



Advancing Asia

GOVERNANCE & AUDITED FINANCIAL STATEMENTS 2020

# 01

## GOVERNANCE

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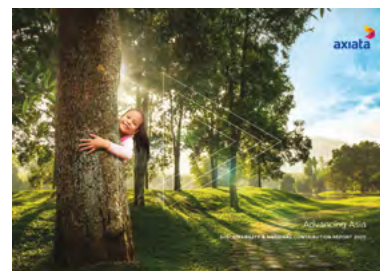
Axiata's Integrated Annual Report 2020 Suite is made up of the following:



**IAR** Integrated Annual Report 2020



**GAFS** Governance & Audited Financial Statements 2020



**SNCR** Sustainability & National Contribution Report 2020



# GOVERNANCE

# Governance & Compliance Information

## Group Corporate Structure\* As at 15 April 2021

Governance & Audited Financial Statements 2020

### AXIATA GROUP BERHAD



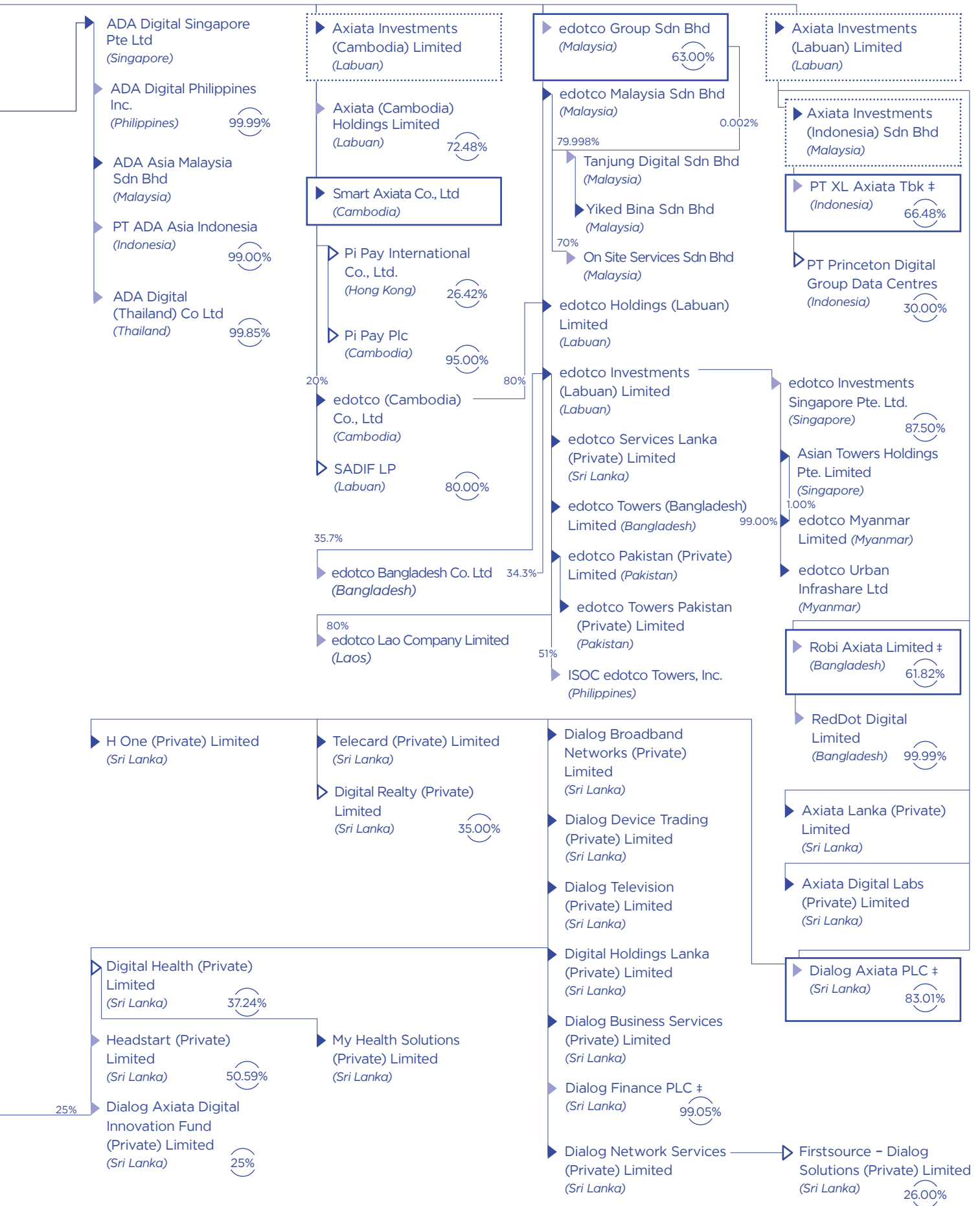
#### Legend:

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

#### Note:

The complete list of subsidiaries, associates and joint ventures and their respective principal activities, country of incorporation and the Group's effective interest are shown in notes 44 to 46 to the financial statements on pages 162 to 171 of this Governance & Audited Financial Statements 2020.

## Group Corporate Structure\* As at 15 April 2021



## Profile of Directors

### TAN SRI GHAZZALI SHEIKH ABDUL KHALID

Chairman  
Non-Independent Non-Executive Director

**Nationality / Age / Gender:**  
Malaysian / 75 / Male

**Date of Appointment:**  
24 March 2008

**Length of Service:**  
13 years

**Date of Last Re-election:**  
29 May 2019

**Membership of Board Committees:**

- Nil

**Qualifications:**

- Degree in Economics, La Trobe University, Australia

#### Working Experience and Occupation:

Ghazzali was appointed as Axiata's Chairman on 1 November 2018, following a 10-year stint as Board Member since March 2008. Subsequent to his appointment as Axiata's Chairman, he relinquished his position as the Chairman of Board Nomination and Remuneration Committee of Axiata. He was re-designated from Independent Non-Executive Director (INED) to Non-INED effective 24 March 2020. Ghazzali served as chairman of Robi Axiata Limited and Ncell Axiata Limited from December 2009 to January 2019 and from April 2016 to January 2019 respectively.

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

**Directorships of Public Companies:**  
**Axiata Group**

*Listed*

- Nil

*Non-listed*

- Axiata Foundation (Chairman)

**Others**

*Listed*

- Nil

*Non-listed*

- Nil

### DATO' IZZADDIN IDRIS

Managing Director/  
President & Group Chief Executive Officer

**Nationality / Age / Gender:**  
Malaysian / 58 / Male

**Date of Appointment:**  
24 November 2016

**Length of Service:**  
4 years 4 months

**Date of Last Re-election:**  
29 May 2019

**Membership of Board Committees:**

- Board Risk and Compliance Committee
- Board Annual Report Committee
- Axiata Enterprise Investment Board Committee

**Qualifications:**

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

**Working Experience and Occupation:**

Izzaddin was appointed as Managing Director/ President & Group Chief Executive Officer of Axiata on 1 January 2021 after serving as Executive Director/ Deputy Group Chief Executive Officer of Axiata Group Berhad since 24 January 2020. He joined the Board of Axiata in November 2016 as a Non-Independent Non-Executive Director and was re-designated as Independent Non-Executive Director in March 2019.

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

**Directorships of Public Companies:**  
**Axiata Group**

*Listed*

- PT XL Axiata Tbk.

*Non-listed*

- Celcom Axiata Berhad (Chairman and Chairman of Board Remuneration Committee)
- Axiata Foundation

**Others**

*Listed*

- Nil

*Non-listed*

- The Iclif Leadership and Governance Centre
- GSM Association

### DATO DR NIK RAMLAH NIK MAHMOOD

Senior Independent Non-Executive Director

**Nationality / Age / Gender:**  
Malaysian / 65 / Female

**Date of Appointment:**  
21 March 2017

**Length of Service at Axiata:**  
4 years

**Date of Last Re-election:**  
29 July 2020

**Membership of Board Committees:**

- Board Nomination and Remuneration Committee (Chairman)
- Board Risk and Compliance Committee

**Qualifications:**

- Bachelor of Law with Honours, University of Malaya
- Master of Law and PhD in Law, University of London

**Working Experience and Occupation:**

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

Dr Nik Ramlah is a member of the Board of Directors of Perbadanan Insurans Deposit Malaysia, Institute for Capital Market Research Malaysia and the International Centre for Education in Islamic Finance (INCEIF).

**Directorships of Public Companies:**  
**Axiata Group**

*Listed*

- Dialog Axiata PLC

*Non-listed*

- Nil

**Others**

*Listed*

- United Malacca Berhad

*Non-listed*

- Permodalan Nasional Berhad
- Amanah Saham Nasional Berhad

## Profile of Directors

### DR DAVID ROBERT DEAN

Independent Non-Executive Director

**Nationality / Age / Gender:**  
British / 62 / Male

**Date of Appointment:**  
11 December 2017

**Length of Service:**  
3 years 3 months

**Date of Last Re-election:**  
29 July 2020

**Membership of Board Committees:**

- Board Audit Committee
- Board Risk and Compliance Committee (Chairman)
- Axiata Enterprise Investment Board Committee (Chairman)

**Qualifications:**

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

**Working Experience and Occupation:**

Dr Dean is an independent advisor and non-executive director at technology and telecommunications companies in Europe and Asia. He retired as Senior Partner from The Boston Consulting Group (BCG) at the end of 2013 after 28 years, where he served clients in the technology and telecommunications industries in Europe, the US, Africa, India, China, South East Asia and Japan, in particular on strategic, corporate development and other top management issues. For several years Dr Dean led BCG's Global Technology & Communications Practice, during which time he helped create a leading position in Asia and contributed significantly to the firm's most innovative thinking in areas of the Internet economy, cloud computing and personal data.

Dr Dean has also contributed to projects at The World Economic Forum and participated in multiple World Economic Forum events.

**Directorships of Public Companies:**

**Axiata Group**

Listed

- PT XL Axiata Tbk.

Non-listed

- Ncell Axiata Limited (Chairman)

**Others**

Listed

- SÜSS MicroTec SE, Garching/Munich (Chairman)

Non-listed

- Nil

### KHOO GAIK BEE

Independent Non-Executive Director

**Nationality / Age / Gender:**  
Malaysian / 63 / Female

**Date of Appointment:**  
1 January 2019

**Length of Service:**  
2 years 3 months

**Date of Last Re-election:**  
29 May 2019

**Membership of Board Committees:**

- Board Nomination and Remuneration Committee
- Board Annual Report Committee

**Qualifications:**

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

**Working Experience and Occupation:**

Gaik Bee brings a wealth of experience from a progressive 39 years career spanning the entire spectrum of Human Resource Management. She served at several international and Malaysian corporates including Digital Equipment Malaysia, ICI Paints (M) Sdn Bhd, Sunway Group of Companies and Arthur Young & Co., among others, before retiring as Executive Director/ Human Resource Director of Guinness Anchor Berhad in 2006.

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

Gaik Bee also served as the Chairman of Board Remuneration Committee of Celcom and Chairman of Board Nomination and Remuneration Committee of Smart and Axiata Digital.

**Directorships of Public Companies:**

**Axiata Group**

Listed

- Nil

Non-listed

- Nil

**Others**

Listed

- Nil

Non-listed

- Nil

### THAYAPARAN S SANGARAPILLAI

Independent Non-Executive Director

**Nationality / Age / Gender:**  
Malaysian / 66 / Male

**Date of Appointment:**  
18 March 2020

**Length of Service at Axiata:**  
1 year

**Date of Last Re-election:**  
29 July 2020

**Membership of Board Committees:**

- Board Audit Committee (Chairman)
- Board Annual Report Committee (Chairman)
- Axiata Enterprise Investment Board Committee

**Qualifications:**

- Fellow of the Institute of Chartered Accountants in England and Wales
- Member of the Malaysian Institute of Certified Public Accountants
- Member of the Malaysian Institute of Accountants

**Working Experience and Occupation:**

Thaya is a retired Senior Partner with over 35 years in PricewaterhouseCoopers Malaysia. Thaya has worked extensively with Audit Committees, senior management and Board members of top tier public listed companies across industries in audit, business advisory, mergers and acquisitions, valuations, initial public offerings and cross border transactions.

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

**Directorships of Public Companies:**

**Axiata Group**

Listed

- Robi Axiata Limited (Chairman)

Non-listed

- Celcom Axiata Berhad

**Others**

Listed

- Sime Darby Berhad

Non-listed

- AIG Malaysia Insurance Berhad

## Profile of Directors

### TAN SRI DR HALIM SHAFIE

Independent Non-Executive Director

**Nationality / Age / Gender:**  
Malaysian / 72 / Male

**Date of Appointment:**  
1 November 2020

**Length of Service:**  
5 months

**Date of Last Re-election:**  
Nil

**Membership of Board Committees:**  
• Board Risk and Compliance Committee

**Qualifications:**

- Bachelor of Economics, University of Malaya
- Masters of Economic Development, University of Pittsburgh, USA
- PhD in Information Transfer, Syracuse University, USA

**Working Experience and Occupation:**

Tan Sri Halim has served in many Government agencies including the Ministry of Education, Malaysian Administrative Modernisation and Management Planning Unit (MAMPU) and the National Institute of Public Administration (INTAN). He was the Secretary General, Ministry of Energy, Water and Communications in 2000 and Chairman of the Malaysian Communications and Multimedia Commission (MCMC) from 2006 to 2009 before taking up position as Chairman of Telekom Malaysia Berhad from 2009 to 2015. His last position before Axiata was as Chairman of MCMC appointed for the second time from 2015 to 2018.

**Directorships of Public Companies:**

**Axiata Group**

Listed  
• Nil

**Non-listed**

• Nil

**Others**

Listed  
• Nil

**Non-listed**

• Nil

### ONG KING HOW

Non-Independent Non-Executive Director  
(Representative of Khazanah Nasional Berhad)

**Nationality / Age / Gender:**  
Malaysian / 46 / Male

**Date of Appointment:**  
28 August 2020

**Length of Service:**  
7 months

**Date of Last Re-election:**  
Nil

**Membership of Board Committees:**  
• Board Nomination and Remuneration Committee

**Qualifications:**

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

**Working Experience and Occupation:**

King How was first appointed as Alternate Director to Tengku Dato Sri Azmil Zahrudin Bin Raja Abdul Aziz on 27 November 2019 and ceased from the same position in view of the resignation of Tengku Dato Sri Azmil Zahrudin on 27 August 2020.

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

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

**Directorships of Public Companies:**

**Axiata Group**

Listed  
• Nil

**Non-listed**

• Nil

**Others**

Listed  
• Nil

**Non-listed**

• Nil

### SYED ALI SYED SALEM ALSAGOFF

Non-Independent Non-Executive Director  
(Representative of Permodalan Nasional Berhad)

**Nationality / Age / Gender:**  
Malaysian / 45 / Male

**Date of Appointment:**  
1 November 2020

**Length of Service at Axiata:**  
5 months

**Date of Last Re-election:**  
Nil

**Membership of Board Committees:**  
• Board Audit Committee  
• Axiata Enterprise Investment Board Committee

**Qualifications:**

- Bachelor of Accounting and Finance, Manchester Metropolitan University, United Kingdom

**Working Experience and Occupation:**

Syed Ali, began his career in audit before joining a local brokerage house trading equities. He then moved into the marine logistics business, servicing major Exploration & Production companies in Malaysia, including Petronas.

He served Bumi Armada Berhad (BA) between 2006 and 2009, heading the Corporate Finance team. Syed Ali oversaw Oil and Gas related investments during his time in Ekuiti Nasional Berhad. Syed Ali re-joined BA in 2011, as the President Director of the Indonesian incorporated joint venture (JV), and successfully led the JV for major contract win.

During his stint at Baker Hughes Malaysia, Syed Ali was responsible for managing Petronas global accounts, advocating low carbon technologies for energy transition and digital solutions to enhance cost optimisations via operational efficiencies.

Syed Ali is also the nominee of Permodalan Nasional Berhad on the Board of Sapura Energy Berhad.

**Directorships of Public Companies:**

**Axiata Group**

Listed  
• Nil

**Non-listed**

• Nil

**Others**

Listed  
• Sapura Energy Berhad

**Non-listed**

• Nil

**Notes:**

None of the Directors have:

- any family relationship with any Director and/or major shareholder of Axiata.
- any conflict of interest with Axiata.
- any conviction for offences within the past five years and particulars of any public sanction or penalty imposed on them by the relevant regulatory bodies during the financial year ended 31 December 2020 (\*other than traffic offences).
- Information on Directors' attendance at Board meetings held during the financial year is disclosed on page 89 of the Integrated Annual Report 2020.



# Governance & Compliance Information

## Board Remuneration

Governance & Audited Financial Statements 2020

Breakdown of the aggregated remuneration of NEDs of Axiata into appropriate components including remuneration for services rendered by them to Axiata Group FY20 is set out below:

Name of Directors	Axiata			Subsidiaries		Total (RM'000)
	Fees (RM'000)	Meeting Allowances (RM'000)	Monetary Value of Benefits- in-Kind (RM'000)	Fees (RM'000)	Meeting Allowances (RM'000)	
Tan Sri Ghazzali Sheikh Abdul Khalid	360	69	59	0	0	488
Dato' Izzaddin Idris <sup>a</sup>	22	5	0	0	0	27
Dato Dr Nik Ramlah Nik Mahmood	254	65	41	120	28	508
Dr David Robert Dean	264	72	24	397	33	790
Khoo Gaik Bee	250	55	38	0	0	343
Ong King How <sup>b, h</sup>	87	10	7	0	0	104
Thayaparan S Sangarapillai <sup>c</sup>	218	48	16	248	56	586
Tan Sri Dr Halim Shafie <sup>d</sup>	40	6	9	0	0	55
Syed Ali Syed Salem Alsagoff <sup>d</sup>	44	7	0	0	0	51
Dr Lisa Lim Poh Lin <sup>e</sup>	40	4	15	0	0	59
David Lau Nai Pek <sup>f</sup>	168	62	7	158	45	440
Tengku Dato' Sri Azmil Zahrudin Raja Abdul Aziz <sup>g, h</sup>	166	46	0	0	0	212
<b>Total</b>	<b>1,913</b>	<b>448</b>	<b>217</b>	<b>924</b>	<b>161</b>	<b>3,664</b>

<sup>a</sup> Re-designated from INED to ED/Deputy Group Chief Executive Officer (GCEO) on 24 January 2020 and appointed as Managing Director/President & GCEO on 1 January 2021

<sup>b</sup> Ceased as Alternate Director to Tengku Dato' Sri Azmil Zahrudin Raja Abdul Aziz on 27 August 2020 and was appointed as Director on 28 August 2020

<sup>c</sup> Appointed on 18 March 2020

<sup>d</sup> Appointed on 1 November 2020

<sup>e</sup> Resigned on 26 February 2020

<sup>f</sup> Retired on 29 July 2020

<sup>g</sup> Resigned on 27 August 2020

<sup>h</sup> Fees and Meeting Allowances paid directly to Khazanah

### Executive Directors

Breakdown of the aggregated remuneration of the EDs of Axiata for FY20 into appropriate components is set out below:

	(RM'000)
a. Salaries, Allowances and Bonus	11,036
b. Benefits (Contribution to EPF, share-based payment expense and Monetary Value of Benefits-in-Kind)	8,344

