr>
<tr>
<td>Executive Directors</td>
<td>2</td>
</tr>
</tbody>
</table>

Diversity of Tenure

- Less than 1 year: 11%
- 1-6 years: 56%
- More than 6 years: 33%

Diversity of Gender

- Male: 70%
- Female: 30%

Nationality

- Malaysia: 25/25
- British: 24/24
- Indonesia: 23/25

Skill and Experience of Directors

- Information Technology
- Telecommunications
- Finance, Banking & Investments
- Public Services/ Government Relations
- Internet/ Media/ Entertainment/ Digital Services/ Innovative Mobile/ Technology/ Analytics
- Corporate Finance
- Strategy/ Entrepreneurship
- M&A
- Legal/ Regulatory
- Audit/ Accounting/ Business Assurance
- Talent Management/ Human Capital
- Others - Economics/ Sustainability/ Sales/ Marketing/ Corporate Governance/ Capital Markets/ Islamic Finance

Calendar of meetings of the Board and Committees held in 2019 and attendance of the respective Directors are provided below:

### Name of Board Members

<table>
<thead>
<tr>
<th>Name</th>
<th>B</th>
<th>A</th>
<th>N</th>
<th>R</th>
<th>I</th>
<th>A</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tan Sri Ghazzali Sheikh Abdul Khalid</td>
<td>25/25</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Tan Sri Jamaludin Ibrahim</td>
<td>25/25</td>
<td>4/4</td>
<td>5/5</td>
<td>7/7</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Dato' Mohd Izzaddin Idris</td>
<td>24/24**</td>
<td>8/8</td>
<td>4/4</td>
<td>5/5</td>
<td>5/5</td>
<td></td>
</tr>
<tr>
<td>David Lau Nai Pek</td>
<td>24/25</td>
<td>8/8</td>
<td>4/4</td>
<td>5/5</td>
<td>7/7</td>
<td></td>
</tr>
<tr>
<td>Dato Dr Nik Ramlah Nik Mahmood</td>
<td>23/25</td>
<td>7/7</td>
<td>4/4</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Dr David Robert Dean</td>
<td>24/25</td>
<td>8/8</td>
<td>4/4</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Khoo Gaik Bee</td>
<td>23/25</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>6/7</td>
</tr>
<tr>
<td>Thayaparan S Sangarpillai*</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Tengku Dato’ Sri Azmil Zahruddin Raja Abdul Aziz</td>
<td>25/25</td>
<td>6/7</td>
<td></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Ong King How*</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>4/5</td>
</tr>
</tbody>
</table>

Notes:

- * There is no attendance records for Thayaparan S Sangarpillai as he was not on the Board of Directors during Financial Year 2019. He was appointed on the Board only on 18 March 2020.
- ** Alternate director attends meeting only if the principal director is not present.
- # Recused from attending a Special Board Meeting relating to his proposed appointment as Executive Director/ Deputy Group Chief Executive Officer.

Notes:

1. As of December 2019
2. Dr Muhamad Chatib has resigned as Director with effect from 13 December 2019

For more details on the Chairman, please refer to page 72 in the “Who Governs Us” section

For more details on the President & Group CEO, please refer to page 72 in the “Who Governs Us” section

For more details on Directors, please refer to pages 72 and 73 in the “Who Governs Us” section

For more details on the Company Secretary, please refer to page 76 in the “An Experienced Leadership” section
As an inherent part of our business, we have integrated sustainability and stakeholder management as one of our Ten NEW FOCUS AREAS, which represent our operational activities towards achieving our vision of becoming a New Generation Digital Champion.

To this end, we have included sustainability-related KPIs in the annual KPIs of our Group CEO and OpCo CEOs. Annually, all OpCo CEOs sign off on sustainability-related governance as part of internal control assurance. This reflects our top-down approach to embracing sustainability Group-wide, with our top management demonstrating our commitment through leading by example.

The governance of our Group Sustainability Framework is overseen by our Group Chief Corporate Officer, who leads the Group Corporate Office. The Group Sustainability team is part of the Group Corporate Office and is led by the Head of Group Corporate Communications and Sustainability. The Axiata Sustainability framework encompasses core material environmental, social and governance issues which we have categorised under the four pillars of Beyond Short-Term Profits, Nurturing People, Process Excellence & Governance; and Planet & Society. We disclose our sustainability activities according to these four pillars.

The Group Sustainability team is tasked with ensuring Axiata complies with our Group Sustainability Policy. It also conducts stakeholder engagement, updates material issues, standardises data collection and management systems as well as provides advisory support and capacity building to the sustainability teams in our OpCos, which indirectly report to the Group Sustainability team.

The sustainability teams in our OpCos play a vital role in engaging with local stakeholders to identify material issues, aligning and localising the Group Sustainability Framework to ensure its relevance in their unique market. The OpCos are responsible for the governance, daily management and operations, implementation of programmes and data collection in line with the Group Sustainability Framework. They are also encouraged to produce their own Sustainability Report in compliance with the Global Reporting Initiative’s Sustainability Reporting Standards.
ROLE OF THE BOARD
The Board is responsible for setting the vision and strategy for the Company to deliver value to its shareholders through implementing its strategic business plan. Under the Chairman’s leadership, Board members share collective responsibility for corporate governance arrangements. The Board’s roles and responsibilities are detailed in the Board Charter, which is available online at https://www.axiata.com/sites/default/files/docs/Board-Charter-2.pdf. The last revision of the Board Charter was on 20 February 2020.

CODE OF CONDUCT AND ETHICS (“CODE”)
The Code is in line with the practices in the MCCG 2017 and ensures that the Board continues to shape the ethical culture through its leadership. The provisions of the Code are aligned with the Employees Code of Conduct and the corporate culture of uncompromising integrity and exceptional performance applicable across the Group.


BOARD FOCUS AREAS
Monitoring of the company’s performance and business planning for the year remain a priority for Board’s deliberation despite a considerable amount of time and attention being devoted to strategic matters and M&A, which included the proposed merger between Axiata and Telenor ASA.

The Board also considered the Long Range Plan (“LRP”) Framework, which was a shift from a focus on revenue growth to an emphasis on profit and cash. The LRP takes into consideration organic and inorganic levers to deliver Axiata’s aspiration. The core value driver is on Operational Excellence (“OE”) to evolve into delivering the best customer proposition within Axiata’s chosen value discipline.

The new growth areas include developing the digital financial services segment which the Company will focus on in 2020.

The Board’s focus and priority in 2020 would be ensuring the continuing execution of the “Shifting Gears” strategy which emphasises Operational Excellence while aided and strengthened by the “collective brains” initiative.

The year-end retreat in 2019 had also commenced the Axiata 5.0 roadmap that aims to ensure sustainable business growth for the group.

There will also be focus on maintaining the journey towards long term growth and profitability through the prioritisation of certain drivers, which include amongst others, operational performance, operational and organisational excellence, transformation of OpCos, and a focus on digitisation & analytics and on new growth areas.

During the year 2020, the Board will also ensure the seamless transition of leadership where Tan Sri Jamaludin Ibrahim will pass the baton of leading Axiata to Dato’ Mohd Izzaddin Idris by the end of the year.

TOTAL HOURS FOR BOARD & BOARD COMMITTEE MEETINGS 2019

<table>
<thead>
<tr>
<th>TOPICS FOR DISCUSSION AT BOARD MEETINGS</th>
<th>BAC</th>
<th>BNRC</th>
<th>AIOB</th>
<th>BARC</th>
<th>BRMC</th>
</tr>
</thead>
<tbody>
<tr>
<td>Business Performance &amp; Planning</td>
<td>12</td>
<td>11</td>
<td>13</td>
<td>26</td>
<td>12</td>
</tr>
<tr>
<td>Governance &amp; BARC</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Risk &amp; BAC</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Strategy, M&amp;A, Funding</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>


BOARD ACTIVITIES IN 2019

- Strategic matters and M&A were the main focus of the Board, spending approximately 42.96% of their time during Board meetings developing corporate strategy for the development of Axiata group of companies.
- At the mid-year retreat in July 2019, the Board was briefed on the current industry outlook, how it impacted Axiata and what Axiata can do to further improve its position in the market. Specifically, the Board was brought through Axiata’s Triple Core Strategy as well as the LRP 2019 and the strategy and execution updates on new growth areas. Operational Excellence took centrestage with its corresponding impact on operational decisions and network KPIs.
- At the year-end retreat in November 2019, a recap of Axiata’s 3.0 strategy was presented and progressing into the Axiata 5.0 roadmap towards sustainable business growth aided and strengthened by the “collective brains” and verticalization initiatives.

PRIORITIES FOR 2020

The Board’s focus and priority in 2020 would be ensuring the continuing execution of the “Shifting Gears” strategy which emphasises Operational Excellence while aided and strengthened by the “collective brains” initiative.

The year-end retreat in 2019 had also commenced the Axiata 5.0 roadmap that aims to ensure sustainable business growth for the group.

There will also be focus on maintaining the journey towards long term growth and profitability through the prioritisation of certain drivers, which include amongst others, operational performance, operational and organisational excellence, transformation of OpCos, and a focus on digitisation & analytics and on new growth areas.

During the year 2020, the Board will also ensure the seamless transition of leadership where Tan Sri Jamaludin Ibrahim will pass the baton of leading Axiata to Dato’ Mohd Izzaddin Idris by the end of the year.
The Board engaged the services of KPMG Management and Risk Consulting Sdn Bhd (KPMG) to assist with the 2019 evaluation of Board performance on a refresher basis. KPMG is a corporate governance advisory firm that specialises in facilitating board reviews. Board members were invited to complete a questionnaire and selected Board members were invited to participate in interviews, which addressed the performance of the Board and its Committees. The specific assessments included those of the Board and each Board members’ skill set. These were structured along both self assessment and peer reviews extending specifically to independent directors and the President & Group Chief Executive Officer (“GCEO”).

OUR PROCESS WAS DIVIDED INTO 4 STAGES

STRENGTHS

- Axiata Board’s commitment and resilience remain a distinct “personality” within the market comparators whilst strategy planning remains a reverberating flagged theme for Axiata, akin to other comparators
- The efficacy of the Board Chairman and high concentration of Independent Directors have led to a continuity of “robust and full-throttled” deliberations amongst Board members
- The collaborative working relationship between the Board and the Managing Director/ President & GCEO continues to be a stand-out feature for Axiata, with the GCEO being an effective bridge between Management and Board
- The Board of Axiata remains a dedicated and collective unit with independent thought clearly shown through the Board’s devotion of long hours and proximate involvement in overseeing the proposed Axiata-Telenor merger
- The Board’s clear succession model known as the Phased Retirement Plan is a novel market practice amongst peers, both locally and globally, allowing for the Board composition to be revitalised
- The succession planning for the GCEO was crafted since 2014 through a methodical and well-thought-out succession plan which involved a series of well-crafted strategies including implanting shortlisted candidates to the Board itself and overseeing a smooth “change of guard” by enlisting the final contender as a Deputy President

IMPROVEMENT

- There is a need for focused education and development programmes on Company-specific issues with such training aligned to Axiata’s strategies
- To consider qualitative audits on its Operating Companies in inspecting similar adoption of the Group’s ethical and compliance culture and transformational efforts
- To consider conducting more comprehensive and detailed feasibility studies and country-risk analysis of its operations and businesses

The findings of the 2019 BEE also have recommended areas for improvement, the salient points of which are as follows:

1. COMPLETION OF QUESTIONNAIRE BY ALL BOARD MEMBERS
2. EVALUATION OF RESPONSES BY KPMG
3. DEBRIEFING SESSION WITH THE BOARD
4. CONFIRMATION OF ACTIONS TO BE UNDERTAKEN AS A RESULT OF THE EVALUATION PROCESS
**PROFESSIONAL DEVELOPMENT AND EDUCATION**

New Directors receive a comprehensive and tailored induction programme in order that they are fully informed about the Group’s activities on joining the Board. They are apprised of the business environment, fiduciary duties and responsibilities, and the Board’s expectations in respect of a director’s commitment, ethical behaviour and keeping abreast of regulatory changes and trends.