## Directors' Training List 2020

Directors	List of Training/Conference/Seminar/Workshop Attended/Participated in 2020
Tan Sri Ghazzali Sheikh Abdul Khalid	<ol style="list-style-type: none"> <li>1) Understanding the Evolving Cyber Security Landscape by Iclif Executive Education Center, Iclif Learning Centre, Platinum Sentral, 11 February 2020.</li> <li>2) Directors as Gatekeepers of Market Participants by SIDC, Securities Commission Malaysia, 3 March 2020.</li> <li>3) Telco Strategies in the New Norms by Citigroup, 4 August 2020.*</li> <li>4) Reset of the Telco Economics by Bain &amp; Company, 5 August 2020.*</li> <li>5) Opportunities in the New Normal by KKR Asia Pacific, EQ Hotel, Kuala Lumpur, 6 August 2020.</li> <li>6) New Technology Landscape by Microsoft's Media and Communications Asia, EQ Hotel, Kuala Lumpur, 6 August 2020.</li> <li>7) Powertalk Global Series - 2021 Refresh Agenda by ICDM, 7-11 December 2020*: <ul style="list-style-type: none"> <li>• 7 December 2020 - The Regenerative Business of the Future.*</li> <li>• 8 December 2020 - Digital Leadership and Communications During Turbulent Times.*</li> <li>• 9 December 2020 - The Modern Board Architecture.*</li> <li>• 10 December 2020 - The Insider's Guide to Surviving Life in The Boardroom.*</li> <li>• 11 December 2020 - Vision 2020 - The Pandemic Digital Tipping Point and What to Expect in 2021.*</li> </ul> </li> </ol>
Dato' Izzaddin Idris	<ol style="list-style-type: none"> <li>1) McKinsey Sharing Session on COVID-19 Macroeconomic Realities &amp; Implications for Malaysia, 2 June 2020.*</li> <li>2) PT XL Axiata Tbk. Board Induction - Board Roles, Responsibilities and Liabilities based on Indonesian Law by Legal Consultant - Assegaf Hamzah &amp; Partner, 18 June 2020.*</li> <li>3) RedSeer sharing session on Partnership between Telcon and Technology Companies, 25 June 2020.*</li> <li>4) edotco Strategy Session - The Future of Infracore: Site-As-A-Service by MCMC, Digi, Facebook, Google Cloud SEA, Axiata Corporate Headquarters, KL Sentral, Kuala Lumpur, 2 July 2020.</li> <li>5) Microsoft CEO Connections Event - Virtual Summit, 15 July 2020.*</li> <li>6) Telco Strategies in the New Norms by Citigroup, 4 August 2020.*</li> <li>7) Reset of the Telco Economics by Bain &amp; Company, 5 August 2020.*</li> <li>8) Opportunities in the New Normal by KKR Asia Pacific, EQ Hotel, Kuala Lumpur, 6 August 2020.</li> <li>9) New Technology Landscape by Microsoft's Media and Communications Asia, EQ Hotel, Kuala Lumpur, 6 August 2020.</li> <li>10) Virtual ASL Forum - Reset of the Telco Economic by Bain Company, 26 August 2020.*</li> <li>11) Invest Malaysia Kuala Lumpur 2020: Advancing Malaysia-5G and Industry 4.0, Bursa Malaysia Conference Hall, 1 September 2020.</li> <li>12) Corporate Reform and Performance Workshop, Towards Development of the Economic Recovery Plan organised by Bursa Malaysia, Conference Room Bursa Malaysia, 2 September 2020.</li> <li>13) Microsoft CEO Connection Digital Forum - Virtual Summit, 21 October 2020.</li> <li>14) Huawei Workshop for edotco, 4 November 2020.*</li> <li>15) Harvard ASL-ATL Cohort 1-Module 1: Agility &amp; Influence as Levers of Personal Leadership   Expert Lecture, 3 December 2020.*</li> <li>16) Cohort 2 of the Harvard ASL Programme: Expert Lecture, 8 December 2020.*</li> <li>17) PT XL Axiata Tbk Strategy Board Retreat 2020 - Leadership in the Next Normal by Management Stanford GSB and Hyper-automation &amp; AI by Delta Partner, 12 December 2020.*</li> <li>18) Privacy Awareness Training Program by Zul Rafique &amp; Partners (Darren Kor), and Herbert Smith Freehills (Peggy Chow, Mark Robinson), 14 December 2020.*</li> </ol>
Dato Dr Nik Ramlah Nik Mahmood	<ol style="list-style-type: none"> <li>1) Data Breaches: Are You Ready? by Securities Industry Development Corporation (SIDC), 23 July 2020.*</li> <li>2) Telco Strategies in the New Norms by Citigroup, 4 August 2020.*</li> <li>3) Reset of the Telco Economics by Bain &amp; Company, 5 August 2020.*</li> <li>4) Opportunities in the New Normal by KKR Asia Pacific, EQ Hotel, Kuala Lumpur, 6 August 2020.</li> <li>5) New Technology Landscape by Microsoft's Media and Communications Asia, EQ Hotel, Kuala Lumpur, 6 August 2020.</li> <li>6) Independent Directors - The missing Piece - virtual forum co-organised by SIDC and CIBFM (Brunei), 12 August 2020.*</li> <li>7) Economic Conditions in Malaysia - Surviving the Storm by World Bank, organised by PIDM, 8 September 2020.</li> <li>8) Economic Conditions in Malaysia: Malaysia's Economic Recovery by BNM, organised by PIDM, 17 September 2020.</li> <li>9) Financial Times Global Boardroom - Shaping the recovery - Virtual forum organised by FT Global, 11-23 November 2020.*</li> <li>10) Malaysia and ASEAN - Navigating US-China relationship in 21 century organised by PNB Research Institute, 26 November 2020.</li> <li>11) How safe are safe havens? - Yayasan Tun Ismail Lecture 2020, 2 December 2020.</li> <li>12) Privacy Awareness Training Program by Zul Rafique &amp; Partners (Darren Kor) and Herbert Smith Freehills (Peggy Chow, Mark Robinson), 14 December 2020.*</li> </ol>
Dr David Robert Dean	<ol style="list-style-type: none"> <li>1) Cyber &amp; Economic Crime by PwC, 23 April 2020.*</li> <li>2) The World after Corona by Oxford Martin School, 23 April 2020.*</li> <li>3) Hard Talk Debate - Telcos and COVID-19 by TM Forum, 27 April 2020.*</li> <li>4) Governance &amp; Risk in a COVID 19 World by PwC, 30 April 2020.*</li> <li>5) Cyber Security, an Enabler of Business Continuity during the COVID-19 Crisis by World Economic Forum (WEF), 6 May 2020.*</li> <li>6) Virtual and Open RAN Momentum Accelerating by NewStreet Research, 6 May 2020.*</li> <li>7) The Next Normal (FT), 13 May 2020.*</li> <li>8) 5G by NewStreet Research, 4 June 2020.*</li> <li>9) Telco Strategies in the New Norms by Citigroup, 4 August 2020.*</li> <li>10) Reset of the Telco Economics by Bain &amp; Company, 5 August 2020.*</li> <li>11) Opportunities in the New Normal by KKR Asia Pacific, EQ Hotel, Kuala Lumpur, 6 August 2020.</li> <li>12) New Technology Landscape by Microsoft's Media and Communications Asia, EQ Hotel, Kuala Lumpur, 6 August 2020.</li> <li>13) Privacy Awareness Training Programme by Zul Rafique &amp; Partners (Darren Kor), and Herbert Smith Freehills (Peggy Chow, Mark Robinson), 14 December 2020.*</li> <li>14) TM Forum Digital Leadership Series, October &amp; November 2020.*</li> <li>15) Gartner IT Symposium/Xpo 2020, 10-12 November 2020.*</li> </ol>

\* Online attendance

## Directors' Training List 2020

Directors	List of Training/Conference/Seminar/Workshop Attended/Participated in 2020
Khoo Gaik Bee	<ol style="list-style-type: none"> <li>1) Telco Strategies in the New Norms by Citigroup, 4 August 2020.*</li> <li>2) Reset of the Telco Economics by Bain &amp; Company, 5 August 2020.*</li> <li>3) Opportunities in the New Normal by KKR Asia Pacific, EQ Hotel, Kuala Lumpur, 6 August 2020.</li> <li>4) New Technology Landscape by Microsoft's Media and Communications Asia, EQ Hotel, Kuala Lumpur, 6 August 2020.</li> <li>5) Qualified Risk Director Series by The Institute of Enterprise Risk Practitioners (IERP), Menara Mitraland, Kota Damansara, 2 September 2020: Series 10: Directors Guide to Crisis Management and Leadership During Crisis.</li> </ol>
Thayaparan S Sangarapillai	<ol style="list-style-type: none"> <li>1) Telco Strategies in the New Norms by Citigroup, 4 August 2020.*</li> <li>2) Reset of the Telco Economics by Bain &amp; Company, 5 August 2020.*</li> <li>3) Opportunities in the New Normal by KKR Asia Pacific, EQ Hotel, Kuala Lumpur, 6 August 2020.</li> <li>4) New Technology Landscape by Microsoft's Media and Communications Asia, EQ Hotel, Kuala Lumpur, 6 August 2020.</li> <li>5) Privacy Awareness Training Program by Zul Rafique &amp; Partners (Darren Kor), and Herbert Smith Freehills (Peggy Chow, Mark Robinson), 14 December 2020.*</li> </ol>
Tan Sri Dr Halim Shafie	<ol style="list-style-type: none"> <li>1) Privacy Awareness Training Program by Zul Rafique &amp; Partners (Darren Kor), and Herbert Smith Freehills (Peggy Chow, Mark Robinson), 14 December 2020.*</li> </ol>
Ong King How	<ol style="list-style-type: none"> <li>1) "Macro &amp; Markets: 2019 Review &amp; 2020 Outlook" by Khazanah Nasional Berhad, Kuala Lumpur, 23 January 2020.</li> <li>2) The Mandatory Accreditation Program (MAP) Training by Iclif Executive Education Center, 30 March - 1 April 2020.*</li> <li>3) Board Induction Programme for New Axiata Board Member by Axiata Group Berhad, 15 April 2020.*</li> <li>4) COVID-19 &amp; The Economy by Khazanah Nasional Berhad, 29 April 2020.*</li> <li>5) COVID-19 Impact on Consumer Telecoms by Analysys Mason, 18 May 2020.*</li> <li>6) Leading in a Crisis by BCG Leadership Institute, 21 May 2020.*</li> <li>7) Geopolitics and Impact on Trade, Supply Chain and Business Strategy by BCG Leadership Institute, 18 June 2020.*</li> <li>8) The Power of Purpose by BCG Leadership Institute, 16 July 2020.*</li> <li>9) Telco Strategies in the New Norms by Citigroup, 4 August 2020.*</li> <li>10) Reset of the Telco Economics by Bain &amp; Company, 5 August 2020.*</li> <li>11) Opportunities in the New Normal by KKR Asia Pacific, EQ Hotel, Kuala Lumpur, 6 August 2020.</li> <li>12) New Technology Landscape by Microsoft's Media and Communications Asia, EQ Hotel, Kuala Lumpur, 6 August 2020.</li> <li>13) Invest Malaysia KL 2020 Virtual Conference: 5G and Industry 4.0 by Macquarie/Bursa Malaysia, 1 September 2020.*</li> <li>14) Board Induction Programme for New Board Member of Axiata Digital, Mercury Meeting room, Axiata, 5 October 2020.</li> <li>15) Analysys Mason's Telecoms Summit 2020 by Analysys Mason, 1-2 December 2020.*</li> </ol>
Syed Ali Syed Salem Alsagoff	<ol style="list-style-type: none"> <li>1) Powertalk Global Series - 2021 Refresh Agenda by ICDM, 7-11 December 2020*: <ul style="list-style-type: none"> <li>• 7 December 2020 - The Regenerative Business of the Future.*</li> <li>• 8 December 2020 - Digital Leadership and Communications During Turbulent Times.*</li> <li>• 9 December 2020 - The Modern Board Architecture.*</li> <li>• 10 December 2020 - The Insider's Guide to Surviving Life in The Boardroom.*</li> <li>• 11 December 2020 - Vision 2020 - The Pandemic Digital Tipping Point and What to Expect in 2021.*</li> </ul> </li> </ol>
Tan Sri Jamaludin Ibrahim	<ol style="list-style-type: none"> <li>1) Ericsson Executive Technology Workshop No. 2, President Meeting Room, Axiata, 12 January 2020.</li> <li>2) Managing through the COVID-19 Crisis and Beyond: A Global Conversation with Telecoms CEOs by Egonzehnder, 27 March 2020.*</li> <li>3) High Level Dialogue on Leveraging the Power of Digital Technologies to tackle COVID-19 by World Bank and GSMA, 21 April 2020.*</li> <li>4) McKinsey Sharing Session on COVID-19 Macroeconomic Realities &amp; Implications for Malaysia, 2 June 2020.*</li> <li>5) Redseer sharing session on Partnership between Telcon and Technology Companies, 25 June 2020.*</li> <li>6) Telco Strategies in the New Norms by Citigroup, 4 August 2020.*</li> <li>7) Reset of the Telco Economics by Bain &amp; Company, 5 August 2020.*</li> <li>8) Opportunities in the New Normal by KKR Asia Pacific, EQ Hotel, Kuala Lumpur, 6 August 2020.</li> <li>9) New Technology Landscape by Microsoft's Media and Communications Asia, EQ Hotel, Kuala Lumpur, 6 August 2020.</li> <li>10) Virtual ASL Forum - Reset of the Telco Economics by Kiran Karunakaran, Dinkar Ayilavarapu and Steffen Roehn of Bain &amp; Company, 26 August 2020.*</li> <li>11) Invest KL 2020 Conference, Bursa Malaysia on 1 September 2020.</li> </ol>
Tengku Dato' Sri Azmil Zahrudin Raja Abdul Aziz <sup>1</sup>	<ol style="list-style-type: none"> <li>1) BCG Virtual Leaders Roundtable - Macroeconomic Perspectives and COVID-19, 8 April 2020.*</li> <li>2) Telco Strategies in the New Norms by Citigroup, 4 August 2020.*</li> <li>3) Reset of the Telco Economics by Bain &amp; Company, 5 August 2020.*</li> <li>4) Opportunities in the New Normal by KKR Asia Pacific, EQ Hotel, Kuala Lumpur, 6 August 2020.</li> <li>5) New Technology Landscape by Microsoft's Media and Communications Asia, EQ Hotel, Kuala Lumpur, 6 August 2020.</li> </ol>

David Lau Nai Pek<sup>2</sup>

Dr Lisa Lim Poh Lin<sup>3</sup>

\* Online attendance

<sup>1</sup> Resigned on 27 August 2020

<sup>2</sup> Retired on 29 July 2020

<sup>3</sup> Resigned on 26 February 2020

# Governance & Compliance Information

## Profile of Group Senior Leadership Team

Governance & Audited Financial Statements 2020

### DATO' IZZADDIN IDRIS

Managing Director  
President & Group Chief Executive Officer

Please refer to page 4

### DR HANS WIJAYASURIYA

Chief Executive Officer - Telecommunications  
Business/Group Executive Vice President

**Nationality / Age / Gender:**  
Sri Lankan / 53 / Male

**Date of Appointment to Current Position:**  
24 January 2020

**Length of Service at Axiata:**  
27 years 2 months

**Department/Portfolio:**

- Telecommunications Business – ASEAN and South Asia Regions
- Group Synergy and Digitisation
- Operational Development and Support
- Group Product Innovation and Partnerships
- Axiata Enterprise
- Axiata Group Wholesale

**Academic/Professional Qualification(s):**

- Degree in Electrical and Electronic Engineering, University of Cambridge, UK
- MBA, University of Warwick, UK
- PhD in Digital Mobile Communications, University of Bristol, UK
- Chartered Engineer and Fellow of the Institute of Engineering Technology UK

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

**Directorships of Public Companies:**  
**Axiata Group**

*Listed*

- Dialog Axiata PLC
- Robi Axiata Limited
- PT XL Axiata Tbk.

*Non-listed*

- Celcom Axiata Berhad

**Others**  
*Listed*

- John Keells Holdings PLC

### VIVEK SOOD

Group Chief Financial Officer

**Nationality / Age / Gender:**  
Indian / 57 / Male

**Date of Appointment to Current Position:**  
3 April 2017

**Length of Service at Axiata:**  
3 years 11 months

**Department/Portfolio:**

- Strategic Finance, Financial Planning and Analysis
- Investor Relation
- Treasury and Corporate Finance
- Tax
- Accounts Operation
- Financial System
- Strategic Cost Management
- Procurement

**Academic/Professional Qualification(s):**

- Bachelor in Commerce and Qualified Chartered Accountant India
- Accountancy and Audit Training in PricewaterhouseCoopers PLT

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

**Directorships of Public Companies:**  
**Axiata Group**

*Listed*

- PT XL Axiata Tbk.
- Dialog Axiata PLC
- Robi Axiata Limited

# Governance & Compliance Information

## Profile of Group Senior Leadership Team

### THOMAS HUNDT

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

**Nationality / Age / Gender:**  
German / 43 / Male

**Date of Appointment to Current Position:**  
24 January 2020

**Length of Service at Axiata:**  
12 years 8 months

**Department/Portfolio:**  
• Group Technology

**Academic/Professional Qualification(s):**  
• Siemens AG “Stammhauslehre”, Siemens  
Zweigniederlassung Leipzig, Germany  
• IHK Industrial Business Administration

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

**Directorship of Public Companies:**  
**Axiata Group**

*Non-listed*  
• Celcom Axiata Berhad

### NORLIDA AZMI

Group Chief People Officer

**Nationality / Age / Gender:**  
Malaysian / 60 / Female

**Date of Appointment to Current Position:**  
1 January 2021

**Length of Service at Axiata:**  
5 months

**Department/Portfolio:**  
• Organisational Development and HR  
Services  
• Talent Management  
• Performance and Rewards  
• Axiata FastForward  
• Facility Management

**Academic/Professional Qualification(s):**  
• MBA (Finance), Northern Illinois University  
DeKalb, Illinois, USA  
• Bachelor of Science (Applied Computer  
Science), Northern Illinois University DeKalb,  
Illinois, USA

**Working Experience:**  
Norlida’s first post in Malaysia after working overseas for 18 years was with UEM Group in 2014 as the Group Chief Human Capital Officer responsible for the human capital transformation agenda across UEM subsidiaries. She was also a Board Member of Cement Industries Malaysia Berhad. In 2018, she joined HSBC Malaysia as the Country Head of HR to drive talent management, digital upskilling, and employee diversity and wellbeing, before becoming Permodalan Nasional Berhad’s Chief People and Culture Officer.

Prior to 2000, Norlida held diverse roles in the banking industry overseas, including Chief Operating Officer - Business Development and Strategy, Wholesale Banking of Abu Dhabi Islamic Bank in Abu Dhabi, and subsequently Global Head of Talent Management; Group CHRO of the Commercial Bank of Qatar Group - Doha, Oman and UAE; Strategic Planning Head, Wholesale Banking Samba Financial Group, Saudi Arabia; and Chief of Staff to Group ED, Risk, Legal and Compliance, Standard Chartered London, UK and Singapore.

### LILA AZMIN ABDULLAH

Group Chief Corporate Development Officer

**Nationality / Age / Gender:**  
Malaysian / 53 / Female

**Date of Appointment to Current Position:**  
1 August 2020

**Length of Service at Axiata:**  
7 months

**Department/Portfolio:**  
• Group Corporate Development

**Academic/Professional Qualification(s):**  
• BSc Accounting and Financial Analysis,  
Warwick University, UK  
• Fellow of the Chartered Institute of Certified  
Accountants (FCCA)

**Working Experience:**  
Lila brings with her over 25 years of experience and joins us from UEM Group, where she was the Director of Group Corporate Finance. At UEM Group, she was leading and managing a team in evaluating and executing projects and transactions, including mergers and acquisitions locally and abroad. Her expertise includes project finance, risk and capital management. She was also a Board Member of Cement Industries Malaysia Berhad, a cement manufacturing business.

Lila previously held the position of Vice President, Corporate Finance at Axiata Group in 2009. Prior to joining Axiata, she was with Malakoff Corporation Berhad where her last held position was Vice President, Corporate and Project Finance.