Training is an area delegated to the Board Nomination and Remuneration Committee as part of its brief to ensure that the Board continues to possess the skills, experience and knowledge to meet the needs of the business. Training requirements are discussed and relevant and suitable training programmes are periodically made known to the directors all of which are facilitated and assisted by the Group Company Secretary.

**BRIEFINGS DURING THE YEAR INCLUDE:**

Some of the in-house presentations by external speakers in the course of the year are as follows:

- **Industry Outlook & Analyst Expectation**
- **Enterprise Business Expectations**
- **New Business Models for Disruptive Digital Telcos**
- **Telco Primer Workshop “Essentials of Telecoms”**

There is also a Telco Primer organised for new directors appointed to the Board of Axiata if the person is not from the telco industry.

OpCos Induction Programme – all new directors appointed on the Board of Axiata will have the opportunity to attend an Axiata Board Induction as well as induction programmes and field trips organised and conducted by OpCos. These programmes by the OpCos are conducted once a year and Axiata Directors are encouraged to participate in at least one of these visits depending on their availability.

**RENUMERATING FAIRLY**

**Non-Executive Directors (“NED”)**

As a regional company, the remuneration philosophy is to develop a remuneration structure that commensurates with the Directors’ responsibilities at both Board and Board Committee level and is sufficient to attract, incentivise and retain quality Directors. The remuneration packages differentiate the Chairman and ordinary members of the Board and Board Committee to reflect the bigger role played by the Chairman.

The following table outlines the remuneration structure for NEDs of the Group:

<table>
<thead>
<tr>
<th>Remuneration</th>
<th>Monthly Fees¹ (RM)</th>
<th>Meeting Allowances² (RM)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>NEC²</td>
<td>NEC³</td>
</tr>
<tr>
<td>Board of Directors</td>
<td>30,000.00</td>
<td>20,000.00</td>
</tr>
<tr>
<td>BAC</td>
<td>4,000.00</td>
<td>2,000.00</td>
</tr>
<tr>
<td>BNRC</td>
<td>1,200.00</td>
<td>800.00</td>
</tr>
<tr>
<td>Other Board Committees</td>
<td>Nil</td>
<td>Nil</td>
</tr>
</tbody>
</table>

**Notes:**

¹ In accordance with shareholders’ approval, Axiata pays Board and Board committees’ Directors’ fees on a monthly basis
² Meeting allowances are paid on a per meeting basis, notwithstanding any adjournment and number of days
³ NEC refers to Non-Executive Chairman

**Benefits**

Benefits comprises annual overseas business development trips, leave passage, travel allowance, travel allowance for non-resident NEDs, equipment, telecommunication facilities, insurance and medical.

**Executive Directors (“EDs”)**

The Company’s policy on remuneration for the EDs is formulated to ensure that the level of remuneration is generally set to provide market competitiveness to attract, retain and motivate an ED of the highest calibre to competently manage the Company.

The remuneration is therefore structured to link various components of the package with corporate and individual performance as well as Total Shareholder Returns (“TSR”). It also takes into account similar packages at comparable companies (of similar size and complexity to Axiata locally; and in the same industry in the region), based on information prepared by independent consultants and survey data.

The current remuneration policy of the EDs consists of basic salary, benefits-in-kind and EPF contributions, as a guaranteed component. On top of this, the EDs are eligible for two types of performance-based incentives which are the Short-Term Incentive Plan (“STIP”) linked to a particular financial year’s targets and the Long-Term Incentive Plan (“LTIP”) which is linked to a 3-year long-term target.

For the STIP, the performance of the EDs is measured based on the achievements of his annual KPIs. These KPIs comprise not only quantitative targets, such as annual revenue, EBITDA, PATAMI or Return on Invested Capital (“ROIC”) and relative performance of the OpCos, but also qualitative targets which include strategic milestones and initiatives that need to be achieved and implemented in a given year, on areas such as strategy, innovation, business development, synergy, human capital management, financial management and societal development. The weightage of the qualitative and quantitative targets may be adjusted to accommodate the Group’s aspirations.

For the LTIP, the performance of the EDs is measured on the achievement of a combination of TSR and ROIC within the vesting period; TSR targets being set in comparison with other high-performing companies on Bursa Securities.

**2019 Directors’ Training Areas**

Number of Training Programmes Disseminated by Group Company Secretary in 2019 amounted to 21, which includes 3 on digital services, new business and technology compiled by Strategy/ Axiata Digital Services/ Technology

- **Legal/ Compliance/ Corporate Governance:** 9%
- **Digital Services/ New Businesses/ Technology:** 16%
- **Strategy/ Industry Outlook:** 36%
- **Others – Audit, Risk Management, Finance, Sustainability & M&A:** 39%

**Number of Training Programmes Disseminated by Group Company Secretary in 2019 amounted to 21, which includes 3 on digital services, new business and technology compiled by Strategy/ Axiata Digital Services/ Technology.**

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<tr>
<td><strong>Strategy/ Industry Outlook</strong></td>
<td>36%</td>
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<tr>
<td><strong>Others – Audit, Risk Management, Finance, Sustainability &amp; M&amp;A</strong></td>
<td>39%</td>
</tr>
</tbody>
</table>
Board Nomination and Remuneration Committee (“BNRC”)

**Nomination**
- Oversee the selection and assessment of Directors and ensure that Board composition meets the needs of Axiata;
- Propose new nominees to the Board of Directors of Axiata and any Committee of the Board;
- Facilitate and review Board induction and training programmes;
- Assess Directors on an ongoing basis, and
- Recommend or approve, as the case may be, the key management of Axiata Group.

**Remuneration**
- Recommend to the Board the remuneration of the EDs in all its forms, drawing from outside advice as necessary;
- Assist the Board in determining the policy and structure for the remuneration of Directors and Senior Management of Axiata Group; and
- Administer the Performance-Based Employee Share Option Scheme and Restricted Share Plan (“Axiata Share Scheme”) and Axiata Group Performance-Based Long Term Incentive Plan in accordance with the Bye-Laws of the Axiata Share Scheme and Axiata Group Performance-Based Long Term Incentive Plan (“Bye-Laws”) as approved by shareholders of the Company.

**Affected by**
- To undertake the necessary action to implement the recently adopted policy to restrict the tenure of independent directorships to a 9-year limit.
- To undertake the necessary changes to the composition of the Board and its Committees, following retirements, resignations and re-designations as the same arises from time to time.
- To manage the seamless transition of leadership where Tan Sri Jamaludin Ibrahim will pass the baton of leading Axiata to Dato’ Mohd Izzaddin Idris by the end of the year.
- To review top Management succession planning.
- To monitor follow-up actions based on the 2018 BEE findings and the refresher 2019 BEE as well as decide on the approach for 2020 BEE.
- Other routine or new matters proposed by Management/ Board.

**BNRC**
- Changes in the Board composition and future priorities regarding the Board composition and its Committee.
- Review and approve compensation schemes for senior management and other employees.
- Routine matters such as:
  - Performance Bonus and Increment for employees;
  - LTIP for Axiata and its subsidiaries;
  - Proposed Headline KPIs for CEO and DGCEO; and
  - Proposed Company Bonus Payment and Increment and others as applicable.

**Activities in 2019**

**Nomination**
- Considered the significant changes to the Board of Axiata in 2019 and early 2020 involving the appointments of 1 new director and one alternate director and the resignation of 2 directors;
- Year reviewed reports on directors training including making recommendations thereof;
- Reviewed changes proposed in respect of the nomination of Axiata nominee directors on OpCos’ Boards;
- Reviewed and recommended the extension of employment contracts of key personnel of Axiata Group;
- Discussed the findings of the 2018 BEE and follow-up actions and approach for 2019 BEE;
- Recommended the appointment of Board Committee members and other changes;
- Recommended the renaming of BRMC to BRCC effective 20 February 2020;
- Recommended the change of Chairman of the new Board Committee, BRCC;
- Succession Planning and Talent Management Review;
- Reviewed the suitability of the directors due for re-election at the 2019 AGM;
- Assessed and recommended the INEDs who have exceeded the 9 year cumulative term limit to be reappointed as INEDs by shareholders;
- Reviewed and recommended the appointment of Thaya S Sargaranpillai as Axiata Board members who brings with him accounting and finance background as part of phase retirement plan;
- Reviewed and recommended the GCEO’s succession plan including the re-designation of Dato’ Mohd Izzaddin Idris as Director and Chairman of Robi in place of Tan Sri Ghazzali Sheikh Abdul Khalid;
- Appointment of Dr David Robert Dean as Director and Chairman of Ncell in place of Tan Sri Ghazzali Sheikh Abdul Khalid;
- Resignation of Rene Werner as Director and appointment of new director as Director of Smart in place of Rene Werner;
- Appointment of Azwan Khan Osman Khan as Director of Smart in place of Vivek Sood;
- Appointment of Vivek Sood as Member of Axiata Digital Business Investment & Oversight Board Committee of Axiata (“AIOB”);
- Resignation of Javier Santiso as Member of AIOB and Axiata Board Advisory Council (“ABDAC”);
- Resignation of Greg Tarr as member of AIOB, but will remain as sole member of ABDAC;
- Appointment of Dato’ Mohd Izzaddin Idris as member of the Board Annual Report Committee.

**Remuneration**
- The BNRC considered and recommended to the Board the following matters:
  - Revision of Group Performance Bonus Matrix;
  - Long-Term Incentive Grant for edotco Group;
  - GCEO KPI 2018 - Performance Evaluation and Remuneration;
  - Company Bonus Payment and Salary Review Budget;
  - 2019 Restricted Share Plan Grant and Vesting;
  - Reviewed and recommended 2019 OpCo’s CEO Shares Award for XL;
  - Reviewed and recommended the reward and retention programme (implementation details) and proposed new compensation framework;
  - Reviewed and recommended the 1H incentive for FY2019;
  - Top Management Remuneration Review.

**Structural Changes to Board Composition**
In early 2019 and throughout the year saw several changes to the Board composition as follow:
- Appointment of Vivek Sood as Director of Dialog;
- Appointment of Dato’ Mohd Izzaddin Idris as Director and Chairman of Robi in place of Tan Sri Ghazzali Sheikh Abdul Khalid;
- Appointment of Dr David Robert Dean as Director and Chairman of Ncell in place of Tan Sri Ghazzali Sheikh Abdul Khalid;
- Resignation of Rene Werner as Director and appointment of new director as Director of Smart in place of Rene Werner;
- Appointment of Azwan Khan Osman Khan as Director of Smart in place of Vivek Sood;
- Appointment of Vivek Sood as Member of Axiata Digital Business Investment & Oversight Board Committee of Axiata (“AIOB”);
- Resignation of Javier Santiso as Member of AIOB and Axiata Board Advisory Council (“ABDAC”);
- Resignation of Greg Tarr as member of AIOB, but will remain as sole member of ABDAC;
- Appointment of Dato’ Mohd Izzaddin Idris as member of the Board Annual Report Committee.

Axiata has in place a Board Composition Framework which takes into consideration, the complexity and geographical spread of the Group's businesses.