# Governance & Compliance Information

## Profile of Group Senior Leadership Team

### ANTHONY RODRIGO

Group Chief Information Officer

**Nationality / Age / Gender:**

Sri Lankan / 53 / Male

**Date of Appointment to Current Position:**

1 August 2017

**Length of Service at Axiata:**

10 years 6 months

**Department/Portfolio:**

- Information Technology
- Axiata Analytics

**Academic/Professional Qualification(s):**

- B.Eng from Kings College, University of London, UK
- MBA from Regis University Denver, Colorado, USA

**Working Experience:**

Anthony has been with Axiata Group of companies since 2010, as Chief Information Officer (CIO) of Dialog Axiata. Anthony was appointed Axiata Group Berhad's Group CIO in 2017. He also continues to serve Dialog Axiata in Sri Lanka as Chief Innovation Officer and Chief Architect.

He has gained vast experience in the telecommunications and software industries with Nokia, Nokia Siemens Networks and British Telecom. Prior to joining Dialog, Anthony was the Head of North America Systems Integration Business for Nokia Siemens Networks. He holds several European and US patents in the area of Charging and Speech Recognition technology.

### ASRI HASSAN SABRI

Group Chief Corporate Officer

**Nationality / Age / Gender:**

Malaysian / 54 / Male

**Date of Appointment to Current Position:**

1 September 2018

**Length of Service at Axiata:**

5 years 2 months

**Department/Portfolio:**

- Group Programme Office
- GCEO Office Support
- Government Relations
- Corporate Communications and Sustainability
- Regulatory Affairs

**Academic/Professional Qualification(s):**

- Bachelor of Commerce, University of Newcastle, Australia

**Working Experience:**

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

### HADI HELMI ZAINI SOORIA

Group Chief Internal Auditor

**Nationality / Age / Gender:**

Malaysian / 51 / Male

**Date of Appointment to Current Position:**

15 October 2018

**Length of Service at Axiata:**

23 years 8 months

**Department/Portfolio:**

- Internal Audit
- Compliance and Investigation

**Academic/Professional Qualification(s):**

- Associate Member of the Chartered Institute of Management Accountants (CIMA)
- Associate Member of the Association of International Certified Professional Accountants (AICPA)
- MBA, Multimedia University, Malaysia

**Working Experience:**

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

# Governance & Compliance Information

## Profile of Group Senior Leadership Team

### ABID ABDUL ADAM

Group Chief Risk and Compliance Officer

#### Nationality / Age / Gender:

South African / 39 / Male

#### Date of Appointment to Current Position:

2 March 2020

#### Length of Service at Axiata:

3 years 4 months

#### Department/Portfolio:

- Cyber Security and Privacy
- Enterprise Risk Management
- Compliance/Ethics/Integrity

#### Academic/Professional Qualification(s):

- BSc in Computer Science, University of South Africa, South Africa
- Practitioner Certified Information Risk Management (PCIRM)
- Certified Information Systems Security Professional (CISSP)
- Member Business Continuity Institute (MBCI)

#### Working Experience:

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

### SURYANI HUSSEIN

Group Company Secretary

#### Nationality / Age / Gender:

Malaysian / 55 / Female

#### Date of Appointment to Current Position:

1 April 2008

#### Length of Service at Axiata:

18 years 6 months

#### Department/Portfolio:

- Group Company Secretarial

#### Academic/Professional Qualification(s):

- LLB (Hons) Bachelor of Laws, International Islamic University, Malaysia
- Advocate and Solicitor of the High Court of Malaya and Licensed Company Secretary

#### Working Experience:

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

### TAN GIM BOON

Group General Counsel

#### Nationality / Age / Gender:

Malaysian / 48 / Male

#### Date of Appointment to Current Position:

1 April 2008

#### Length of Service at Axiata:

16 years 5 months

#### Department/Portfolio:

- Group Legal

#### Academic/Professional Qualification(s):

- Bachelor of Commerce and Bachelor of Laws, University of Adelaide, Australia
- Advocate and Solicitor of the High Court of Malaya and as a solicitor in New South Wales, Australia
- Masters of Law, University of New South Wales, Australia

#### Working Experience:

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

#### Notes:

- None of the Group Senior Leadership Team have:
  - Any family relationship with any Director and/or major shareholder of Axiata
  - Any conflict of interest with Axiata
  - Any conviction for offences within the past five years and particulars of any public sanctions or penalties imposed on them by any regulatory bodies during the financial year ended 31 December 2020 (other than traffic offences)
- Unless otherwise indicated, these individuals do not hold directorships in public listed and non-listed companies.
- Years of Service at Axiata refers to tenure within Axiata and its group of companies.

## Profile of Operating Companies' Management Team

### IDHAM NAWAWI

Chief Executive Officer  
Celcom Axiata Berhad

**Nationality / Age / Gender:**

Malaysian / 53 / Male

**Date of Appointment to Current Position:**

1 September 2018

**Length of Service at Axiata:**

8 years

**Academic/Professional Qualification(s):**

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

**Working Experience:**

Idham was appointed as the CEO of Celcom on 1 September 2018. Prior to this, Idham served as the Group Chief Corporate Officer in Axiata. At Axiata, Idham's responsibility included building relationships and advocacy programmes with the Government, regulators and other stakeholders at the highest level across the Group's markets. Additionally, he led the Axiata Transformation Programme 2.0 from 2012 to 2015 and was instrumental in establishing the RM100 million Axiata Digital Innovation Fund. Idham has more than 26 years' experience in the telecommunications and IT industries in the region.

**Directorships of Public Companies:**

**Axiata Group**

*Non-listed*

- Celcom Axiata Berhad

### DIAN SISWARINI

Chief Executive Officer & President Director  
PT XL Axiata Tbk

**Nationality / Age / Gender:**

Indonesian / 52 / Female

**Date of Appointment to Current Position:**

1 April 2015

**Length of Service at Axiata:**

24 years

**Academic/Professional Qualification(s):**

- Bandung Institute of Technology, majoring in Telecommunications
- Harvard Advance Management Programme, Harvard Business School

**Working Experience:**

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

### SUPUN WEERASINGHE

Director/Group Chief Executive Officer  
Dialog Axiata PLC

**Nationality / Age / Gender:**

Sri Lankan / 45 / Male

**Date of Appointment to Current Position:**

1 January 2017

**Length of Service at Axiata:**

21 years

**Academic/Professional Qualification(s):**

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

**Working Experience:**

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

**Directorships of Public Companies:**

**Axiata Group**

*Listed*

- Dialog Axiata PLC



# Governance & Compliance Information

## Profile of Operating Companies' Management Team

Governance & Audited Financial Statements 2020

### THOMAS HUNDT

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

Please refer to page 11

### MAHTAB UDDIN AHMED

Managing Director/Chief Executive Officer  
Robi Axiata Limited

**Nationality / Age / Gender:**  
Bangladeshi / 54 / Male

**Date of Appointment to Current Position:**  
1 November 2016

**Length of Service at Axiata:**  
10 years

**Academic/Professional Qualification(s):**

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

**Working Experience:**

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

**Directorships of Public Companies:**

**Axiata Group**

*Listed*

- Robi Axiata Limited

*Non-listed*

- RedDot Digital Limited
- Ncell Axiata Limited

### ANDY CHONG YEE BIN

Chief Executive Officer/Managing Director  
Ncell Axiata Limited

**Nationality / Age / Gender:**  
Malaysian / 59 / Male

**Date of Appointment to Current Position:**  
1 November 2019

**Length of Service at Axiata:**  
14 years

**Academic/Professional Qualification(s):**

- Bachelor of Engineering (Electronics & Computer Systems), Monash University, Australia
- MBA (General Management), Monash University, Australia

**Working Experience:**

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

### MOHD KHAILIL ABDULLAH

Chief Executive Officer  
Axiata Digital Services Sdn Bhd

**Nationality / Age / Gender:**  
Malaysian / 50 / Male

**Date of Appointment to Current Position:**  
1 January 2015

**Length of Service at Axiata:**  
8 years

**Academic/Professional Qualification(s):**

- BA (Engineering) and M.Eng, University of Cambridge, UK
- MBA from INSEAD, France

**Working Experience:**

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

### MOHAMED ADLAN AHMAD TAJUDIN

Chief Executive Officer  
edotco Group Sdn Bhd

**Nationality / Age / Gender:**  
Malaysian / 50 / Male

**Date of Appointment to Current Position:**  
1 November 2020

**Length of Service at Axiata:**  
17 years

**Academic/Professional Qualification(s):**

- Bachelor of Arts in Economics & Statistics, University of Exeter, England (1993)
- Member of the Malaysian Institute of Certified Public Accountants
- Member of the Malaysian Institute of Accountants

**Working Experience:**

Adlan was appointed Chief Executive Officer of edotco Group on 1 November 2020. Previously, he has served as the Chief Financial Officer and Director of PT XL Axiata Tbk (Indonesia). Having been with the Axiata Group for 17 years since he joined Celcom in 2003 as Vice President, Finance, Adlan rose rapidly within Celcom. In his early career, he also worked with Arthur Andersen & Co in Assurance and Business Advisory for 9 years.

## Significant Milestones in 2020

<p><b>29</b> January 2020</p>	<p>Axiata Group Berhad (“Axiata”) completed the deregistration of its wholly-owned subsidiary, Hello Axiata Company Limited with the Ministry of Commerce (“MOC”), Cambodia.</p>
<p><b>13</b> March 2020</p>	<p>Axiata completed the disposal of its remaining 1.05% equity interest in Vodafone Idea Limited held via Axiata Investments 1 (India) Limited and Axiata Investments 2 (India) Limited through multiple sale transactions at a consideration of INR1,346.8 million (RM77.3 million).</p>
<p><b>28</b> April 2020</p>	<p>Axiata SPV1 (Labuan) Limited, a wholly-owned subsidiary of Axiata, fully repaid its USD300.0 million (RM1.3 billion) Guaranteed Notes (“Notes”) which matured on 28 April 2020. The Notes carried a coupon rate of 5.375% per annum (payable semi-annually in arrears) and had a tenure of 10 years from the date of issuance. The Notes subsequently was delisted from the Stock Exchange of Hong Kong Limited and the Labuan International Financial Exchange Inc. effective 28 April 2020.</p>
<p><b>13</b> May 2020</p>	<p>Axiata completed the Voluntary Liquidation process of DeeXpand Company Limited (“DeeXpand”), a wholly-owned subsidiary of Axiata held through Axiata Business Services Sdn Bhd and Xpand Investments (Labuan) Limited with the Department of Business Development, Thailand.</p>
<p><b>11</b> June 2020</p>	<p>Axiata Digital Services Sdn Bhd (“Axiata Digital”), a subsidiary of Axiata, completed the incorporation of Boost Holdings Sdn Bhd (“Boost Holdings”), a private company limited by shares, under the Malaysian Companies Act 2016 with an issued and paid-up share capital of RM10. The principal activity of Boost Holdings is investment holding.</p>
<p><b>14</b> July 2020</p>	<p>Axiata completed the merger between SmartLuy Plc (“SmartLuy”), a subsidiary of Axiata held via Smart Axiata Co. Limited and Axiata (Cambodia) Holdings Limited and Pi Pay Plc (“Pi Pay”) a leading cashless payment platform in Cambodia. Post merger, SmartLuy ceased as a company and Pi Pay remained as an associate of Axiata.</p>
<p><b>22</b> July 2020</p>	<p>edotco Group Sdn Bhd (“edotco”), a subsidiary of Axiata, completed the incorporation of edotco Urban Infrashare Ltd (“edotco Urban Infrashare”), a private company limited by shares, under the Myanmar Company Law 2017 with an issued and paid-up share capital of USD0.6 million (RM2.6 million). The principal activities of edotco Urban Infrashare are telecommunications infrastructure and related services.</p>
<p><b>24</b> July 2020</p>	<p>Axiata completed the incorporation of Axiata SPV5 (Labuan) Limited (“Axiata SPV5”), a private company limited by shares, under the Labuan Companies Act 1990 with an issued and paid-up share capital of RM1. The principal activities of Axiata SPV5 are investment holding and issuance of financial instruments.</p>
<p><b>10</b> August 2020</p>	<p>Axiata SPV5, a wholly-owned subsidiary of Axiata, established a Euro Medium Term Note Programme involving issuance of up to USD1.5 billion or its equivalent in other currencies (“EMTN Programme”). On 12 August 2020, Axiata SPV5 successfully priced its USD1.0 billion (RM4.2 billion) Notes and issued on 19 August 2020, pursuant to the EMTN Programme (“Series One Notes”) at par, with a coupon rate of 3.064% p.a. (payable semi-annually) and has tenure of 30 years from the date of issuance. On 21 August 2020, the Series One Notes was listed and quoted on the Singapore Exchange Securities Trading Limited (“SGX-ST”).</p>
<p><b>12</b> August 2020</p>	<p>Axiata SPV2 Berhad (“Axiata SPV2”), a wholly-owned subsidiary of Axiata, priced its USD500.0 million (RM2.1 billion) Sukuk and issued on 19 August 2020, pursuant to its multi-currency sukuk programme established on 17 July 2012 (“Series Four Sukuk”) at par, with a coupon rate of 2.163% p.a. (payable semi-annually) and has tenure of 10 years from the date of issuance. The Series Four Sukuk was listed on 21 August 2020, but not quoted for trading, on Bursa Malaysia Securities Berhad (under the Exempt Regime) and listed and quoted on the SGX-ST.</p>
<p><b>4</b> October 2020</p>	<p>Axiata Digital completed the incorporation of Trust Axiata Digital Limited (“TADL”), a private company limited by shares, under the Companies Act (Bangladesh), 1994 with an issued and paid-up share capital of BDT450.0 million (RM22.0 million). The principal activities of TADL is providing mobile financial services and related products and services in the Bangladesh market.</p>
<p><b>19</b> November 2020</p>	<p>Axiata SPV2 fully repaid its USD500.0 million (RM2,068.0 million) Sukuk which matured on 19 November 2020. The Sukuk carried a coupon rate of 3.466% per annum (payable semi-annually in arrears) and had a tenure of 5 years from the date of issuance.</p>
<p><b>4</b> December 2020</p>	<p>Axiata Digital completed the restructuring of Digital Financial Services Businesses via the transfer of its entire shareholdings in Axiata Digital Capital Sdn Bhd, Axiata Digital eCode Sdn Bhd, Apigate Sdn Bhd and PT Axiata Digital Services Indonesia to Boost Holdings.</p>
<p><b>15</b> December 2020</p>	<p>Great Eastern Digital Private Limited (“GE”) invested in Boost Holdings for the subscription of 29,400,000 ordinary shares at the consideration of RM294,000,000 representing 21.88% of the total issued and paid-up share capital of Boost Holdings. Subsequent to the said investment, the shareholding of Boost Holdings held by Axiata Digital and GE is 78.12% and 21.88% respectively.</p>
<p><b>24</b> December 2020</p>	<p>Robi Axiata Limited (“Robi”) completed the listing and quotation of its entire issued and paid-up share capital of 523,793,334 ordinary shares of BDT10 each in Robi on the Dhaka Stock Exchange Limited and the Chittagong Stock Exchange Limited in Bangladesh. Robi had raised a total proceeds of approximately BDT5,237.9 million (equivalent to approximately RM251.0 million). Following this, Robi is a 61.82% subsidiary of Axiata.</p>

## Awards

### 2020

#### Axiata

- ▶ **2020 Frost and Sullivan Asia Pacific Best Practices Awards**  
Asia-Pacific Telecom Group of the Year
- ▶ **MSWG-ASEAN Corporate Governance Awards 2019**  
Excellence Award for Corporate Governance Disclosure (5th position)  
Industry Excellence Award, Telecommunications & Media
- ▶ **Malaysian Investor Relations Association (MIRA)**  
Best Company for IR (Large Cap)  
Best IR Professional (Large Cap)  
Business Knowledge & Insights of IR Team, Quality of Annual Report/  
Formal Disclosure, Quality of One-on-One meetings
- ▶ **National Annual Corporate Report Awards (NACRA)**  
Excellence Award (Silver) - Companies with more than 10 billion in  
market capitalisation  
Best Sustainability Reporting (Silver)
- ▶ **Finance Asia's Achievement Awards 2020**  
Islamic Finance Deal of the Year
- ▶ **The Asset's Triple A Sustainable Capital Markets Country Awards 2020**  
Best Investment Grade Bond from Malaysia
- ▶ **ASEAN Corporate Governance Scorecard Award**  
ASEAN Top 20 PLCs (Malaysia)  
ASEAN Asset Class PLCs (Malaysia)
- ▶ **The Malaysia Board Diversity Study & Index**  
Top 10 Exemplary Company Board

#### Celcom

- ▶ **2020 Frost & Sullivan Best Practices Awards**  
2020 Malaysia IOT Services Company of the Year Award  
2020 Malaysia Mobile Data Service Provider of the Year Award  
2020 Excellence in Customer Experience (Telecommunications) for In-  
Store Experience  
2020 Excellence in Customer Experience (Telecommunications) for  
Net Promoter Score
- ▶ **IDC Digital Transformation Awards-Malaysia 2020**  
2020 DX Gamechanger Award
- ▶ **Winner of Sustainability & CSR Malaysia Awards 2020 (Telecommunications Category)**
- ▶ **Putra Brand Awards 2020**  
Communications Network (Gold)
- ▶ **A+M Markies Award 2020**  
Most Creative - Digital for Made Powerful by Celcom (Gold)  
Most Creative - TV/Video Advertising for Filem Pendek Hari Raya  
2019: Cucu-cucu Tok Ucu (Gold)  
Most Effective Use - Integrated Media for Guna Celcom (Gold)  
Most Creative - TV/Video Advertising for Getaran Pertama: A  
Merdeka Film (Silver)  
Most Creative - Content for Guna Celcom (Silver)  
Most Creative - Integrated Media for Made Powerful by Celcom  
(Silver)  
Most Effective Use - TV/Video Advertising for Filem Pendek Hari Raya  
2019: Cucu-cucu Tok Ucu (Bronze)  
Most Effective Use - Content for Filem Pendek Hari Raya 2019: Cucu-  
cucu Tok Ucu (Bronze)  
Most Effective Use - Out-of-home for Made Powerful by Celcom  
(Bronze)  
Most Creative - TV/Video Advertising for Guna Celcom (Bronze)

- ▶ **PC.com Awards 2020**  
Best Data Service Provider 2020 Best Postpaid Plan of the Year

- ▶ **Graduates' Choice Award (GCA) 2020/2021**  
Ranked #1 Among Telecommunications Companies  
Top 10 Most Attractive Graduate Employer of Year 2021

- ▶ **YouTube Works Awards 2020**  
Winner of Force for Good (COVID-19) Edition

#### XL

- ▶ **2020 Frost & Sullivan Best Practices Awards**  
2020 Indonesia Mobile Service Provider of the Year Award  
2020 Indonesia Mobile Data Provider of the Year Award
- ▶ **Top 10 in Indonesia on the 2019 ASEAN Corporate Governance Scorecard (ACGS) (score 97.5 and above), The ASEAN Capital Markets Forum (ACMF)**
- ▶ **Asia Sustainability Report Rating (ASRRAT) 2020, NCSR (National Center for Sustainability Reporting)**  
Gold Rating
- ▶ **TOP CSR Award 2020, Top Business**  
TOP CSR Award 2020 for Laut Nusantara application  
TOP CSR Award 2020 #STAR 4
- ▶ **Bisnis Indonesia Award 2020, Bisnis Indonesia**  
Best Issuer in the Telecommunication sector  
CEO of The Year for Dian Siswarini
- ▶ **Innovation e-GMS**  
IDX Channel Anugerah Inovasi Indonesia 2020
- ▶ **The Best Industry Marketing Champion 2020 for Telecom Services Sector**
- ▶ **ACES Award. MORS Group**  
Asia Most Influential Companies  
Top Community Care Companies
- ▶ **Iconomics**  
Indonesian CSR Brand Equity Award 2020  
The Best CEO - Employee Choice Award for Dian Siswarini
- ▶ **Iconomics Emiten Award 2020**  
Excellent in brand among Iconomics Emiten Award 2020
- ▶ **Marketeers Youth Choice Brand of The Year 2020, MarkPlus, Inc., collaborated with Marketeers and Indonesia Marketing Association (IMA)**  
Telecommunication Operator category Live.On brand
- ▶ **Marketeers Editor Choice Award, Marketeers Magazine**  
Community Engagement of the Year 2020
- ▶ **Selular Award 2020, Selular Media Network**  
CEO of The Year for Dian Siswarini
- ▶ **PR INDONESIA Award, PR Indonesia**  
Most Popular Leader in Social Media 2020
- ▶ **Warta Ekonomi**  
Indonesia Most Admired CEO 2020
- ▶ **Citra Pariwara 2020, Citra Pariwara**  
Bronze Digital Category
- ▶ **Customer Experience Management (CEM) in Telecoms Global Summit 2020, CX Network**
- ▶ **Muri's record "Ngabuburit Online through YouTube with the Most Viewers", MURI (Museum Record Indonesia)**