**Priorities for 2020**

**Nomination**
- To undertake the necessary action to implement the recently adopted policy to restrict the tenure of independent directorships to a 9-year limit.
- To undertake the necessary changes to the composition of the Board and its Committees, following retirements, resignations and re-designations as the same arises from time to time.
- To manage the seamless transition of leadership where Tan Sri Jamaludin Ibrahim will pass the baton of leading Axiata to Dato’ Mohd Izzaddin Idris by the end of the year.
- To review top Management succession planning.
- To monitor follow-up actions based on the 2018 BEE findings and the refresher 2019 BEE as well as decide on the approach for 2020 BEE.
- Other routine or new matters proposed by Management/ Board.

**Remuneration**
- Review and approve compensation schemes for senior management and other employees.
- Routine matters such as:
  - Performance Bonus and Increment for employees;
  - LTIP for Axiata and its subsidiaries;
  - Proposed Headline KPIs for CEO and DGCEO; and
  - Proposed Company Bonus Payment and Increment and others as applicable.
## Axiata Digital Business Investment and Oversight Board Committee ("AIOB")

### Members
- Dato’ Mohd Izzaddin Idris (Chairman) (INED)<sup>2</sup>
- David Lau Nai Pek (SINED)
- Tan Sri Jamaludin Ibrahim
- Dr David Robert Dean (INED)

- Tengku Dato’ Sri Azmil Zahruddin Raja Abdul Aziz (NINED)
- Dr Hans Wijayasuriya
- Mohd Khairil Abdullah
- Vivek Sood

- Approve investments in digital business up to USD20.0 million provided that the approved investment is within the budget approved by Axiata Board
- Perform the oversight function on investments made under the ambit of AIOB approval
- Approve divestment of digital business up to USD20.0 million provided it was an investment previously approved by AIOB

### Activities in 2019
- The committee made key investment decisions relating to Digital Businesses and monitors its performance within its Limits of Authority

### Priorities for 2020
- In 2017, Axiata developed its inaugural integrated annual report with the goal to apply 100% of the Integrated Reporting framework over the next three to four years. This remains the focus for the year 2020
- To improve on the integrated annual report reporting process and the quality of information

### Notes:
1. The AIOB was dissolved as of 25 March 2020
2. Dato’ Mohd Izzaddin Idris assumed the chairmanship of the AIOB throughout the financial year 2019 in the capacity of an Independent Non-Executive Director. He was re-designated as an Executive Director on 24 January 2020

## Board Annual Report Committee ("BARC")

### Members
- David Lau Nai Pek (Chairman) (SINED)
- Tan Sri Jamaludin Ibrahim
- Dato’ Mohd Izzaddin Idris (INED)

### Activities in 2019
- To provide a holistic view of the Group’s businesses and how value is created, the Board has recommended the adoption and application of the globally recognised and best practice reporting framework of the International Integrated Reporting Council’s ("IIRC") Integrated Report
- Initiated discussion on applying the IIRC’s Integrated Reporting framework as the framework in Axiata’s annual report to stakeholders
- Engaged with consultants, professional bodies and stakeholders to develop a roadmap towards applying the IIRC framework for its annual report
- Conducted reviews of Axiata’s inaugural integrated annual report

### Priorities for 2020
- Review and approve the content design, concept and structure of the annual report and other related reports
- Review and approve the overall content of the annual report and ensure compliance with the Main LR of Bursa Securities
- Review and recommend for the Board’s approval of related statements in the annual report as required by the Main LR of Bursa Securities, some of which may require prior review by the Board Audit Committee or other Board Committee of Axiata
- Review and recommend for the Board’s approval additional disclosures to be made in the annual report taking into account the Company and Group’s position at any particular time and set the best disclosure framework to reflect the performance and image of the Company which is vital to the shareholders and stakeholders who are the ultimate recipients of the annual report

###Notes:
1. The AIOB was dissolved as of 25 March 2020
2. Dato’ Mohd Izzaddin Idris assumed the chairmanship of the AIOB throughout the financial year 2019 in the capacity of an Independent Non-Executive Director. He was re-designated as an Executive Director on 24 January 2020
Board Accountability

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT

Board Audit Committee ("BAC")

BAC currently comprises wholly INEDs and all BAC Members are financially literate, well above the level needed for an Audit Committee. Their appointments are made by the Board on the recommendation of the BNRC and in consultation with the BAC Chairman.

Group Chief Internal Auditor ("GCIA") acts as the Secretary of the BAC and meeting dates are synchronised to coincide with the key dates within the financial reporting and audit cycle with ample time for a report to be prepared for the Board, particularly on irregularities and significant finding on matters of concern.

Axiata's internal audit function reports directly to the BAC and the Internal Audit ("IA") Charter is also approved by the BAC.

Members

David Lau Nai Pek (Chairman) (SINED)
Dr David Robert Dean (INED)
Dato' Mohd Izzaddin Idris (INED)
Thayaparan S Sangarapillai (INED)

Roles

- Assist the Board in fulfilling its statutory and fiduciary responsibilities
- Review financial statements and financial reporting process, system of internal controls, audit process and process for monitoring compliance with law and regulations including Bursa Securities’ requirements and the Company’s Code of Conduct

Activities in 2019

- 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 Group-wide BAC Forum was held on the 28th March 2019; assembling all OpCos BAC Chairmen to align on 2019 priorities.
- 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

Other recurring works include:

- Initiated a review on “Anti-Bribery and Anti-Corruption” ("ABAC") policies and execution in the Group resulting in the formation of the 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 review of whistleblowing 2.0 ("WB 2.0") channel across the Group and OpCos aimed 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 10th 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

Note: 1 Dato’ Mohd Izzaddin Idris has resigned from the BAC with effect from 24 January 2020 following his re-designation to Executive Director.
Board Audit Committee (“BAC”)