## Awards

### Dialog

- ▶ **TM Forum 2020 Excellence Award**  
Customer Experience & Trust Category
- ▶ **SLIM-Nielsen Peoples Awards 2020**  
Telecommunication Brand of the Year (9th Consecutive Year)  
Service Brand of the Year  
Youth Choice – Service Brand of the Year
- ▶ **Great Place to Work® in Sri Lanka**  
Great Place to Work Certified TM  
10 Best Workplaces for Women in Sri Lanka
- ▶ **Brand Finance**  
Sri Lanka's Most Valuable Brand (2nd Consecutive Year)  
AAA brand rating (6th Consecutive Year)  
Most Valuable Telecommunications Brand (13th Consecutive Year)
- ▶ **Business Today Top 30 (2019 – 2020)**  
Ranked amongst the Top 5
- ▶ **LMD Most Respected Entities in Sri Lanka**  
Most Respected 2020 – Ranked among the Top 5  
CSR and Innovation – Ranked #1
- ▶ **Dialog's Genie received PCIDSS Version 3.2.1 certification for the 4th consecutive year**

### Robi

- ▶ **2020 Frost & Sullivan Best Practices Awards**  
2020 Bangladesh Mobile Service Provider of the Year
- ▶ **World HRD Congress**  
Global Best Employer Brand 2020
- ▶ **CommunicAsia 2020 Award**  
Telecom Service Innovation in response to the COVID-19 category
- ▶ **Social Bakers**  
World's Best Socially Devoted Brand award for three consecutive quarters in 2020 (Q1, Q2, and Q3)
- ▶ **Bangladesh Brand Forum Digital Marketing Award**  
Airtel's DYNAMO campaign - Best Use of Facebook award  
Airtel's single app, My Airtel - Best App Marketing award  
Corona Dashboard campaign - Best Use of Mobile category  
Driven App Marketing My Robi App campaign - Best Use of Data and Data Analytics category

### Smart

- ▶ **2020 Frost & Sullivan Asia Pacific Best Practices Awards**  
Cambodia Mobile Service Provider of the Year 2020  
Cambodia Mobile Data Service Provider of the Year 2020
- ▶ **Global Banking and Finance Review**  
Best CSR Company Cambodia 2020  
Best Telecommunications Company Cambodia  
2020 CEO of the Year Telecommunications Cambodia 2020  
Decade of Excellence Telecommunications Cambodia 2020
- ▶ **Asia Responsible Enterprise Award 2020**  
Social Empowerment Category

### edotco

- ▶ **2020 Frost & Sullivan Asia Pacific Best Practices Awards**  
Best Telecom Tower Company in APAC for 2020
- ▶ **Kincentric**  
Best Employer Award 2020
- ▶ **Malaysia Technology Excellence Award 2020**  
Telco Analytics category

### Boost

- ▶ **MOBEX Awards 2020**  
Best Use of Mobile – Lifestyle/Entertainment for Boostopia (Gold)  
Best Use of Mobile – ePayment Gateway for Boostopia (Bronze)  
Best Use of Mobile – Customer Engagement for DoGoodwithBoost Ramadan (Gold)  
Best Mobile-Based Launch/Relaunch for Supershake (Silver)
- ▶ **THE APPIES 2020**  
Marketer of the Year (Winner)  
Best in E-Commerce for Boostopia (Bronze)  
Best in Adtech/Martech for DoGoodwithBoost Ramadan (Gold)  
Best in Consumer & Business Services for DoGoodwithBoost Ramadan (Silver)  
Best in E-Commerce for DoGoodwithBoost Ramadan (Bronze)  
Best in E-Commerce for Bill Payment (Silver)
- ▶ **A + M MARKIES AWARDS 2020**  
Most Effective Use – Digital for Bill Payment (Gold)  
Most Effective Use – Apps/Mobile for Bill Payment (Bronze)  
Most Creative – Specific Audience for DoGoodwithBoost Ramadan (Silver)  
Most Effective Use – Apps/Mobile for DoGoodwithBoost Ramadan (Silver)  
Most Creative – Content for Boost My Malaysia (Bronze)  
Most Effective Use of Loyalty & CRM for Boost Supershake (Bronze)
- ▶ **PC.com Best Product of the Year 2020**  
Best E-wallet for MSME – Boost  
Technovator of 2020 – Boost CEO, Mohd Khairil Abdullah

### Aspirasi

- ▶ **Malaysia Technology Excellence Award 2020**  
Fintech award under the Financial Services category

### ADA

- ▶ **Campaign Asia Agency of the Year 2020, Asia-Pacific**  
Asia-Pacific Tech Agency of the Year (Winner)  
Southeast Asia Independent Agency of the Year (Winner)  
Southeast Asia Specialist Agency of the Year – Data Agency (Bronze)  
Cambodia Independent Agency of the Year (Gold)  
Cambodia Digital Agency of the Year (Gold)  
Malaysia Independent Agency of the Year (Silver)  
Indonesia Independent Agency of the Year (Bronze)
- ▶ **The Drum Digital Advertising Awards APAC 2020, Asia-Pacific**  
Most Effective Media Agency (Winner)  
Best Ad Ops Team (Winner)  
Most Effective Use of Data (Winner)  
Best Campaign on an E-Commerce Platform (Winner)  
Best Use of Performance (Highly Commended)
- ▶ **Mob-Ex Awards 2020, Asia-Pacific**  
Best of Show – Agency (Winner)  
Best Use of Mobile – Customer Engagement (Gold)  
Best Use of Mobile – Lifestyle/Entertainment (Gold)  
Best Insight-Driven Mobile Campaign (Gold)  
Best Use of Mobile – Beauty (Gold)  
Best Use of Mobile Integration (Gold)  
Best Use of Social Media (Gold)  
Best Mobile-Based Launch/Relaunch (Silver)  
Best E-commerce Solution (Silver)  
Best Insight-Driven Mobile Campaign (Silver)  
Best Social Media Strategy (Silver)  
Best Use of Mobile – ePayment Gateway (Bronze)  
Best Result-Driven Mobile Campaign (Bronze)  
Best Mobile Advertising Strategy (Bronze)  
Best Use of Mobile – Food and Beverage (Bronze)  
Best Use of Mobile – Gaming (Bronze)  
Best Location-Based Marketing (Bronze)
- ▶ **Asia e-Commerce Awards 2020, Asia-Pacific**  
Best e-Commerce Consultant (Gold)

## Awards

► **MMA Smarties Awards 2020, APAC**  
Innovation (Silver)

► **MMA Smarties Awards 2020, Indonesia**  
Innovation (Silver)  
Seamless Consumer Experience (Bronze)  
Most Engaging Mobile Creative (Bronze)  
Best Use of Mobile to Drive Sales (Bronze)

► **The Loyalty & Engagement Awards 2020, Indonesia**  
Best Use of Technology (Silver)  
Best Use of Gamification (Bronze)

► **Digital Marketing Award 2020, Bangladesh**  
Best Use of Data and Analytics (Gold & Bronze)  
Best Use of Facebook (Silver)  
Best Use of Mobile (Bronze)  
Best App Marketing (Bronze)

► **The APPIES Malaysia 2020, Malaysia**  
Digital Agency of the Year (Winner)  
AdTech/MarTech (Gold)  
Consumer Services (Silver)  
E-Commerce (1 Silver, 2 Bronze)

► **MARKies 2020, Malaysia**  
Most Effective Use – Digital (Gold)  
Most Creative – Specific Audience (Silver)  
Most Effective Use – Apps/Mobile (1 Silver, 1 Bronze)  
Most Creative – Content (Bronze)  
Most Effective Use – Loyalty & CRM (Bronze)

### 2019

#### Axiata

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

► **MSWG – ASEAN Corporate Governance Awards 2018**  
Excellence Award for Corporate Governance Disclosure  
Industry Excellence Award – Telecommunication & Media

#### Celcom

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

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

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

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

► **Kancil Awards 2019**  
“Getaran Pertama” Merdeka 2019 Short Film: Gold - Film Direction  
“Getaran Pertama” Merdeka 2019 Short Film: Silver - Cinematography: Single  
“Getaran Pertama” Merdeka 2019 Short Film: Silver - Best Cultural Insights  
“Getaran Pertama” Merdeka 2019 Short Film: Bronze - Music in Film Content  
“Getaran Pertama” Merdeka 2019 Short Film: Bronze - Digitally Enhanced Experience

“Getaran Pertama” Merdeka 2019 Short Film: Bronze - Film Editing: Single  
“Getaran Pertama” Merdeka 2019 Short Film: Bronze - Best Film Branded Content  
“Getaran Pertama” Merdeka 2019 Short Film: Bronze - Film Online Single  
“Getaran Pertama” Merdeka 2019 Short Film: Bronze - Film & Branded Content  
“Getaran Pertama” Merdeka 2019 Short Film: Merit - Brand Experience & Activation  
“Getaran Pertama” Merdeka 2019 Short Film: Merit - A Mixed Reality Storytelling  
“Cucu-Cucu Tok Ucu” Raya 2019 Short Film: Merit - Film Direction: Single

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

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

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

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

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

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

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

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

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

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

#### XL

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

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

## Awards

- ▶ **Selular Award 2019**  
Best Network Transformation  
Best B2B Service  
CEO of The Year - Ibu Dian Siswarini
- ▶ **Indonesia's Most Impactful Women Leaders, Warta Ekonomi Magazine**  
Indonesia's Most Impactful Women Leaders 2018 - Dian Siswarini, CEO of XL Axiata
- ▶ **Asia's Power Businesswomen, Forbes**  
Dian Siswarini, CEO of XL Axiata
- ▶ **Indonesia's Best Corporate Social Initiatives 2019, SWA Magazine & MIX Magazine**  
The Best Creating Shared Value for XL Axiata's CSR Programme, Laut Nusantara
- ▶ **The 11th IICD Corporate Governance Conference and Award 2019**  
Top 20 in the "Top 50 of The Biggest Market Capitalisation, Public Listed Companies  
The Best Role of Stakeholders
- ▶ **Apresiasi Perempuan Hebat Indonesia 2019, Sindo Media**  
Dian Siswarini, CEO of XL Axiata
- ▶ **Stellar Workplace Award 2019, GML Performance Consulting in collaboration with the Kontan Newspaper**  
Employee Commitment & Employee Satisfaction
- ▶ **Marketeers Editor's Choice Award 2019, MarkPlus**  
IoT Product of The Year - XL Business Solutions  
The Breakthrough Content Marketing of the year - Through Di Balik Kubikal Web Series

### Dialog

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- ▶ **SLIM-Nielsen Peoples Awards 2019**  
Internet Service Provider of the year - 7th consecutive year  
Telecom Service Provider of the year - 8th consecutive year
- ▶ **Brand Finance**  
Most Valuable Consumer Brand in Sri Lanka  
Top Telecommunications Brand in Sri Lanka - for the 10th year
- ▶ **Global Telecoms Awards**  
Winner of Industrial IoT Initiative of the Year - for its affordable and purpose-built IoT Solutions for Industries in Emerging Markets (capturing i-Moni & Smart Meter/NMD)
- ▶ **LMD 100**  
Sector Leader in the Telecommunications Industry
- ▶ **Mobex Awards 2019**  
Best App - Payments  
Best App - Utility & Services
- ▶ **The 6th Zendesk CEx Awards 2019**  
Best Customer Centric Culture  
Customer Centric Company of the Year - Jury award
- ▶ **12th Customer Fest Awards (CFA) - Mumbai, India**  
Best Customer Centric Culture - Gold  
Best Customer Experience Transformation - Gold  
'Customer Centric Company of the Year' - CFA Special Award
- ▶ **PCI DSS Certification**  
Awarded for Genie
- ▶ **e-Swabhimani Digital Social Impact Awards**  
Inclusion and Empowerment category (Ideamart - AppMaker) - Winner
- ▶ **SLASSCOM Innovation Awards 2019**  
'Best Disruptor' and 'Best Start Up Product' - Genie  
'Best Product Innovation' - FinPal App

- ▶ **LankaPay Technnovation Awards 2019**  
Most Popular Electronic Payment Product (Fintech) - Gold  
Best Mobile Application for Retailer Payments - Gold
- ▶ **LMD online survey**  
Ranked #1 Telco in CEX
- ▶ **CXPA**  
GLOBAL TOP 5 Innovation in Customer Experience Support

### Robi

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

### Smart

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

### edotco

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

### Boost

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- ▶ **PC.com Best Product Of The Year 2019**  
Best E-wallet Service Provider 2019

## Awards

### ▶ MEA Awards

Excellence in Loyalty marketing (Gold)

### ▶ The Loyalty & Engagement Awards

Best Loyalty Programme (Silver)

### ▶ A + M MARKIES AWARDS 2019

Most Creative - Integrated Media (Bronze)

### ▶ 2019 Effie Awards

Making Malaysia a Cashless Society Category (Bronze)

### ▶ Markies 2019

Most effective use of loyalty & CRM (Bronze)

### ▶ MOBEX Awards

Best App (Bronze)

### ADA

### ▶ Campaign Asia, Asia-Pacific

Tech Agency of the Year 2019

### ▶ Campaign Asia, Southeast Asia

Indonesia Independent Agency of the Year 2019

### ▶ Digital Marketing Award 2019, Bangladesh

Best Use of Data & Analytics

### ▶ Marketing Excellence Awards 2019, Malaysia

Excellence in Sports/esports Marketing

### ▶ Dragons of Malaysia 2019, Malaysia

Best Social Media or Word of Mouth Campaign

Best Digital Campaign

Best Brand Trial or Sales Generation Campaign

### ▶ Mob-Ex Awards 2019, Asia-Pacific

Best Mobile Advertising Strategy

Best Social Media Strategy

Best Insight-Driven Mobile Campaign

Best App - ePayment Gateway

Best Result-Driven Mobile Campaign

### ▶ The MARKies 2019, Malaysia

Most Effective Use - Consumer Insights

### ▶ The Appies 2019, Malaysia

Consumer Services

## 2018

### Axiata

### ▶ MSWG-ASEAN Corporate Governance Recognition Awards 2018

Top 3 PLCs (Malaysia)

Top 50 ASEAN PLCs (Top 11 - 30)

### ▶ NACRA 2018

Certificate of Merit - Axiata Integrated Annual Report 2017

### ▶ Australasian Reporting Awards 2018

Silver Award - Axiata Integrated Annual Report 2017

### ▶ Sustainable Business Awards Malaysia 2018

Best Stakeholder Engagement and Materiality

### Celcom

### ▶ 2018 Frost & Sullivan Malaysia Excellence Awards

Customer Experience for In-Store Centre Experience Award

Contact Centre Experience in Telecommunications Industry Award

Malaysia Telecom IoT Service Provider of the Year Award

### ▶ Forbes Top 10 "Most Customer-Focused Companies in Asia"

### ▶ Telecom Asia Awards 2018

Best Customer Service Award

### ▶ CX Asia Excellence Awards 2018

Gold Award for the Best Social Media Strategy

Bronze Award for the Best Contact Centre

Best Customer Service Award

### ▶ Youtube

Silver Creator Award

### ▶ 19th Malaysian Contact Centre Awards 2018

Gold Award for Best In-house Outbound Contact Centre under 100 seats

Gold Award for the Best Contact Centre by Language - Indonesia Silver Award for the Best In-House Inbound Contact Centre above 100 seats - Postpaid

Silver Award for the Best In-House Inbound Contact Centre under 100 seats - Prepaid

Silver Award for the Best Social Media

Bronze Award for Best Customer Relationship Management

Bronze Award for the Best-In House Inbound Contact Centre under 100 seats - Priority

Bronze Award for the Best Innovation Adoption

Bronze Award for Best In-House Contact Centre for Priority

### ▶ Standard and Industrial Research Institute of Malaysia (SIRIM)

World's First Telco with ISO 18295-2:2017 Certification for Customer Contact Centres

### XL

### ▶ Frost & Sullivan 2018 Asia Pacific ICT Awards

2018 Asia-Pacific Mobile Data Service Provider of the Year

2018 Indonesia Mobile Data Service Provider of the Year

2018 Indonesia Mobile Service Provider of the Year

### ▶ Indonesia Content Marketing Awards (ICMA) 2018

The Best Content Marketing Implementation In Office Equipment, IT, Telecommunication for AXIS

### ▶ 100% Indonesia Music Award

### ▶ PR Indonesia Award

The Most popular among the Media

Corporate PR of Private Companies

### ▶ Selular Award 2018

Best Community Development programme - XL Sisternet

Best Experience Center - XL Center

Best 4G Network Deployment

### ▶ Satyalancana Award

### ▶ Satyalancana Pembangunan

Marwan Oemar Baasir, Group Head Regulatory and Government Relations

Francky Rinaldo Pakpahan, Group Head West Region, XL

Resi Yuki Bramani, Head Frequency and Government Management, XL

### ▶ Satyalancana Wira Karya

M. Hira Kurnia, Group Head People Services, XL

Tri Wahyuningsih, Group Head Corporate Communications, XL

Bambang Parikesit, Group Head Jabodetabek Region, XL

Retno Wulan Ari Istianti, Group Head Contact Center, XL

Hasanudin Farid, Head Technology Strategy, XL

### ▶ TOP Business Magazine - Top CSR 2018

Top CSR 2018 Telecommunications Sector for XL

Top Leader on CSR Commitment 2018 for Dian Siswarini, President Director XL

## Awards

### ▶ Indonesia Best Employer Brand Awards 2018

### ▶ Top 50 Most Valuable Brands in Indonesia

### ▶ Indonesia PR of the Year 2018

Spokesperson of the year 2018: Tri Wahyuningsih, Group Head Corporate Communications, XL

Head of Corcomm of the Year 2018: Henry Wijayanto, Head of External Communications, XL

PR Officer of the Year 2018: Estella Maria

Corcomm Team of the Year 2018: Corporate Secretary/Corporate Communications Team

### ▶ SWA Magazine

Dian Siswarini - The Best CEO 2018

### ▶ SPEX2 Awards 2018

The Best in the Telecommunications Industry

The Best in Executing Strategy Transformation

### ▶ 6th Annual Get to Fast Faster 2018

Fixed Wireless Access Innovation

### ▶ Smarties Award 2018

Bronze Award for Digital Ramadan Video

### ▶ The 10th IICD Corporate Governance Conference & Award 2018

Ranked 20 of Top 50 of the Biggest Market Capitalisation Public Listed Companies

The Best Role of Stakeholders

### Dialog

### ▶ 2018 Global Telecom (GLOTEL) Awards

Dialog and Ericsson have won the IoT Initiative of the Year award for successfully deploying South Asia's first commercial Massive IoT network

### ▶ Leadership in Energy and Environmental Design (LEED)

Dialog Broadband Networks, a subsidiary Dialog, has been rated Gold for Sri Lanka's first UPTIME Tier III certified commercial Data Centre

### ▶ Speedtest® Award by Ookla®

Sri Lanka's Fastest Mobile Network 2018

### ▶ Brand Finance League Table

Sri Lanka's Top Telecommunications Brand

### ▶ Corporate Accountability 2018

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

### ▶ SLIM – Nielsen Peoples Awards 2018

Telecom Service Provider of the year – Winner (7th Consecutive Year)  
Internet Service Provider of the year – Winner (6th Consecutive Year)