- 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 Employee Share Options and Share scheme (details provided under Notes 14 of the Audited Financial Statements) at the Share Reference Price of RM4.44 for 21 February 2019 Regular Stock Purchase (“RSP”) grant. The BAC has reviewed the allocation of the above shares granted to eligible employees (as defined in the Bye-Laws of the Performance-Based Employee Share Option and Share Scheme) and noted its compliance with the conditions for the allocation of share options/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 whistle blowing cases across the Group
- Encouraged and pushed for 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
- Pushed 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 e.g. Whistle Blowing 2.0 channel as well as internal controls surveys were carried out on digital platforms

Priorities for 2020

- Review of BAC membership composition across the Group for continuity in leadership and roles
- Review of BAC Terms of Reference across the Group to harmonise with the establishment of BRCC
- Together with the newly constituted BRCC, BAC will review the effectiveness of the Group’s governance structure, and whether the policies, risk management, procedures, and internal controls are meeting the requirements of Cyber Security, Data Privacy, and Adequate Procedures under Section 17A of MACC Act 2009, including the consistent application of the act throughout all OpCos
- Assures Axiata’s Financial Statements reflect true and fair view of the business results and the financial position of the Group, and that they are in line with International Financial Reporting Standards (“IFRS”) and Malaysian Financial Reporting Standards (“MFGRS”)
- Review of the Group foreign currency exposure, the impact of currency translation on Axiata Group’s financial statements, and debt level including restructuring on financial risks of the Group in light of ongoing US-China trade war, COVID-19, oil price crash, and currency volatility
- Reviews the carrying value of assets, in particular those assets which are still on the old technology (2G, 3G and 3.5G) as OpCos move more and more data traffic onto 4G network and soon to 5G
- Reviews Axiata Group’s Cost Optimisation and Capex Efficiency projects with the advent of Group “Operational Efficiency” strategic direction coupled with “collective brain” and “verticalization” initiatives
- Continues to assess adequacy and effectiveness of cyber security programmes as cyber security risks continue to evolve and escalate
- Review of Data Privacy governance, risks management and internal controls implementation
- Review of the execution of all 2020 Audit Plan across the Group in terms of audit findings and timely closure of major audit issues
- Continues to ensure that auditors are given the right training on relevant and new competencies such as cyber security, data privacy, and the use of analytics in audits
- Review of security, trust and independence of whistle blowing channel established by Management for employees and other stakeholders to speak up against any misconduct across the Group
- Continues to support the application of digital technology in internal audit and investigation domains e.g. Whistle Blowing cases management across OpCos as well as explore use of technology for continuous auditing
Axiata maintains a risk register and the same is reviewed and updated every quarter. This comprises risks specific to the divisional activities of the business as well as more Group-wide risks affecting its long-term strategy and vision.

The Group has established the ERM framework as a standardised approach to rigorously identify, access, report and monitor risks facing the Group. The framework, benchmarked against ISO 31000:2009, is adopted across the Group. Based on the ERM framework, a risk reporting structure is established to ensure prompt communication to BRCC and the Board.

**Board Risk and Compliance Committee ("BRCC")**

**Members**

- Dr David Robert Dean (Chairman) (INED)
- Dato Dr Nik Ramlah Nik Mahmood (INED)
- Tan Sri Jamaludin Ibrahim
- David Lau Nai Pek (SiNED)
- Dato’ Mohd Izzaddin Idris

**BRCC (previously BRMC) was established effective 1 January 2018 after delicensing 10.3 provision of MCCG 2017. The Board recognised the advantage of having a Board committee separate from the audit committee to focus on risks in the complex and ever changing business landscape.**

This change was to better reflect the expansion to the scope of the committee to encompass not just issues of risk but matters of compliance as well. The areas of responsibility for the BRCC encompass Enterprise Risk Management, Compliance, Ethics and Data Privacy and Cyber Security. The additional functions of Compliance and Ethics have been combined with the existing Enterprise Risk Management function to provide an integrated focus on all risk and compliance matters, directly and indirectly, and a single, consistent interface with all other functions in the organisation and in OpCos.

BRCC which comprises of a majority of INEDs, has the advantage of also having the President & GCEO as well as a Board representative from a major OpCo as members, thus providing a platform for a more holistic and robust discussion on risks across the Group.

**Roles**

• BRCC duties and responsibilities include areas of Enterprise Risk Management (including Business Continuity and Crisis Management), Cyber Security, Data Privacy, Ethics & Integrity Compliance, and Regulatory Compliance which include but not limited to requirements imposed by capital market authority, central bank (e.g. e-money, forex controls, AMLA, etc), Local Authorities (e.g. site permits, health and safety), and domestic trade (e.g. anti-profiteering and commercial dealings of our dealers/distributors)

• Ensure Axiata Group (which includes all its subsidiaries/ OpCos) adopts sound and effective policies, procedures and practices for all its Risk and Compliance functions and ensure adequate testing to improve its resilience and preparedness for any eventualities

• Review and recommend the risk management and compliance methodologies, policies (including framework) and risk tolerance levels for the approval of the appropriate authority in accordance with Axiata Limits of Authority

• Review and assess the adequacy of the governing policies, framework and structure in place for managing risks and compliance as well as the extent to which these are operating effectively

• Ensure adequate infrastructure, resources and systems are in place for effective risk and compliance management. This includes ensuring that the staff responsible for implementing risk and compliance management systems perform their responsibilities independently of the risk-taking activities

• Review the management’s periodic reports on risk and compliance management activities, exposure and mitigating/remedial actions

• Ensure that all governance instruments are reviewed and updated continuously to reflect changes in the operating environment

• Ensure ongoing awareness programmes, communication, training and education on risk and compliance management

• Provide advice to the Board on risk and compliance strategies and coordinate the activities of various standing board committees for risk oversight