### ▶ LMD Magazine 2018

Ranked No. 1 for Service Excellence in the Telecommunications Industry

Ranked No. 5 for Most Respected Entity

### ▶ PCI – DSS Certification

Awarded for Genie

### ▶ GSMA Certification

Awarded for Mobile Money

### ▶ Customer Excellence Award 2018

Best Digital Experience

### ▶ Payments and Cards Awards

KamiKaze B2B India - Best Payment App of the Year 2018 for My Dialog App

### ▶ Business Today Top 30

Ranked No. 6

### Robi

### ▶ World HRD Congress

Global Best Employer Brand 2018

### ▶ YouTube Silver Play Button

10 Minute School Live

### ▶ Flame Awards 2018

Robi's Chief Commercial Officer, Pradeep Shrivastava

YOLO campaign of the country's No. 1 network of friends, Airtel

### ▶ 8th Commward – Bangladesh Brand Forum, in association with the Cannes Lions International Festival

13 Awards for various categories

### ▶ ISO 9001: 2015 Quality Management System Certification

### ▶ Bangladesh Innovation Award 2018

Cholbe Robi App

### ▶ 5th Digital Marketing Summit

3 Awards for Robi 10 Minute School

### ▶ Speedtest® Award by Ookla®

Best Download Speed in Dhaka for Q3 2018

### ▶ Socialbakers

Robi and Airtel recognised as "Socially Devoted Brand" for Q4 2018

### Smart

### ▶ 2018 Frost & Sullivan Asia Pacific Best Practices Awards

Cambodia's Mobile Service Provider of the Year 2018

Cambodia's Mobile Data Service Provider of the Year 2018

### ▶ Global Banking and Finance Review

Best Telecommunications Company Cambodia 2018

Best Corporate Social Responsibility (CSR) Company Cambodia 2018

### ▶ Telecom Asia

Best Emerging Market Operator 2018

### ▶ Cambodia's General Department of Taxation

Gold Award for Tax Compliance 2018

### Ncell

### ▶ World HRD Congress, 2018

Nepal Best Employer Brand Awards 2018

### ▶ Department of Hydrology and Meteorology (DHM), and Society of Hydrologists and Meteorologists (SOHAM), Nepal, 2018

Dr Rishi Ram Sharma Disaster Information Prize 2018

### edotco

### ▶ Frost & Sullivan Asia Pacific Best Practices Awards

Asia Pacific Telecoms Company of the Year Award 2018

### ▶ In-House Community

In-House Legal Team of the Year – Property, Infrastructure & Logistics (edotco Myanmar)

### Axiata Digital

### ▶ BIMA – International Business Magazine

Best Mobile Innovation for Emerging Markets UK

### ▶ Digital Insurance Agenda

Top 100 DIA Insurtech 2018

### ▶ StoreKing – Smart CEO's Startup50 Conference & Award

Listed: Smart CEO Startup 50 Award



## Awards

### ► StoreKing – Top 100 Startups to Watch 2018 in India (Shortlisted)

### ► 11 Street – ‘Graduates’ Choice Award 2018

Malaysia Top Graduate Employer Brands in eCommerce

### ADA

### ► Google Premier Partner Award

Mobile Innovation for Lineman

### ► Digital Marketing Award

Gold for Best Use of Data & Analytics (Pepsodent Ramadan Campaign)

Gold for Best App Marketing Stories of Victory (Robi Axiata)

Silver for Best Use of Mobile (Pepsodent Ramadan Campaign)

### Boost

### ► MOB-EX Award

Best Marketing Campaign

### ► Malaysia Fintech Award

Most Popular Advertisement

### ► Malaysia Appies 2018

Best Marketing Idea

### ► Malaysian Media Award 2018

Best Use of Technology

### ► IDC 2018

Digital Disruptor of the Year

## Past Awards For AXIATA

### 2017

### ► MSWG-ASEAN Corporate Governance Recognition Awards 2017

Chairman Of The Year Award – Tan Sri Datuk Wira Azman Hj. Mokhtar

Excellence Award For CG Disclosure

Merit Award For Board Diversity

### ► PwC Malaysia Building Trust Awards 2017

Runner Up

### ► Global Responsible Business Leadership Awards 2017

Masterclass Best Sustainability Report

### ► ACCA Malaysia Sustainability Reporting Awards (MASRA) 2017

2nd Runner Up

### ► Australasian Reporting Awards 2017

Silver Standard – 2015 Annual Report

### ► CSR Malaysia Awards 2017

CSR Company of the Year

### 2016

### ► GSMA Mobile Asia Awards 2016

Outstanding Contribution to the Asian Mobile Industry Award – Axiata

Regional CEO for South Asia, Dr Hans Wijayasuriya

### ► MSWG Malaysia-ASEAN Corporate Governance Awards 2016

Ranked No. 3 in Excellence Award for Top Corporate Governance (CG)

and Performance (Overall Category)

Excellence Award for Long-term Value Creation

Excellence Award for Environmental, Social and Governance (ESG)

Practices

Ranked No. 3 in Merit Award for Corporate Governance (CG) Disclosures

### ► MSWG Malaysia-ASEAN Corporate Governance Transparency Index 2016

Ranked No. 3 among Top 100 Companies with Good Disclosures

Ranked No. 3 among Top 100 Companies for Overall Corporate

Governance (CG) and Performance

### ► ACCA Malaysia Sustainability Reporting Awards (MaSRA) 2016

Commendation Award for Innovation

### ► Asia Pacific Procurement Leaders Award

Best Procurement Transformation 2016

### ► Bank Negara Malaysia

Emas Status for Second Issuance of Sukuk

### 2015

### ► MSWG-ASEAN Corporate Governance Index 2015 Awards

Excellence Award for Environmental, Social and Governance (ESG) Practices

Top 10 Corporate Governance Disclosure Merit Recognition Award

Exemplary AGM Conduct & Minutes

### ► ACCA Malaysia Sustainability Reporting Awards (MaSRA) 2015

Best Sustainability Report

### ► Asia Pacific Procurement Leaders Award

Best Procurement Transformation 2015

### ► FinanceAsia Best Managed Company Poll 2016

No. 2 Best Managed Company in Malaysia

No. 3 Most Committed to Corporate Governance in Malaysia

No. 3 Best at Investor Relations in Malaysia

No. 4 Best at Corporate Social Responsibility in Malaysia

No. 1 Best CFO in Malaysia

### ► Bank Negara Malaysia

Emas Status for Issuance of Sukuk

### 2014

### ► 2015 GSMA Mobile World Congress Chairman’s Award

Dato’ Sri Jamaludin Ibrahim, President and Group CEO

### ► Frost & Sullivan Asia Pacific ICT Awards

Best Telecom Group 2014

### ► Malaysian-ASEAN Corporate Governance Index 2014 Awards

Top 5 Corporate Governance – Overall Recognition

Exemplary Environmental, Social and Governance (ESG) Practices

CEO of the Year, Dato’ Sri Jamaludin Ibrahim

### ► The Edge Billion Ringgit Club 2014

Malaysia’s Outstanding CEO 2014, Dato Sri Jamaludin Ibrahim

Best CR Initiative, 3rd Place

### ► ACCA Malaysia Sustainability Reporting Awards (MaSRA) 2014

Best Sustainability Report, Runner-up

### ► National Annual Corporate Reports Awards (NACRA) 2014

Best Designed Annual Report, Silver Award

### ► Kancil Awards 2014

Film Craft Cinematography, Bronze Kancil

### 2013

### ► Frost & Sullivan Asia Pacific ICT Awards

Best Telecom Group 2013

### ► TMT Finance Asia

TMT Leadership Award for Asia 2014 – Dato’ Sri Jamaludin Ibrahim

### ► Malaysian Business Awards

ASEAN Conglomerate & CEO of the Year Award – Dato’ Sri Jamaludin

Ibrahim

### ► The Asset Triple A

Best Corporate Sukuk

Best Islamic Deal, Malaysia

### ► Islamic Finance News

Cross Border Deal of the Year 2012

## Awards

### ▶ KLIFFE

Most Outstanding Islamic Product

### ▶ Malaysia-ASEAN Corporate Governance Index 2013 Awards

Top 3 Corporate Governance Transparency Award  
 Top 5 Overall Corporate Governance Award  
 Best Conduct of Annual General Meeting Award  
 Industry Excellence Award - Telecommunications

### ▶ Malaysian Institute of Accountants (MIA)

NACRA Merit Award

### ▶ International Legal Alliance Summit

Silver Award Best Asian and South Pacific Legal

## 2012

### ▶ Frost & Sullivan Asia Pacific ICT Awards

Best Telecom Group 2012

### ▶ Boston Consulting Group

2012 BCG Southeast Asia Challengers

### ▶ Asian Strategy & Leadership Institute (ASLI)

Asian Corporate Giants 2012 Listing - Top 10

### ▶ Bank Negara Malaysia

Emas Status for Issuance of Sukuk

### ▶ Finance Asia

Best Islamic Finance Deal 2012

### ▶ Euromoney Islamic Finance

Most Innovative Deal 2012

### ▶ Alpha Southeast Asia

The Best Deal of the Year 2012 in Southeast Asia

### ▶ IFM (Industry Fund Management)

Cross Border Deal of the Year 2012

## 2011

### ▶ Asia Pacific Brands Foundation (APBF)

BrandLaureate CEO of the Year 2010-2011

### ▶ Forbes Asia's Fab 50

### ▶ Frost & Sullivan Asia Pacific ICT Award 2011

Best Telecommunications Group of the Year

### ▶ Malaysian Corporate Governance Index Awards 2011

Best Conduct of AGM  
 Distinction Award

### ▶ Telecom Asia Awards 2011

Best Regional Mobile Group

## 2010

### ▶ Frost & Sullivan Asia Pacific ICT Awards 2010

Best Telecom Group of the Year  
 CEO of the Year: Service Provider

### ▶ Telecom Asia Awards 2010

Telecom CEO of the Year  
 Best Regional Mobile Group

## 2009

### ▶ Frost & Sullivan Asia Pacific ICT Award

Best Telecom Group of the Year 2009

### ▶ National Annual Corporate Report Awards (NACRA) 2009

Gold Award in the Best Designed Annual Report category

### ▶ Malaysian Corporate Governance Index 2009

Merit Award

### ▶ Alpha South East Asia Annual Deal Awards 2009

Best Secondary Deal of the Year 2009 in Southeast Asia

# Governance & Compliance Information

## Statement on Risk Management and Internal Control

In accordance with Paragraph 15.26(b) of the Main Listing Requirements (LR) of Bursa Malaysia Securities Berhad (Bursa Securities) and the Statement of Risk Management and Internal Control: Guidelines for Directors of Listed Issuers', the Board is pleased to provide the following statement on the state of risk management and internal control of Axiata Group Berhad.

### Board's Responsibility

The Board is accountable for maintaining sound processes of risk management and internal control practices to safeguard shareholders' investments and the Group's assets. The internal controls implemented includes but not limited to financial, strategic, operational and compliance controls.

In evaluating the adequacy of risk management in the Group, the Board is assisted by the Board Risk and Compliance Committee (BRCC). The BRCC has implemented a systematic risk management framework to identify, evaluate and monitor principal risks, and appropriate internal control processes and procedures to manage these risks across the Group, excluding Associate Companies and Joint Ventures that are not within the Group's control.

### 1.0 Axiata Enterprise Risk Management Framework

The Axiata Enterprise Risk Management (ERM) framework provides a standardised approach for timely identification, reporting and management of key risks and ensures implementation, tracking, and reviewing of the effectiveness of mitigation actions. The framework is embedded into the daily business activities and management decision making process in the Group. The framework is aligned with the ISO31000:2018, and it's adopted across all the operating companies. It is a critical tool in managing both existing and any emerging risks in protecting key stakeholders' interests and compliance with statutory and legal requirements.

### 2.0 Risk Governance Structure

The Group is committed to continuous improvement of our risk management process to ensure an effective risk management system is embedded within Axiata. The BRCC, a subcommittee of the Axiata Group Main Board of Directors, plays a key role in ensuring oversight, monitoring and managing key risks. The BRCC meets on a quarterly basis to ensure all material risks are appropriately managed. The following depicts the key parties within the Group's Risk and Compliance Governance Structure and their principal risk management roles and responsibilities:

#### Board of Directors (BOD)

- Maintain a sound system of risk management and internal controls
- Approve risk management policy and framework, governance structure and sets the risk appetite
- Receive, deliberate and endorse BRCC reports on risk governance

#### Board Audit Committee (BAC)

- Assist the Board in evaluating the adequacy of governance and internal control framework
- Assure the Board that financial records are complete, financial statements reflects accurate and fair representation of the Group financial position based on International Financial Reporting Standards (IFRS) and Malaysia Financial Reporting Standards (MFRS) and are free from misstatements

#### Board Risk Management Committee (BRMC)

- Assist the Board in identifying the principal risks at Group level and providing assurance that the ERM Framework is implemented and complied with Group-wide
- Assist the Board to review and recommend frameworks and policies specifically to address enterprise risk inherent in all business operations
- Assist the Board to coordinate and promote risk management culture and its implementation

#### Board Risk Compliance Committee (BRCC)\*\*

- BRCC subsumed the roles and responsibilities of the BRMC, assisting the Board with expanded scope to include areas of ERM (including Business Continuity and Crisis Management), Cyber Security, Privacy, Ethics and Integrity Compliance, and Regulatory Compliance which include but not limited to requirements imposed by Local Authorities, Telecommunication Regulators and Digital Financial Services Regulators; if applicable (e.g. site permits, core operating licenses, spectrums, tariffs, health and safety, AMLA/CFT)
- Assist the Board to review, assess and ensure Axiata Group adopts sound and effective policies, procedures and practices for all its Risk and Compliance functions
- Assist the Board to promote a healthy risk and compliance culture and behaviours that ensure the effectiveness of the risk and compliance management processes through ongoing awareness programmes, communication, training and education on risk and compliance management

#### \*\*Note

Effective March 2020, the Board Risk and Management Compliance Committee (BRMC) was renamed to Board Risk and Compliance Committee (BRCC) with expanded roles and responsibilities to strengthen our risk and compliance governance. Consequently, the Group also established the Group Risk & Compliance Division headed by Group Chief Risk and Compliance (GCRCO), who is part of the senior leadership management team. The Group Risk & Compliance Division comprises of four main departments namely Enterprise Risk Management (ERM), Cyber Security, Data Privacy as well as Ethics and Integrity Compliance.

#### Group Risk and Compliance Division

- Establish, formulate, review, recommend and manage sound and best practice risk and compliance programmes for Axiata Group
- Inculcate risk and compliance awareness within the Group
- Assist Axiata OpCos and Business Units in establishing their internal risk and compliance policy and structures, including business continuity programme for their respective companies and units
- Implement risk and compliance initiatives by establishing a Group-wide programme to improve the overall risk and compliance maturity levels
- Identify, analyse and consolidate risk and compliance matters for reporting and monitoring
- Secretariat for the Board Risk and Compliance Committee
- Present consolidated risk and compliance reports and recommended mitigation plans for the BRCC's review
- Encourage and recommend the adoption of mitigation actions where appropriate

# Governance & Compliance Information

## Statement on Risk Management and Internal Control

Governance & Audited Financial Statements 2020

### Risk and Compliance Management Committee (RCMC)

- The RCMC reports to the BRCC concerning all areas of the Group Risk and Compliance Division
- Ensure implementation of all Group Risk and Compliance initiatives (Cyber Security, Privacy, Compliance, Ethics and Integrity and ERM)
- Present consolidated cyber security and privacy risk report and recommend mitigation plans for BRCC's review.
- Recommend the adoption of mitigation actions where appropriate

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

- Manage risks and compliance in relation to their operations and functions
- Identify, analyse, and consolidate risk and compliance matters for reporting and monitoring
- Encourage and recommend the adoption of mitigation actions where appropriate
- Coordinate with Axiata Group Risk and Compliance Division on Implementation of risk management and compliance policy and practices

The risk management and compliance process at both Axiata Corporate Centre and the OpCos is based on the common risk and compliance frameworks established across all four domains (ERM, Compliance, Cyber Security and Data Privacy). Whilst the Group recognises the autonomy of the local jurisdictions within each region, Group Risk and Compliance Division strives to ensure a consistent and standardised approach in managing risk across the Group. Harmonisation efforts to align risk management and compliance practices between OpCos have been initiated with full support from the BRCC and Senior Management of the Group.

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

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

- Financial Risk
- Market Risk
- Regulatory Risk
- Cyber Security and Data Privacy Risk
- Operational Risk
- Geopolitical Risk
- Strategic and Investment Risk
- People Risk
- Technology Risk
- Governance and Integrity Risk

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

### Composition and Meetings

In 2020, the BRMC evolved into BRCC with expanded roles and responsibility to strengthen our risk and compliance governance process.

The BRMC met one time in 2020 before transitioning to BRCC in a meeting held on 19 February 2020. The composition and the attendance record of BRMC members are listed below:

Name of Director	Status of Directorship/Qualifications	No. of Meetings Attended
Dato' Nik Ramlah (Chairman)	Senior Independent Non-Executive Director	1 out of 1
Dr. David Dean	Independent Non-Executive Director	1 out of 1
David Lau Nai Pek	Senior Independent Non-Executive Director	1 out of 1
Tan Sri Jamaludin	Managing Director/President & Group Chief Executive Officer	1 out of 1
Dato' Izzaddin Idris	Deputy Group Chief Executive Officer	1 out of 1

The BRCC, met five (5) times on 24 March 2020, 15 April 2020, 19 May 2020, 21 July 2020, and 23 November 2020. The composition and the attendance record of BRCC members are listed below:

Name of Director	Status of Directorship/Qualifications	No. of Meetings Attended
Dr. David Dean (Chairman)	Independent Non-Executive Director	5 out of 5
Dato' Nik Ramlah	Senior Independent Non-Executive Director	5 out of 5
David Lau Nai Pek (Resigned in March 2020)	Senior Independent Non-Executive Director	1 out of 1
Tan Sri Jamaludin	Managing Director/President & Group Chief Executive Officer	5 out of 5
Dato' Izzaddin Idris	Deputy Group Chief Executive Officer	5 out of 5
Tan Sri Dr. Halim Shafie (Appointed in November 2020)	Independent Non-Executive Director	1 out of 1

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

### Key Internal Control Structures of the Group

#### 1.0 Control Environment

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

##### 1.1 Integrity and Ethical Values

###### • Code of Conduct and Practice

The Senior Management and the Board set the tone at the top for corporate behaviour and corporate governance. All employees of the Group shall adhere to the policies and guidelines as set out in the Code of Conduct of the Group which sets out the principles to guide employees in carrying out their duties and responsibilities to the highest standards of personal and corporate integrity when

## Statement on Risk Management and Internal Control

dealing within the Group and with external parties. The Group's Code of Conduct covers areas such as compliance with respect to local laws and regulations, integrity, conduct in the workplace, business conduct, protection of the Group's assets, confidentiality, conflict of interest and anti-competition practices. In 2020, various initiatives including enhancement of the Gift Policy, with ongoing enforcement, consequence management on violation of integrity and values and Group Recognition Event to inculcate and encourage the appropriate behaviours continued.

- **Guidelines on Misconduct and Discipline**

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

### 1.2 Board Committees

- (a) **Board**

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

- (b) **Board Committees**

To promote corporate governance and transparency, in addition to the Board, the Group has the BAC, Board Nomination and Remuneration Committee (BNRC), collectively known as 'Board Committees' in place. With effect from 2020 the Board Risk and Compliance Committee was introduced to supersede Board Risk Management Committee. These Board Committees have been established to assist the Board in overseeing internal control, risk management, Board effectiveness, and nomination and remuneration of the Group's key positions and directors. The responsibilities and authority of the Board and Board Committees are governed by a clearly defined Terms of Reference (ToR).

- (c) **BAC**

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

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

- (d) **BRCC**

The BRCC Reviews and endorses the Group Risk Profile and reviews reports from the Group Risk and Compliance Division and recommend them to the Board for approval.

- (e) **BNRC**

The BNRC oversees the selection and assessment of Directors and ensures that Board composition meets the needs of Axiata, facilitates and reviews Board induction and training programmes, in addition to, recommend or approve, as the case may be, the key management of Axiata Group.

### 1.3 Senior Leadership Team (SLT)

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

### 1.4 Organisation Structure

- **Clear Organisation Structure**

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

- **Corporate Centre**

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

1. Supporting role to Axiata Board Representatives at OpCos and OpCos' management; and
2. Supporting role to OpCos' Functional Heads.

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

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

### 1.5 Assignment of Authority and Responsibility

- **Policies and Procedures**

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

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

- **Limits of Authority (LoA)**

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

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

### 1.6 Commitment to Competency

- **Competency Framework**

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

- **Performance Management**

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

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

- **Training and Development Framework**

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

In 2020, trainings continued to be focused on building digital culture, mindset and capabilities, where the Group continued the efforts to build digital culture and capabilities through online platforms and other content providers. This is in line with enabling the organisation to move towards its vision of becoming a digital champion. In 2020 there was also a focus on building leadership capabilities for line managers to support the new performance management system - "Ignite".

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

- **Talent Development and Succession Planning**

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

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

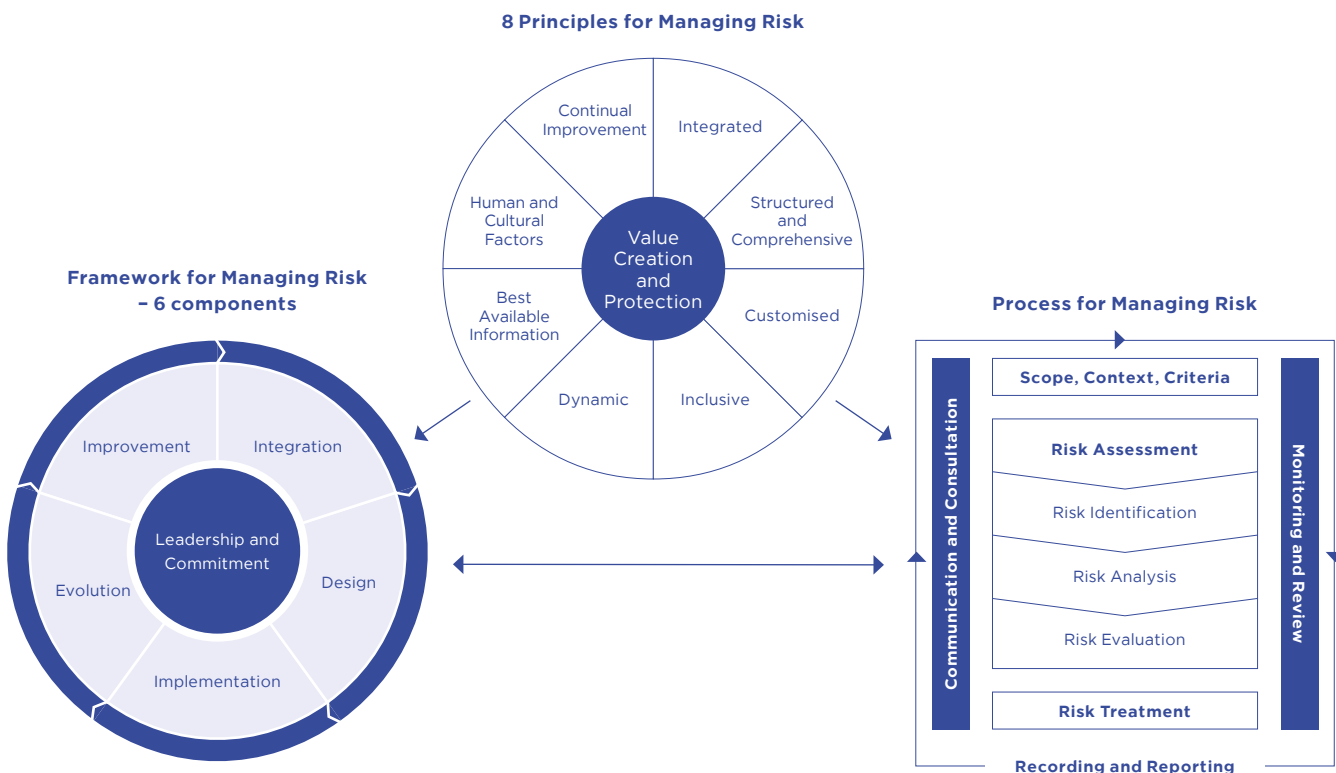
Succession plans and the robustness of the talent pipeline are regularly reviewed by the Board. The talent pipeline includes fresh graduates and middle management levels to ensure a continuous supply of talent.

### 2.0 Risk Assessment

Axiata's risk management process is guided and principally aligned to ISO31000:2018 where risk is managed to ensure the achievement and implementation of strategic objectives. The Group conducts a top-down review of enterprise level risks as part of the annual strategic planning process to ensure that the risk implications of any changes in and implementation of our business strategy are identified, assessed, and documented. This is supplemented by quarterly risk reviews. Investment proposals on the other hand is assessed separately by the due diligence team with feedback provided by GRC and subsequently presented to the Board for an appropriate decision. The outcome of these reviews is the identification of risks which is then assessed in terms of likelihood and magnitude of impact and development of specific action plans.

Statement on Risk Management and Internal Control

Axiata's risk management basis of design is based on the ISO 31000:2018 Risk Management - Guidelines depicted in the diagram below:



The new basis of design provides a common approach to managing any type of risk, applicable to any activity including decision-making at all levels and outlines the principles, framework, and process in managing risk.

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

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

**3.0 Control Activities**

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

**3.1 Policies and Procedures**

**Financial and Operational Policies and Procedures**

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

Internal controls are embedded into these policies to ensure consistent application throughout the Group. This serves as a preventive control mechanism whilst allowing

the Group to promptly identify and respond to any significant control failures.

**Budgeting Process**

A comprehensive annual budgeting process is in place to evaluate the feasibility and viability of the Group's businesses and to ensure that the Group's OpCos business plans are in line with the Group's future strategic plans. Annual budgets are prepared by the OpCos and deliberated with their respective Boards. They are then presented and discussed during the Axiata Board Retreat at year end for Board deliberation and guidance, and if required changes are made. Final approval is sought in the January Board inclusive of any changes post the Axiata Board Retreat.

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

**Whistle-Blower Policy and Procedures**

The Group has a Whistle-blower Policy which enables employees, vendors, and stakeholders to raise matters in an independent, non-reprisal and unbiased manner. As part of this Whistle-blower Policy and Procedures, there is an anonymous ethics and fraud whistle blowing channel managed by an independent 3<sup>rd</sup> party service provider, under the administration of the Group Chief

# Governance & Compliance Information

## Statement on Risk Management and Internal Control

Internal Auditor (GCIA), as a mechanism for internal and external parties to channel their complaints or to provide information in confidence on fraud, corruption, dishonest practices, or other similar matters by employees, vendors, and stakeholders of the Group. The objective of such an arrangement is to encourage the reporting of such matters in good faith, with the confidence that employees or any parties making such reports will be treated fairly, their identity remains anonymous and are protected from reprisal.

- **Insurance and Physical Safeguard**

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

### 3.2 Security (Application and IT Network)

- **Business Continuity Management (BCM)**

The Board is committed to safeguarding our stakeholders' interest by ensuring the ability of business operations to continue during a crisis. The Axiata Group BCM framework provides organisational resilience in the face of a crisis. The programme created is regularly tested to cover any changes that may arise due to technological evolution or organisational changes.

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

- **Information Technology (IT)**

IT modernisation and digital enablement for superior customer experience is identified as one of the Group's key strategies. All OpCos have been focusing in-line with this strategy undertaking various initiatives which include the groundwork for building a cohesive Digital IT Stack, structured Software Development Life Cycle, increased use of secured Application Programme Interfaces (APIs), modernising Business Support Systems (BSS) and Operations Support Systems (OSS) to meet evolving business needs and achieving competitive positioning.

Cyber security is an essential and underlying part of our digital strategy and risk mitigation. In 2018, we established the Group Security Operations Centre (GSOC). By 2020 it covered all the OpCos by providing improved incident monitoring and response capability to expand the capability in a state-of-the-art Cyber Fusion Centre in Kuala Lumpur. In addition, the team focuses on strengthening cyber security resilience through various initiatives, for example, periodic Vulnerability Assessments (VAs), independent maturity assessments, and structured periodic system hardening activities. With business continuity being another critical area, continued focus and investments are being devoted to Cyber crisis simulation exercises, disaster recovery testing for key IT systems.

### 3.3 Regulatory and Compliance

- **Group Regulatory Affairs (GRA)**

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

This approach encompasses:

#### 1. Regulatory Strategy:

- a. Constant monitoring of regulatory developments and identification of regulatory issues for each OpCo based on issues of highest strategic, financial and/or reputational impact;
- b. Periodic review of national OpCo annual regulatory strategies which addresses these issues. This would translate into an advocacy plan engaging regulators and other authorities through formal and informal submissions and where appropriate, joint advocacy with international partners such as GSMA, ITU and other advocacy partners;
- c. Development of Group-wide positions on key issues such as regulations for the digital economy, digital financial services regulations, spectrum policy, taxation, industry sustainability and regulatory fairness, digital competition, and others; and
- d. Appointment of Axiata representatives to champion shareholder interests in specific markets.

#### 2. Stakeholder Engagement:

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

#### 3. Regulatory Compliance Framework:

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



## Statement on Risk Management and Internal Control

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

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

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

It should be noted that the regulatory risks faced by Axiata in most markets are typical of those faced by telecommunications operators in emerging markets, where regulatory frameworks may be incomplete, there may be insufficient consultation with stakeholders, or political influence may materially affect the operations of mobile markets. Many of these markets are also subject to frequent and sustained periods of political instability.

Current regulatory risks which affect Axiata in multiple national communications markets include but not limited to: restrictions to spectrum refarming and reuse, availability of new spectrum and associated acquisition costs, timely renewal of key operating licenses and of current spectrum allocations, discriminatory practices favouring locally-owned competitors, regulatory overreach by policy makers and regulatory authorities, unpredictability of sector-specific taxation policies, quality of service, subscriber registration, and periodic review of legal and regulatory frameworks amongst other risks.

### 4.0 Information and Communications

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

#### 4.1 Corporate Communications and Sustainability

##### General Guidelines and Roles

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

This is conducted through various platforms including:

- a. Producing compliant, open and transparent reports and communication materials based on Bursa Malaysia's Listing Requirements, and where possible, to go beyond minimum requirements
- b. Positioning, sharing of information and messaging with media by way of business interviews, media activities, and news conferences
- c. Effective use of mainstream and digital communication channels to ensure public access and engagement
- d. Leveraging on the company's spokespersons and subject-matter experts to shape the public, investors and stakeholders' view and perception of the organisation in an accurate, comprehensive, and coherent manner

- e. Proactively engaging and sharing company news, information, and update with employees across the Group
- f. Being responsible for the governance and management of materiality impacting environmental, social, and governance issues as aligned with the Group's sustainability framework
- g. Managing crisis from a communications' perspective and across all strategic touchpoints

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

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

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

#### 4.2 Media and Public Relations

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

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

# Governance & Compliance Information

## Statement on Risk Management and Internal Control

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

### 4.3 Crisis Communications

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

### 4.4 Employee Communications

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

### 4.5 Sustainability and Governance

Group Sustainability is responsible for the development, implementation, and management of Environmental, Social and Governance (ESG) related programmes and initiatives, including driving and ensuring alignment of these across the Group, for a consistent and effective adaptation. Group Sustainability will ensure adherence to sustainability related frameworks, guidelines and standards both locally and internationally (including the Bursa Malaysia Sustainability Guide, the United Nations Sustainable Development Goals (UNSDGs), the Global Reporting Initiative (GRI), position and ranking on sustainability indexes (i.e. FTSE4Good ESG index and other sustainability rating frameworks). Group Sustainability will also ensure material issues are updated as and when necessary, including engagement with stakeholders on sustainability related matters for the purposes of informing Group Sustainability Reporting and strategic considerations. In addition to ensure the standardisation and enhancement of data collection process through the implementation of digital data management systems, develop, and promote sustainability related disclosure/communications for internal and external stakeholders, utilising various media platforms.

All OpCos should align and localise the Group Sustainability objectives to their local context and be responsible for the collation of data and alignment of mechanisms and systems needed to support the Group's Sustainability programmes, initiatives and direction. Group Sustainability provides advisory support and capacity building to all OpCos and other stakeholders within the Group on a needs basis to improve their sustainability performance and to promote sustainability-related knowledge development and awareness. OpCos are encouraged to produce their own Sustainability Report in compliance with the most current GRI standard.

## 5.0 Monitoring

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

### 5.1 Performance Reporting

#### • SLT Meetings

The SLT meets monthly and as and when required, to deliberate on business performance, financial and operating risks and issues which include reviewing, resolving, and approving all key business strategic measures and policies. Progress, exceptions, and variations are also fully discussed and appropriate action taken. In 2020, there were 17 SLT meetings held at Group level of which two (2) were offsite meetings. Similar meetings were held regularly at OpCo level.

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

#### • Major Control Issues

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

#### • Business Control Incident (BCI) Reporting

The Group has in place BCI Reporting aimed at capturing and disseminating the lessons learnt from internal control incidents with the objective of preventing similar incidents from occurring in other OpCos within the Group and to enable monitoring of internal control incidents that have caused significant losses. Two (2) such incident reporting was recorded and updated to BAC in 2020.

#### • Headline Performance KPIs

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

## Statement on Risk Management and Internal Control

### 5.2 Ongoing Monitoring

- **Financial and Operational Review**

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

- **Internal Audit (IA)**

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

### APPENDIX 1 - Key Risks Faced by the Group

#### 1. Financial Risk

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

#### 2. Market Risk

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

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

The measures above are taken with the aim of increasing the Group's share of customers wallets, retaining customers and maintaining our profit after tax.

#### 3. Regulatory Risk

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

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

#### 4. Cyber and Data Privacy Risk

At Axiata, the sensitivity of our customer's personal data, records of communication and factors relating to their use of the Internet and digital appliances are our priority. We recognise the importance of having effective and meaningful privacy protection in place when we collect, use, and share personal data. We aim to instil digital trust and confidence in our customers through robust Privacy and Cyber Security policies, frameworks and management. Our vendors and business partners must adhere to a high standard of data protection and compliance controls, the Axiata Supplier Code of Conduct principles and contractual obligations in our agreements.

Cyber security is an essential component of our digital strategy and risk management. At Axiata we have defined a three-year cyber security strategy to improve our processes, technology and people by 2020. This initiative is endorsed and supported by the Axiata Group Board, Board Risk Management Committee, and a group wide Risk and Compliance Management Committee. In addition, each Operating Company in the group is aligned to a common set of key performance indicators and collaborate through regularly scheduled meetings. We have adopted the international NIST Cyber Security Framework and focused on our ability to effectively detect and respond to incidents. Independent assessment of our maturity as a group shows that we have improved from being below the Asia Pacific and the World average benchmarks to exceeding both indices within the last two years. We will continue to focus on initiatives that are relevant for Axiata as a Group while we enable the pursuit of the Axiata 5.0 aspirations.

#### 5. Operational Risk

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

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

The governments within the Group footprint are looking to impose regulations that will require digital companies and OTT players to comply with the local regulatory landscape. While such regulations are meant to create a level playing field between the OTT players and telco operators, as the Group embraces digital business, it will be affected. The digitisation of functions and processes means that areas previously not regulated by reference to cyber laws may now be subject to these additional regulations.

# Governance & Compliance Information

## Statement on Risk Management and Internal Control

### 6. Geo Political Risk

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

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

### 7. Strategic and Investment Risk

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

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

### 8. People Risk

People are one of the key pillars of success for the Group as it underpins our ability to implement the Group's strategy and deliver superior services to our customers. We actively seek out people who are able and motivated to live the Group's values. Nonetheless, hiring the right employee and the loss of key talent remains a challenge, especially in the digital economy. Our Talent Management team is constantly looking for suitable employees, whilst developing our people through robust talent development programmes, attractive

performance-based rewards and providing a safe and healthy work environment. The Group advocates staff empowerment to allow for employees to respond to rapidly changing customer demands and work processes. Employee engagement is also critical for the Group as a failure to motivate and keep employees engaged will reduce overall morale, increase attrition, and ultimately affect our business.

### 9. Technology Risk

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

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

### 10. Governance and Integrity Risk

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

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

# Governance & Compliance Information

## Board Audit Committee Report

### Summary of the Board Audit Committee's Key Activities in 2020

During the Financial Year ended 2020 (FY20), the Board Audit Committee (BAC) discharged its functions and carried out its duties as set out in the Terms of Reference (ToR). Key activities undertaken by the BAC include the following:

#### New Initiatives / Focus Areas in 2020

- The Group-wide ABAC review on governance, policies, procedures and operational practices in relation to organization readiness for compliance with Section 17A of Malaysia Anti-Corruption Commission (MACC) Act 2009 (Revised 2018) was initiated in 2019 and completed in 2020. The outcome of the review has been improvements in governance framework with the setup of Board Risks and Compliance Committee (BRCC), issuance of ABAC and other related policies and procedures throughout the Group
- Continued to work with Management to enhancing whistleblowing 2.0 channel establishment across all OpCos in line with Section 17A of MACC Act 2009 (Revised 2018) Adequate Procedures aimed at transparency and integrity in the business
- Issuance and publication of the enhanced Group Whistleblowing Policy & Procedures
- Reviewed and recommended the updated Board Audit Committee Terms of Reference across the Group to harmonise with the establishment of BRCC
- Reviewed Board Audit Committee membership composition across the Group for continuity in leadership and roles
- Initiated a review across the Group on alignment to "Securities Commission's Guidelines on Conduct of Directors of Listed Corporations and Their Subsidiaries" (issued on 30 July 2020)
- Reviewed Axiata Group corporate governance (CG) disclosure practices across all OpCos
- Reviewed the effectiveness of Internal Audit function in all OpCos in terms of independence, objectivity, resources adequacy and competency to ensure audit assurance continue to be of high quality
- Oversee the completion of Group-wide Basic Analytics Certification Program for internal auditors across the Group in 2020
- Encouraged the use of data analytics-based audit (ABA) amongst the internal audit teams across the Group which provides a more holistic and effective assessment on internal controls compliance. BAC continued to support the application of digital technology in internal audit and investigation domains
- Reviewed the carrying value of assets and the consequent impairment provisions, in particular those assets which relate to the older technology (3G) as OpCos move data and voice traffic to 4G network
- Reviewed 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
- Reviewed Axiata Group's Cost Optimisation and Capex Efficiency projects with the advent of Group "Operational Efficiency" strategic direction
- BAC also provided direction on strategic risks and business resilience, especially in light of the headwinds faced by Axiata and OpCos operations due to the COVID-19 pandemic in 2020

#### Other recurring work include:

- Reviewed and approved the Internal Audit Plan and Budget 2021
- Reviewed the execution of all 2020 Audit Plan across the Group in terms of audit findings and timely closure of major audit issues. A total of 118 internal audit reviews were completed across the Group
- Supported extensive internal audits assignments Group-wide in the area of Procurement, IT user access, Cyber Security, Data Privacy, Enterprise Business, and Business Continuity Management which have contributed to improvements in controls across the Group
- Championed for the right and relevant competency development of auditors specifically on certified internal auditor (CIA), information system auditing, cyber security, and analytics in audit across the Group
- Reviewed and recommended the Statement on Corporate Governance, Statement on Risk Management and Internal Control and BAC Report for inclusion in the Annual Report to the Board for approval

- Reviewed the quarterly financial results and the financial statements for the year ended 2020, prior to recommending to the Board for approval
- Discussed and resolved all Key Accounting Matters which arose during the year
- Reviewed the accounting impact and accounting entries arising from merger and acquisition deals and revised accounting policies when required for better governance and controls
- Reviewed the potential exposure of major investments and divestments made by the Group
- Reviewed compliance by Axiata Group and its Operating Companies with the accounting standards issued by International Financial Reporting Standards (IFRS) and incorporated in Malaysian Financial Reporting Standards (MFRS)
- 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 28<sup>th</sup> AGM of the Company held on 29 July 2020 and the reporting of these transactions in the 2020 Financial Statements
- During the financial year ended 31 December 2020, Axiata has granted a total of 1,874,800 shares under the Performance Based Long Term Incentive Plan (details provided under Notes 14 of the Audited Financial Statements) at the Share Reference Price of RM4.17 for 28 February 2020 and RM3.15 for 15 August 2020 for Restricted Share Plan (RSP) grant respectively. The BAC has reviewed the allocation of the above shares granted to eligible employees (as defined in the Bye-Laws of the Performance Based Long Term Incentive Plan) 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 19 February 2020 and 26 August 2020 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 recommended to the Board, fees payable to the external auditors
- Reviewed and approved the non-audit fees paid to the external auditors
- Reviewed business control incidents including fraud
- Reviewed the WB Dashboard and consequence management
- Reviewed Data Privacy governance, risks management and internal controls implementation
- Continued to assess adequacy and effectiveness of cyber security programmes as cyber security risks continue to evolve and escalate

#### Composition and Meetings

In 2020, the BAC, met seven (7) times on 22 January 2020, 19 February 2020, 24 March 2020, 19 May 2020, 20 July 2020, 26 August 2020 and 20 November 2020. The composition and the attendance record of BAC members are listed below:

Name of Director	Status of Directorship/ Qualifications	No. of Meetings Attended
Thayaparan S Sangarapillai (Chairman of BAC)	Independent Non-Executive Director (appointed 18 March 2020)	5 out of 5
Dr David Dean	Independent Non-Executive Director	7 out of 7
Syed Ali Syed Salem Alsagoff	Non-Independent Non-Executive Director (appointed 1 November 2020)	1 out of 1
David Lau Nai Pek	Senior Independent Non-Executive Director (retired 29 July 2020)	5 out of 5

### Financial Literacy

The BAC is chaired by Thayaparan S Sangarapillai (Thaya) whom is a retired Senior Partner with over 35 years in PwC Malaysia; a Fellow of the Institute of Chartered Accountants in England & Wales, Member of the Malaysian Institute of Certified Public Accountants and Chartered Accountant with the Malaysian Institute of Accountants. Thaya is a highly respected leader, experienced in corporate governance, risk management practices, internal controls and external financial reporting. Thaya brings significant expertise in understanding of complex and technical areas specifically in conducting due diligence for M&As, securities transactions and business reviews in enabling strategic decision making.