• Promote a healthy risk and compliance culture and behaviours that ensures the effectiveness of the risk and compliance management processes (e.g. discourage excessive risk-taking, bribery and corruption due to misaligned key performance indicators and remuneration schemes)

• Consider other matters relating to risk and compliance management, including relevant legislative applicable in all operating areas of Axiata Group as referred to by the Board or by BRCC by its own accord

**Activities in 2019**

• Four BRMC (now called BRCC) meetings were held in 2019 to discuss the Group’s risk agenda

• Among key discussions of the BRMC includes:
  - Axiata Group and OpCos key risks and the relevant mitigation strategy
  - Axiata Group and OpCos key risks and the relevant mitigation strategy

**Priorities for 2020**

- Cyber threat and risks faced by the Group in protecting and safeguarding the data privacy of our customers, employees and other stakeholders
- Business Continuity Programme and its maturity status across Axiata OpCos
- Enhanced Data Privacy and Cyber Security Governance
- Ensured a Robust Cyber Security Framework
- Strengthened Cyber Risk Management
- Maintained Threat Detection Programmes
- Leveraged on Advanced Technology to Drive our Cyber Capabilities
- Built our Employees’ and Vendors’ Cyber Capabilities
- Strengthened our Cyber Partner Ecosystem

**Note:** The BRMC has been renamed as BRCC effective from 20 February 2020
The Cyber Security Steering Committee ("CSSC") is established as a sub-committee of the Board Risk Management Committee ("BRMC") of the Axiata Group Berhad ("Axiata") Board.

The objectives of the CSSC is to assist the BRMC in focusing on the implementation of the cyber security initiatives, and ensuring implementation of standards across the Group. This focused approach was essential with the numerous cyber-attacks and the level of sophistication of these attacks experienced by many organisations across the globe.

During the November 2019 BOD meeting, the Board endorsed the new CaP Committee with the focus of promoting Data Privacy and Cyber Security matters across the Group. The new Cyber Security and Privacy Management Committee was approved with the following responsibilities:

i) CaP is tasked with executing on BRMC Directives as well as ensuring execution of the Data Privacy and Cyber Security imperatives;

ii) Composition of the CaP shall include representatives from Axiata senior leadership, and advisor/observer from the BRMC;

iii) CaP reports into the BRMC to ensure appropriate management of risks associated with Data Privacy and Cyber Security;

iv) Participation from relevant senior management from cross-functional representation (Internal Audit, Finance, IT/Network, HR, Legal and Regulatory) will be made compulsory, with an OpCo representative also to be considered; and

v) BRMC representative in CaP will be in an advisory capacity to the management team

The following amendments were adopted by the BRMC for the CaP:

Data Privacy and Cyber Security Risks

- Data Privacy and Cyber Security risks, similar to all other risks of Axiata, shall be part of BRMC scope
- Cybersecurity and Privacy Management Committee, or a similar forum at Axiata senior management level, manage the associated risks
- The Cybersecurity and Privacy Management Committee will report to the BRMC on a quarterly basis, and as appropriate to ensure that BRMC is kept abreast of the developments

Note: The CSSC has been dissolved as of 28 August 2019

Cyber Security Steering Committee

The CSSC evolved to Cyber Security and Privacy ("CaP")

In August 2019, the CSSC was dissolved due to expansion of the scope. The CSSC remit was primarily on Cyber Security matters, and given the importance of Data Privacy, a broadened remit committee was required to cover both Data Privacy and Cyber Security matters.

Roles

The CSSC is authorised by the BRMC to:

- Review, challenge and propose recommendations on any of the proposed Cyber Security initiatives including recommendation of new initiatives
- Have full and unrestricted access to any of the Axiata’s Group and any other companies within the Axiata Group information, records, properties and personnel
- Obtain external independent professional advice where necessary
- Escalate issues to the BRMC for immediate action and with approval from the BRMC Chairman the CSSC can change the Cyber Security priorities accordingly

Responsibilities

Review the proposed Global Internal Audit Plans in respect of cyber security audit across the Group and make recommendations to the Axiata Board Audit Committee.

Oversight of the Chief Information Security Officer ("CISO") function whereby the CISO shall report directly to the CSSC.

The CSSC shall oversee the:

- Implementation of the Cyber Security objectives
- Improve the Cyber Security maturity across the Group and is benchmarked against other telecoms and leading organisation’s best practices
- Be advised on the cyber risk and programme delivery issue and the actions taken by the CISO to resolve them
- To monitor the progress and quality of the Cyber Security programme and provide assurance to the BRMC

Activities in 2019

- Improve the Cyber Security maturity of Axiata’s adoption of the Internationally recognised National Institute of Standards and Technology ("NIST") Cyber Security Framework across the Group from Level 2 to Level 3
- Ensure all critical assets are compliant to a Minimum Baseline Security Standard ("MBSS") and extend coverage to non-critical and larger base of telecoms assets
- Ran the Bug Bounty programme consecutively for two years to identify and remediate software vulnerabilities/bugs on our web and mobile channels
- The Group Security Operations Centre ("GSOC") was accredited as a member of the Forum of Incident Response and Security Teams ("FIRST"), the first in the regions in which we operate

Priorities for 2020

- Review existing Operating Model to improve synergy, cost, risk profile and reduce duplication in line with the group verticalisation programme
- Focus on automation and improve on the speed and accuracy to detect and recover from incidents
- Double our efforts on improving foundational/hygiene controls and expand the coverage of baseline security controls on our assets
- Focus on implementing a holistic, regulatory compliant Data Privacy programme across the group
- Test and improve our crisis management process with simulation exercise for senior leadership and response teams

CaP evolved to Cyber Security and Privacy ("CaP")

In August 2019, the CSSC was dissolved due to expansion of the scope. The CSSC remit was primarily on Cyber Security matters, and given the importance of Data Privacy, a broadened remit committee was required to cover both Data Privacy and Cyber Security matters.