Thaya retired in September 2020 as a Board member and Chairman of the Audit Committee, and member of Risk Committee of Alliance Bank Malaysia Berhad. He is also a member of the Board, Chairman of the Audit Committee and Chairman of the Risk Committee of AIG (Malaysia) Berhad as well as Board member, Chairman of the Audit Committee and member of the Risk Committee of Sime Darby Berhad.

Dr David Dean is a former Senior Partner from the Boston Consulting Group, where he served clients in the technology and telecommunication business globally for almost 30 years. Since retiring he works as an independent adviser and non-executive director to technology and telecommunication companies in Europe and Asia.

Syed Ali started his career in audit before joining a local brokerage house to trade equities. He then moved into the marine logistics business, chartering Offshore Service Vessels to major Exploration & Production companies in Malaysia, including Petronas. He was part of Bumi Armada Berhad (BA)'s turnaround team between 2006 and 2009. Syed Ali oversaw Oil and Gas related investments during his time in Ekuiti Nasional Berhad. Syed Ali re-joined BA in 2011, as the President Director of the Indonesian joint venture entity, and successfully pivoted the domestic shipping business into a full-fledged Floating Production Storage and Offloading operator through a landmark contract win. During his stint at Baker Hughes Malaysia, Syed Ali was responsible for managing Petronas global accounts, advocating low carbon technologies for energy transition and digital solutions to enhance cost optimisations via operational efficiencies. Syed Ali is the nominee of Permodalan Nasional Berhad on the Board of Sapura Energy Berhad.

### Group Internal Audit

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

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

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

AGIA adopts a systematic and disciplined approach to evaluate the adequacy and effectiveness of risk management, financial, operational, compliance and governance processes. Structured risk-based and strategic based approaches are applied in identifying internal audit activities that are aligned with the Group's strategic plans to ensure that the risks facing the Group are adequately reviewed. In addition, in keeping up with Axiata's Vision of Next Generation Digital Champion and businesses aggressive march into digitalization, AGIA in 2020 embarked on a Group-wide training programme throughout 2020 for all its auditors to be a certified analytics auditor. Consequently, internal auditors across

OpCos have applied analytics in relevant audits throughout the year for higher quality of audit works in terms of efficiency, effectiveness, completeness, risks focus, accurate and quantifiable audit findings.

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

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

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

Key audits and reviews completed in 2020 were:

- Global Audit on Cyber Security
- Global Audit on User Access Password Management
- Global Audit on Business Continuity Management
- Global Audit on Anti-Bribery and Corruption Compliance Review Phase 2A (High Risks Contracts)
- Global Audit on Enterprise Business
- Global Audit on Procurement Process
- Axiata Treasury Management Audit
- Digital ERP/ Financial System Audit - Microsoft Dynamics ERP Migration
- Axiata Analytics Centre Operations and Value Creation Audit
- Digital Procurement System Audit - COUPA

The total cost incurred by AGIA in 2020, inclusive of all OpCos, was RM17.19 million. There are a total of 78 internal auditors across the Group whilst AGIA at Corporate Centre has eight headcount. All the internal auditors have tertiary qualifications and the level of expertise and professionalism within AGIA at the end of 2020 is as follows:

Expertise Category	Percentage of total auditors
Finance	35%
IT/MIS	24%
Network/Engineering	18%
Marketing	12%
General/Others	12%

Professional Category	Percentage of total auditors
<b>Professional Certification</b>	
• CPA, ACCA, CA, CIMA	31%
• Certified IS Auditor	14%
• Institute of Internal Auditors	20%
• Others	28%
<b>Postgraduate</b>	
MBA and Masters	31%

# Building Digital Trust Through Data Privacy and Cyber Security

Inspiring digital trust is central to the Axiata 5.0 strategy of becoming a Next Generation Digital Champion. Guided by our values of Uncompromising Integrity, Exceptional Performance (UI.EP), we continued to improve our data privacy and cyber security capabilities in 2020. This is vital to our business sustainability; it enables agility, resilience, and the ability to respond swiftly whilst maintaining high-performance levels and ensuring business continuity, which has been particularly important since the onset of the COVID-19 pandemic.

We have developed a proactive privacy progressive culture and have maintained our reputation and integrity through compliance with applicable laws and regulations, policies and international best practices.

Axiata's data privacy goal is to keep customer data safe and secure by incorporating good security and privacy governance in our people, processes and technology. Throughout 2020, we continued to execute data privacy and cyber security initiatives in line with our strategy. Our commitment is grounded in our belief that these principles are essential to good business practice and not merely a hygiene factor that focuses on regulatory compliance.

<b>OUR PRIVACY COMMITMENT</b>	<b>WE ARE GUIDED BY OUR</b>	
Axiata commits to protect and respect the privacy of our customers, employees and other stakeholders.	<b>VISION</b> Our Vision is to ensure data privacy is at the core of everything we do in our aspiration to be the trusted brand in our respective markets.	<b>MISSION</b> Our Mission is to foster a culture of trust and confidence in us through a robust data privacy framework.
<b>AND FOUNDED ON PRINCIPLES OF</b>		
<b>T</b> RANSSPARENT	We are <b>TRANSPARENT</b> about what, why and how we collect and protect <b>YOUR PERSONAL DATA</b> so that <b>YOU</b> can make informed decisions.	
<b>R</b> IGHTS	We respect <b>YOUR RIGHTS</b> as individuals, so <b>YOU</b> are in control of <b>YOUR PERSONAL DATA</b> .	
<b>U</b> SE	We <b>USE YOUR PERSONAL DATA</b> for specific and stated purposes, and keep it for only as long as required.	
<b>S</b> ECURITY	We have established robust <b>CYBER SECURITY PRACTICES</b> in line with leading industry standards to protect <b>YOUR PERSONAL DATA</b> that <b>YOU</b> have shared with us.	
<b>T</b> RANSFER	With <b>YOUR CONSENT</b> or in accordance with <b>APPLICABLE LAWS</b> we may <b>TRANSFER YOUR PERSONAL DATA</b> and will take appropriate steps to ensure it is adequately protected.	

**Successful Conclusion of Digital Trust 2020**

At the end of 2020, we concluded our Digital Trust 2020 (DT2020) strategy, which commenced in 2018. Our focused execution of DT2020 has significantly improved the Group's security and data protection maturity. We have strengthened our technical controls, improved process maturity and enhanced our risk-conscious culture by implementing mandatory training and awareness programme for employees and vendors. We strengthened operational resilience by implementing our Policies and Minimum Baseline Security Standards (MBSS) across our Operating Companies (OpCos).

The top five security initiatives rolled out under DT2020 are as follows:

- Defined and implemented the Group Information Security Operating Model;
- Recruited, retained and developed security teams aligned with our strategic requirements;
- Established strong security collaborations both internally and externally with a broader ecosystem;
- Defined the high-value assets (Crown Jewels) and provided differentiated protection, prioritised Detection and Response capabilities; and
- Defined and implemented Group-wide risk assessment capability.

## Building Digital Trust Through Data Privacy and Cyber Security

### KEY OUTCOMES IN 2020

We have successfully maintained a risk-neutral state with improved detection and response to the elevated phishing and Malware attacks noted in 2020. Against the backdrop of COVID-19, we have successfully executed our goals and safeguarded our networks.

We adopted collective-brain initiatives where collaboration, information sharing, and shared resources are employed to deliver common initiatives. Also, leading technologies were adopted to maintain agility in our risk measurement approach. We have increased the adoption of automation and data-driven analytics in our activities. By replacing our Cyber Defence portal with an automated threat assessment platform and integrated remediation workflows, we have improved our response time, reduced cost, maintained consistency and repeatability of common activities.

We continue to participate in industry forums and actively built partnerships with leading private and government institutions to ensure we all remain cyber resilient. Additionally, we maintained engagements with national regulatory bodies and Computer Emergency Response Team (CERT) agencies to continuously improve incident response and threat intelligence.

The following outcomes formed the key highlights of Axiata's data privacy and cyber security programmes:

#### Achieved NIST Maturity Above the World Average

- Axiata has achieved by the end of 2020, a Cyber Security Maturity rating of 3.5 on a 5 point scale across all OpCos on the NIST Cyber Security Framework, which exceeds the world average of 3.2; and
- Improved the scope and depth of MBSS to version 2.0, which features 91 standards and includes automation to achieve scale and consistency in hardening our assets from failure and cyber-attacks.

#### GSOC - Ensured Cyber Resilience Throughout the Pandemic

- Established a state-of-the-art Group Security Operation Center (GSOC) centre and provided 24/7 security services across Axiata without any interruption during the lockdown period;
- GSOC Offensive Security team was ranked within the Top Five in the Global Leader Boards and achieved first position in the Asia Pacific region at the LogWars, Capture The Flag (CTF) competition held during the RhythmWorld Security Conference 2020;
- Won second place at the Red Team Village, CTF organised as part of the Hack In The Box (HITB) Security Conference 2020;
- A GSOC Offensive Security team member was recognised by the global security community and nominated as a "maintainer" of the penetration testing distribution called BlackArch;
- GSOC received industry recognition from Acquisition International monthly magazine, which identified it as "Leading Specialist in Cyber Threat Management South Asia"; and
- The GSOC was accredited by the Forum of Incident Response and Security Teams (FIRST) - a recognised global leader in Incident Response. Axiata is the only telecommunications company to achieve this accreditation in the countries in which we operate in.

#### Robust Data Privacy and Cyber Security Governance

- Established the Board Risk and Compliance Committee (BRCC) and the Risk and Compliance Management Committee (RCMC) across all the OpCos. These governance forums will enhance monitoring, reporting and oversight of the four domains - Enterprise Risk Management, Compliance, Data Privacy and Cyber Security. The RCMC subsumed all the responsibilities of the earlier Cyber Security and Privacy Committee;
- Appointed a Group Chief Risk and Compliance Officer (GRCO) at the Group and the Operating Companies. The GRCO is responsible for the Corporate Compliance Programme;
- Established a dedicated compliance function and developed a new Compliance Framework that has adopted the Capability Maturity Model Integration (CMMI) process;
- Appointed a Data Privacy Officer (DPO) in each of our OpCos, tasked with uplifting data protection capabilities within their respective OpCo;
- Instituted stricter data protection and cyber security contractual clauses in our legal agreements to improve supply chain compliance and reduce risk; and

- Published our Privacy Policy, updated Privacy Notices and Cyber Security Advisory on the corporate website as part of our commitment to transparency and accountability.

#### Fostered a Strong Cyber and Privacy Awareness Culture

- A Group-wide training platform deployed with a repository of curated material for privacy and cyber security aligned with our internal policies, standards and current best practices;
- As of the end of 2020, the coverage and completion of training modules across the Group stands at more than 90%;
- Conducted privacy and security awareness campaigns for our employees, including disseminating quarterly internal newsletters, monthly electronic direct mailers, quizzes, online games, contests and other awareness activities;
- Upskilled our DPOs through a continuous effort of participating in the International Association of Privacy Professionals Certified Information Privacy Manager (CIPM) certification. We plan to continue with our efforts to upskill our DPOs in 2021;
- Reinforced our Suppliers Code of Conduct with cyber security and data privacy requirements to ensure that our vendors demonstrated the same high levels of commitment; and
- Ensured that the privacy and data protection risks are identified and mitigated at the OpCo level by DPO's through continuous Privacy Assessments.

#### Mitigated Against COVID-19 Related Digital Risks

- Conducted a Group-wide Work-From-Home (WFH) assessment to ensure resiliency and business continuity;
- Completed Group-wide crisis simulation exercises to build a robust incident response capability. These exercises have provided good insights into our readiness and areas of improvement;
- Created strong awareness amongst employees to only access secure home Wi-Fi and to exercise caution when using public Wi-Fi;
- Developed and Implemented Virtual Meeting Guidelines to ensure the meetings are conducted securely; and
- Updated our corporate website with information for our customers and subscribers on current threats and malicious trends.

#### 2021 OUTLOOK AND BEYOND

Axiata's Cyber Security Strategy for the next three years - "Digital Trust and Resilience (DT&R2023)" - will adopt a risk-based approach to cyber security. We will establish working groups comprising OpCos, Strategic Business Units and leading global partners which will collaborate to address the four key themes namely:

- Implementing differentiated protection for Crown Jewels assets;
- Adopting a risk-based approach in managing cyber security;
- Implementing shared services capabilities driving value optimisation and cost efficiencies; and
- Architecting our network for resilience and zero trust model.

For Privacy, we have completed Phase One and will be implementing Phase Two of the Privacy Programme. This phase will focus on implementing automated privacy solutions to improve our business operations, maintain the strictest vigilance, enhance our monitoring activities, and strengthen oversight of vendors' data-handling process activities.

In line with our commitment to continuously upskill and have a privacy progressive organisation, we will enhance our employees' and vendors' knowledge, skills and execution ability by improving our privacy training and awareness programmes with new and targeted content that considers current and emerging risks.

As we continue our journey to inspire digital confidence and trust, we will further enhance our data governance, upskill the cyber and privacy community and remain compliant with relevant legal and regulatory requirements.

The DT&R2023 strategy was approved by the Group BRCC on 23 November 2020 and by the Board of Directors on 26 November 2020.



# Governance & Compliance Information

## Additional Compliance Information

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

The amount of non-audit fees incurred for the services rendered to Axiata and the Group by its external auditors, PricewaterhouseCoopers PLT and its affiliated firms for the FY20 are RM3.3 million and RM11.6 million respectively.

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

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

There were no material contracts of Axiata and/or its subsidiaries, involving the interest of the directors, chief executive who is not a director and major shareholders either subsisting as at 31 December 2020 or entered into since the end of FY19 except the material contracts between Axiata and its major shareholder subsisting as at 31 December 2020 as follows:

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

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

- The proceeds from the USD350 million and RM667 million raised from the Syndicated Multi-Currency Shariah-compliant sustainability-linked financing facilities were utilised for the refinancing, working capital and general corporate purposes.
- The proceeds from the USD500 million raised from the Sukuk issuance by Axiata SPV2 Berhad were utilised for refinancing.
- The proceeds from the USD1 billion raised from the Euro Medium Term Note issuance by Axiata SPV5 (Labuan) Limited were utilised for refinancing, working capital and general corporate purposes.

### 4. **AXIATA GROUP PERFORMANCE-BASED LONG-TERM INCENTIVE PLAN (AXIATA GROUP PBLTIP)** [Disclosed in accordance with Appendix 9C, Part A item 27, Main LR]

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

Information on the Axiata Group PBLTIP as set out in Note 14(b) of the Audited Financial Statements for FY20.

Axiata PBLTIP shares granted, adjusted, vested, lapsed and outstanding since the implementation of the plan until FY20 are as follows:

- Total number of Axiata PBLTIP shares granted: 11,946,600
- Total number of Axiata PBLTIP shares adjusted: 3,192,910
- Total number of Axiata PBLTIP shares vested: 6,003,100
- Total number of Axiata PBLTIP shares lapsed: 1,547,250
- Total number of Axiata PBLTIP shares outstanding: 7,589,160

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

As provided below, with the exception of Tan Sri Jamaludin Ibrahim and Dato' Izzaddin Idris, none of the Directors of Axiata have been granted Axiata PBLTIP shares.

	Granted	Adjusted	Vested	Lapsed	Outstanding
Tan Sri Jamaludin Ibrahim	1,825,600	963,350 <sup>3</sup>	(1,298,400)	(335,050)	1,155,500 <sup>1</sup>
Dato' Izzaddin Idris	149,900	-	-	-	149,900 <sup>2</sup>

#### Notes:

<sup>1</sup> The number of Axiata PBLTIP shares that may vest is 1,155,500 provided that the performance targets for vesting are met. Otherwise, the number of shares that may vest could be a portion of the full amount or nil. However, if the super stretched individual performance targets and the Group's superior company performance targets at the point of vesting are met, up to 6,933,000 ordinary shares of the Company may be vested. The vesting amount will be pro-rated accordingly up to the service period until 31 December 2020, to be determined by the Board based on the guideline per Axiata PBLTIP bye-laws.

<sup>2</sup> The number of Axiata PBLTIP shares that may vest is 149,900 provided that the performance targets for vesting are met. Otherwise, the numbers of shares that may vest could be a portion of the full amount or nil. However, if the super stretched individual performance targets and the Group's superior company performance targets at the point of vesting are met, up to 299,800 ordinary shares of the Company may be vested.

<sup>3</sup> Being additional number of shares vested due to multiplier effect from achieving performance targets.

## Additional Compliance Information

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

At the last AGM held on 29 July 2020, Axiata obtained a general mandate from its shareholders for the Group to enter into RRPT with related parties as set out in the Circular to Shareholders dated 30 June 2020 (RRPT Mandate). This RRPT Mandate is valid until the conclusion of Axiata's forthcoming 29<sup>th</sup> AGM.

Axiata proposes to seek a new RRPT Mandate at its forthcoming 29<sup>th</sup> AGM (Proposed Shareholders' Mandate). The Proposed Shareholders' Mandate, details will be provided in the Circular to Shareholders to be sent together with the Notice of Annual General Meeting, if approved by the shareholders, would be valid until the conclusion of Axiata's 30<sup>th</sup> AGM.