The objective of the CSSC is to assist the BRMC in focusing on the implementation of the cyber security initiatives, and ensuring implementation of standards across the Group. This focused approach was essential with the numerous cyber-attacks and the level of sophistication of these attacks experienced by many organisations across the globe.

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## PRINCIPLE C: INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS

The Board acknowledges the importance of effective communication channels between the Board, stakeholders, institutional investors and the investing public at large to provide a clear and complete picture of the Group’s performance and position as much as possible. The Board is therefore, fully committed to maintaining high standards in the dissemination of relevant and material information on the development of the Group in view of its commitment to effective, comprehensive, timely and continuous disclosures. Disclosures of corporate proposals and/or financial results are made not only in compliance with the Main LR of Bursa Securities but additionally include items through media releases, sent on a voluntary basis.

Axiata uses a number of formal channels to account to shareholders and stakeholders particularly:

### Direct Shareholder Communication & Engagement
- IAR, Sustainability Report, GAFS and Notice of AGM
- Website Updates on all corporate communication
- Announcements to Bursa Securities
- Website/Mobile Apps/Print at Request/Press Advertisement

### Communication via Mass Media
- Regional Media Summit
- Media Interviews on Corporate Developments
- Media Release on Financial Results and Corporate Developments
- Social Media Reach and Engagement on all key channels
- Press Conference on Financial Results and Corporate Developments
- Targeted Media Engagement and Networking

### Communication to Analysts and Investors
- Analyst & Investor Day
- Conference Calls on Financial Results and Corporate Development
- Conferences/ Non-Deal Roadshows
- Analysts/ Investor Meetings
- Investor Relations Website
- 27 Equity Research Coverage

### Annual General Meeting
- Primary engagement platform between the Board and the shareholders of the company
- 28 days’ notice was given for the AGM held on 29 May 2019
- Accessible venue at Connexion@Nexus
- Attended by all Board members
- Business presentation by the Managing Director/ President & GCEO and active engagement during Q&A session
- Electronic poll voting on all resolutions and immediate announcement of results

### INVESTOR RELATIONS

Conferences, non-deal roadshows (“NDR”), large group meetings and one-on-one meetings

<table>
<thead>
<tr>
<th>Date</th>
<th>Event Details</th>
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<tbody>
<tr>
<td>5–6 March</td>
<td>JP Morgan ASEAN TMT 1x1 Forum</td>
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<td>19 March</td>
<td>Bursa Malaysia &amp; Maybank Invest Malaysia - Kuala Lumpur</td>
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<tr>
<td>25–26 March</td>
<td>Credit Suisse Asian Investment Conference - Hong Kong</td>
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<td>16–18 April</td>
<td>CLSA Investors’ Forum - Hong Kong</td>
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<td>24 June</td>
<td>Morgan Stanley ASEAN Corporate Day - Singapore</td>
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<td>4 September</td>
<td>Citi Malaysia Investor Symposium - Kuala Lumpur</td>
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<td>12 September</td>
<td>Kuala Lumpur NDR - Maybank</td>
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<td>14–16 October</td>
<td>Edinburgh and London NDR - UBS</td>
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<td>17–18 October</td>
<td>New York &amp; Chicago NDR - HSBC</td>
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<td>2 December</td>
<td>Axiata Analyst &amp; Investor Day - Kuala Lumpur</td>
</tr>
<tr>
<td>12 December</td>
<td>Singapore NDR - JP Morgan</td>
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**Board of Directors**

- **Tan Sri Ghazzali Sheikh Abdul Khalid**
  Chairman
  Non-Independent Non-Executive Director

- **Tan Sri Jamaludin Ibrahim**
  Managing Director/ President & Group Chief Executive Officer

- **Dato’ Mohd Izzaddin Idris**
  Executive Director/ Deputy Group Chief Executive Officer

- **David Lau Nai Pek**
  Senior Independent Non-Executive Director

- **Dato Dr Nik Ramlah Nik Mahmood**
  Independent Non-Executive Director

- **Dr David Robert Dean**
  Independent Non-Executive Director

- **Khoo Gaik Bee**
  Independent Non-Executive Director

- **Thayaparan S Sangarapillai**
  Independent Non-Executive Director

- **Tengku Dato’ Sri Azmil Zahrudin Raja Abdul Aziz**
  Non-Independent Non-Executive Director

- **Ong King How**
  Alternate Director to Tengku Dato’ Sri Azmil Zahrudin Raja Abdul Aziz

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**Group Company Secretary**
Suryani Hussein
LS0009277

**Investor Relations**
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Fax : +603 2278 3337
Email : ir@axiata.com

**Stock Exchange Listing**
Listed on Main Market of Bursa Malaysia Securities Berhad
Listing Date : 28 April 2008
Stock Code : 6888
Stock Name : Axiata
Stock Sector : Telecommunications & Media

**Share Registrar**
Tricor Investor & Issuing House Services Sdn Bhd
Registration No.: [19710100970 (11324-H)]
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Vertical Business Suite
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Tel : +603 2783 9299
Fax : +603 2783 9222
Email : is.enquiry@my.tricorglobal.com

**Auditors**
PricewaterhouseCoopers PLT
(LLP0014401-LCA & AF 1146)
Level 10, 1 Sentral, Jalan Rakyat
Kuala Lumpur Sentral
50706 Kuala Lumpur, Malaysia
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Fax : +603 2173 1288
Email : pwcmsia.info@my.pwc.com

**Website**
www.axiata.com
Our Gratitude to David Lau & Tan Sri Jamal!

Over the last many years, your stewardship of the corporate reporting process has been characterised by innovative ideas, strategic thinking, and genuine efforts to consistently improve on the work we do. You have taught us what it means to care about the details and work with integrity.

As 2019 marks the final occasion to shoulder alongside, we are grateful for your patience, leadership and gentle humour.

With much gratitude,
The Axiata Corporate Reporting Working Committee