Pursuant to paragraph 10.09 (2) (b) and paragraph 3.1.5 of Practice Note 12 of the Main LR, details of RRPT entered into during FY20 under the RRPT Mandate are as follows:

Transacting Companies	Transacting Related Parties	Interested Major Shareholder/Director	Nature of Transaction	Value of Transaction RM'000
Axiata Group Berhad and/or its subsidiaries ("Axiata Group")	Telekom Malaysia Berhad and/or its subsidiaries ("TM Group")	- Khazanah - Ong King How	<b>REVENUE</b>	
			<b>Telecommunication and related services</b>	
			- Interconnect payment from TM Group	4,356
			- Leased-line payment from TM Group	-
			- Voice Over Internet Protocol related services revenue from TM Group	5
			- Dark fibre and leased line from Celcom Axiata Berhad and/or its subsidiaries ("Celcom Group") to Fibrecomm Network (M) Sdn Bhd	1,813
			- Leased-line from Celcom Group to Fiberail Sdn Bhd	(435)
			- Transmission revenue on the services by Axiata Group to TM Group	1,860
			- Infrastructure leasing and related services including managed services receivable from TM Group to Axiata Group	27,849
			- Domestic roaming revenue and Provision of 4G Multi-Operator Core Network ("MOCN") by Celcom Group to TM Group	29,466
			<b>COSTS</b>	
			<b>Telecommunication and related services</b>	
			- Interconnect cost to TM Group	6,094
			- Voice Over Internet Protocol related services by TM Group to Axiata Group	6
			- Leased-line related costs to TM Group	155
			- Provision of data and bandwidth related services by TM Group to Axiata Group	23,964
			- Provision of contact centre and business process outsourcing services by VADS Berhad to Axiata Group	10,326
			- Leasing of fibre optic core and provision of bandwidth services from Fiberail Sdn Bhd to Celcom Group	-
			- Purchase of dark fibre, bandwidth, space and facility from Fibrecomm Network (M) Sdn Bhd by Axiata Group	16
			<b>Non-telecommunications Services</b>	
			- Site rental payable for telecommunication infrastructure, equipment and related charges by Axiata Group to TM Group	34,607
			<b>TOTAL</b>	<b>140,082</b>

## Additional Compliance Information

Transacting Companies	Transacting Related Parties	Interested Major Shareholder/Director	Nature of Transaction	Value of Transaction RM'000
Axiata Group Berhad and/or its subsidiaries ("Axiata Group")	edotco Group Sdn Bhd and/or its subsidiaries ("edotco Group")	- Axiata Group	<b>Revenue to Axiata Group/Cost to edotco Group<sup>(1)</sup></b>	
		- Khazanah	- Corrective maintenance and other service charges payment from edotco Group	2,505
		- Ong King How	- Technical and management services fees and other services charges by Axiata Group to edotco Group	6,404
		- edotco Group		
		- Khazanah through its wholly-owned subsidiary, Mount Bintang Sdn Bhd	<b>Cost to Axiata Group/Revenue to edotco Group<sup>(1)</sup></b>	
			- Infrastructure leasing and related services including managed services by edotco Group to Axiata Group	411,159
			- Technical and operations support services fees and other services charges by edotco Group to Axiata Group	-
			- Field Line Maintenance services by edotco Group to Axiata Group	50,735
<b>TOTAL</b>				<b>470,803</b>

**Note:**

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

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

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

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

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

As at 15 April 2021, 13 Outdoor Structures remained to be legalised. Applications for legalisation of 4 Outdoor Structures were submitted of which 3 were rejected by local authorities. Applications for legalisation of 9 Outdoor Structures are currently being prepared for submission and/or re-submission to local authorities. The remaining 7 Outdoor Structures which are unlikely to be legalised are in the midst of being relocated to new sites and/or dismantled.



# AUDITED FINANCIAL STATEMENTS

# Governance & Compliance Information

## Directors' Responsibility Statement

The Directors are required by the Companies Act 2016 to prepare financial statements for each financial year which have been made out in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 so as to give a true and fair view of the financial position of the Group and of the Company as of 31 December 2020 and of their financial performance and cash flows for the financial year then ended.

In preparing the financial statements, the Directors have:

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

The Directors are responsible to ensure that the Group and the Company keep accounting records which disclose with reasonable accuracy the financial position of the Group and the Company.

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

# Audited Financial Statements

## Directors' Report

Governance & Audited Financial Statements 2020

The Directors hereby submit their report together with the audited financial statements of the Group and the Company for the financial year ended 31 December 2020.

### PRINCIPAL ACTIVITIES

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

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

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

### FINANCIAL RESULTS

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

	Group RM'000	Company RM'000
Profit for the financial year attributable to:		
- owners of the Company	365,155	139,503
- non-controlling interests	258,890	-
	624,045	139,503

In the opinion of the Directors, the results of the operations of the Group and the Company during the financial year were not substantially affected by any item, transaction or event of a material and unusual nature other than as disclosed in the financial statements.

### SHARE CAPITAL

During the financial year, the paid-up capital of the Company increased from 9,163.6 million ordinary shares to 9,169.5 million ordinary shares. The increase in paid-up capital of the Company was in line with the vesting of shares granted under Axiata Group Performance Based Long Term Incentive Plan ("Axiata PBLTIP") by the employees of the Company and its subsidiaries as disclosed in Note 14(b) to the financial statements.

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

### DIVIDENDS

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

		Tax exempt dividend under single tier system	
		Per ordinary share Sen	Total RM'000
<b>In respect of financial year ended 31 December:</b>			
- 2019	Final	4.0	366,758
- 2019	Special	0.5	45,845
- 2020	Interim	2.0	183,390
		6.5	595,993

The Board of Directors had, on 25 February 2021, declared a tax-exempt dividend under single tier system of 5.0 sen per ordinary share of the Company in respect of the financial year ended 31 December 2020.

### RESERVES AND PROVISIONS

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

### AXIATA GROUP PERFORMANCE BASED LONG TERM INCENTIVE PLAN

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

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

# Audited Financial Statements

## Directors' Report

Governance & Audited Financial Statements 2020

### DIRECTORS

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

Tan Sri Ghazzali Sheikh Abdul Khalid	
Dato' Mohd Izzaddin Idris*	
Dato Dr Nik Ramlah Nik Mahmood	
Dr David Robert Dean	
Khoo Gaik Bee	
Thayaparan S Sangarapillai	Appointed on 18 March 2020
Ong King How**	Appointed on 28 August 2020
Tan Sri Dr. Halim Shafie	Appointed on 1 November 2020
Syed Ali Syed Salem Alsagoff	Appointed on 1 November 2020
Dr Lisa Lim Poh Lin	Resigned on 26 February 2020
David Lau Nai Pek	Retired on 29 July 2020
Tengku Dato' Sri Azmil Zahrudin Raja Abdul Aziz	Resigned on 27 August 2020
Tan Sri Jamaludin Ibrahim	Retired on 31 December 2020

\* Dato' Mohd Izzaddin Idris was re-designated from Independent Non-Executive Director to Executive Director/Deputy Group Chief Executive Officer on 24 January 2020 and appointed as Managing Director/President & Group Chief Executive Officer on 1 January 2021.

\*\* Ong King How ceased to be Alternate Director to Tengku Dato' Sri Azmil Zahrudin Raja Abdul Aziz on 27 August 2020 and was appointed as Director on 28 August 2020.

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

In accordance with Clause 104 of the Constitution of the Company ("Constitution"), Khoo Gaik Bee and Thayaparan S Sangarapillai retire from the Board of Directors at the Twenty-ninth ("29<sup>th</sup>") AGM and being eligible, offer themselves for re-election.

In accordance with Clause 110(ii) of the Constitution, Ong King How, Tan Sri Dr. Halim Shafie and Tuan Syed Ali Syed Salem Alsagoff retire from the Board of Directors at the 29<sup>th</sup> AGM and being eligible, offer themselves for election.

### DIRECTORS' INTERESTS

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

	Number of ordinary shares of the Company			
	As at 1.1.2020	Addition	Transferred <sup>4</sup>	As at 31.12.2020
<b>Indirect interest</b>				
Tan Sri Jamaludin Ibrahim	40,940 <sup>1</sup>	-	(40,940)	-
Tan Sri Jamaludin Ibrahim	4,849,775	1,298,400 <sup>3</sup>	40,940	6,189,115 <sup>2</sup>
Tan Sri Dr Halim Shafie	10,000	-	-	10,000 <sup>5</sup>

<sup>1</sup> Shares held under CIMSEC Nominees (Tempatan) Sdn Bhd.

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

<sup>3</sup> Allotment of shares pursuant to vesting of shares granted under Axiata PBLTIP.

<sup>4</sup> Transfer of shares from CIMSEC Nominees (Tempatan) Sdn Bhd to CIMSEC Nominees (Tempatan) Sdn Bhd for CIMB Commerce Trustee Berhad.

<sup>5</sup> Shares held through spouse.

	Number of shares granted under Axiata PBLTIP					As at 31.12.2020
	As at 1.1.2020	Granted	Adjusted	Vested	Lapsed	
<b>Axiata PBLTIP</b>						
Tan Sri Jamaludin Ibrahim	1,641,700	183,900	963,350 <sup>8</sup>	(1,298,400) <sup>3</sup>	(335,050)	1,155,500 <sup>6</sup>
Dato' Mohd Izzaddin Idris	-	149,900	-	-	-	149,900 <sup>7</sup>

<sup>6</sup> The number of Axiata PBLTIP shares that may vest is 1,155,500 provided that the performance targets for vesting are met. Otherwise, the number of shares that may vest could be a portion of the full amount or nil. However, if the super stretched individual performance targets and the Group's superior company performance targets at the point of vesting are met, up to 6,933,000 ordinary shares of the Company may be vested. The vesting amount will be pro-rated accordingly up to the service period until 31 December 2020, to be determined by the Board of Directors based on the guideline per Axiata PBLTIP bye-laws.

<sup>7</sup> The number of Axiata PBLTIP shares that may vest is 149,900 provided that the performance targets for vesting are met. Otherwise, the number of shares that may vest could be a portion of the full amount or nil. However, if the super stretched individual performance targets and the Group's superior company performance targets at the point of vesting are met, up to 299,800 ordinary shares of the Company may be vested.

<sup>8</sup> Being additional number of shares vested due to multiplier effect from achieving performance targets.

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

### DIRECTORS' BENEFITS

Since the end of the previous financial year, no Director has received or become entitled to receive a benefit (except for the Directors' fees, remuneration and other emoluments as disclosed in Note 7(e) to the financial statements) by reason of a contract made by the Company or by a related corporation with the Director or with a firm of which the Director is a member, or with a company in which the Director has a substantial financial interest.

Neither during nor at the end of the financial year was the Company or any of its subsidiaries a party to any arrangements whose object was to enable the Directors to acquire benefits by means of the acquisition of shares in, or debentures of the Company or any other body corporate other than the Axiata PBLTIP of the Company, details as disclosed in Note 14(b) to the financial statements.

### DIRECTORS' REMUNERATION

The Directors' remuneration of the Company for the financial year ended 31 December 2020 is disclosed in Note 7(e) to the financial statements.

### OTHER STATUTORY INFORMATION

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

- to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of provision for doubtful debts and have satisfied themselves that all known bad debts had been written off and that adequate provision had been made for doubtful debts; and
- to ensure that any current assets which were unlikely to be realised in the ordinary course of business including values of current assets as shown in the accounting records of the Group and of the Company had been written down to an amount which the current assets might be expected so to realise.

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

- which would render the amounts written off for bad debts or the amount of the provision for doubtful debts in the financial statements of the Group and the Company inadequate to any substantial extent; or
- which would render the values attributed to current assets in the financial statements of the Group and the Company misleading; or
- which have arisen which render adherence to the existing method of valuation of assets or liabilities of the Group and the Company misleading or inappropriate.



# Audited Financial Statements

## Directors' Report

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

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

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

At the date of this report, the Directors are not aware of any circumstances not otherwise dealt with in this report or the financial statements of the Group and the Company, which would render any amount stated in the financial statements misleading.

In the opinion of the Directors:

- (a) the results of the Group's and the Company's operations during the financial year were not substantially affected by any item, transaction or event of a material and unusual nature other than as disclosed in the financial statements; and
- (b) except as disclosed in Note 51 to the financial statements, there has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely to affect substantially the results of the operations of the Group and the Company for the financial year in which this report is made.

### AUDITORS REMUNERATION

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

### INDEMNITY AND INSURANCE FOR DIRECTORS AND OFFICERS

The Company maintains a group liability insurance for the Directors and officers of the Group throughout the financial year. The Group's liability insurance provides appropriate insurance cover for the Directors and officers of the Group. The insurance premium paid by the Company in respect of the Group corporate liability insurance for the financial year amounted to RM230,000 (2019: RM230,000).

### AUDITORS

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

This report was approved by the Board of Directors on 25 March 2021. Signed on behalf of the Board of Directors:



**TAN SRI GHAZZALI SHEIKH ABDUL KHALID**  
DIRECTOR



**DATO' MOHD IZZADDIN IDRIS**  
DIRECTOR

Kuala Lumpur

**Statements of Comprehensive Income** For the financial year ended 31 December 2020

	Note	Group		Company	
		2020 RM'000	2019 RM'000 Restated	2020 RM'000	2019 RM'000
Revenue	6	<b>24,203,171</b>	24,583,312	<b>1,691,092</b>	1,078,071
Operating costs:					
- depreciation, impairment and amortisation	7(a)	<b>(8,484,994)</b>	(7,084,236)	<b>(1,444,762)</b>	(1,414,830)
- foreign exchange (losses)/gains		<b>(196,083)</b>	5,421	<b>93,312</b>	55,987
- domestic interconnect, international outpayment and other direct costs		<b>(1,822,171)</b>	(1,980,257)	-	-
- marketing, advertising and promotion		<b>(1,892,272)</b>	(2,001,470)	<b>(11,618)</b>	(16,982)
- other operating costs	7(b)	<b>(7,305,590)</b>	(7,406,798)	<b>(99,892)</b>	(186,082)
- staff costs	7(d)	<b>(2,227,532)</b>	(2,220,200)	<b>(143,367)</b>	(131,919)
- net impairment on receivables and amounts due from subsidiaries	34, 35	<b>(298,731)</b>	(355,437)	<b>(12,283)</b>	-
Other gains/(losses) - net	8	<b>2,693</b>	(22,601)	-	-
Other income - net	9	<b>516,393</b>	714,392	<b>5,558</b>	344,547
Profit/(loss) before finance cost		<b>2,494,884</b>	4,232,126	<b>78,040</b>	(271,208)
Finance income	10	<b>177,183</b>	230,468	<b>31,016</b>	13,703
Finance cost excluding net foreign exchange gains on financing activities	10	<b>(1,693,067)</b>	(1,738,473)	<b>(51,568)</b>	(46,800)
Net foreign exchange gains on financing activities		<b>173,395</b>	59,085	<b>82,015</b>	12,275
		<b>(1,519,672)</b>	(1,679,388)	<b>30,447</b>	(34,525)
Associates					
- share of results (net of tax)	30	<b>17,862</b>	(647)	-	-
Joint ventures					
- share of results (net of tax)	31	<b>860</b>	(2,819)	-	-
Profit/(Loss) before taxation		<b>1,171,117</b>	2,779,740	<b>139,503</b>	(292,030)
Taxation and zakat	11	<b>(547,072)</b>	(964,644)	-	(3,251)
Profit/(Loss) for the financial year		<b>624,045</b>	1,815,096	<b>139,503</b>	(295,281)

## Statements of Comprehensive Income

For the financial year ended 31 December 2020

	Note	Group		Company	
		2020 RM'000	2019 RM'000 Restated	2020 RM'000	2019 RM'000
Other comprehensive (expense)/income (net of tax):					
Items that will not be reclassified to profit or loss:					
- actuarial (losses)/gains on defined benefit plans, net of tax		<b>(34,909)</b>	3,570	-	-
- fair value through other comprehensive income		<b>(117,815)</b>	(1,598,067)	-	-
Items that may be reclassified subsequently to profit or loss:					
- currency translation differences		<b>(573,023)</b>	(271,745)	-	-
- net cash flow hedge		<b>28,640</b>	61,158	-	-
- net cost of hedging		<b>7,025</b>	(6,632)	-	-
Other comprehensive expense for the financial year, net of tax		<b>(690,082)</b>	(1,811,716)	-	-
Total comprehensive (expense)/income for the financial year		<b>(66,037)</b>	3,380	<b>139,503</b>	(295,281)
Profit/(Loss) for the financial year attributable to:					
- owners of the Company		<b>365,155</b>	1,457,550	<b>139,503</b>	(295,281)
- non-controlling interests		<b>258,890</b>	357,546	-	-
		<b>624,045</b>	1,815,096	<b>139,503</b>	(295,281)
Total comprehensive (expense)/income for the financial year attributable to:					
- owners of the Company		<b>(184,693)</b>	(325,276)	<b>139,503</b>	(295,281)
- non-controlling interests		<b>118,656</b>	328,656	-	-
		<b>(66,037)</b>	3,380	<b>139,503</b>	(295,281)
Earnings per share (sen)					
- basic	12(a)	<b>4.0</b>	16.0	-	-
- diluted	12(b)	<b>4.0</b>	16.0	-	-

The above Statements of Comprehensive Income are to be read in conjunction with the notes to the financial statements on pages 56 to 175.

## Statements of Financial Position As at 31 December 2020

	Note	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
<b>CAPITAL AND RESERVES ATTRIBUTABLE TO OWNERS OF THE COMPANY</b>					
Share capital	13	<b>13,883,028</b>	13,857,268	<b>13,883,028</b>	13,857,268
Reserves	15	<b>3,758,114</b>	2,323,525	<b>951,228</b>	1,407,443
Total equity attributable to owners of the Company		<b>17,641,142</b>	16,180,793	<b>14,834,256</b>	15,264,711
Non-controlling interests		<b>6,238,288</b>	6,039,230	-	-
Total equity		<b>23,879,430</b>	22,220,023	<b>14,834,256</b>	15,264,711
<b>NON-CURRENT LIABILITIES</b>					
Borrowings	16	<b>14,773,895</b>	9,194,490	<b>829,850</b>	-
Derivative financial instruments	18	<b>121,784</b>	110,818	-	-
Deferred income	19	<b>445,237</b>	383,337	<b>17,265</b>	-
Deferred gain on sale and leaseback assets	20	<b>422,817</b>	559,351	-	-
Trade and other payables	21	<b>1,303,042</b>	607,967	-	9,414
Provision for asset retirement	22	<b>640,507</b>	517,288	<b>804</b>	779
Deferred taxation	23	<b>1,086,780</b>	1,205,422	-	-
Lease liabilities	24	<b>7,894,276</b>	7,397,617	<b>10,730</b>	14,571
Total non-current liabilities		<b>26,688,338</b>	19,976,290	<b>858,649</b>	24,764
		<b>50,567,768</b>	42,196,313	<b>15,692,905</b>	15,289,475
<b>NON-CURRENT ASSETS</b>					
Intangible assets	25	<b>20,634,399</b>	20,724,361	-	-
Contract cost assets	26	<b>179,801</b>	182,908	-	-
Property, plant and equipment	27	<b>24,495,647</b>	25,633,223	<b>18,062</b>	17,398
Right-of-use assets	28	<b>8,518,895</b>	8,937,706	<b>14,366</b>	18,471
Subsidiaries	29	-	-	<b>20,112,079</b>	20,801,350
Associates	30	<b>274,635</b>	207,357	-	-
Joint ventures	31	<b>33,737</b>	21,709	-	-
Financial assets at fair value through other comprehensive income	32	<b>220,978</b>	301,347	-	-
Financial assets at fair value through profit or loss		<b>4,467</b>	3,459	-	-
Derivative financial instruments	18	<b>8,343</b>	15,256	-	-
Trade and other receivables	35	<b>1,315,895</b>	656,639	<b>2,000</b>	2,000
Amounts due from subsidiaries	34	-	-	<b>2,717,756</b>	77,266
Deferred taxation	23	<b>310,324</b>	324,187	-	-
Total non-current assets		<b>55,997,121</b>	57,008,152	<b>22,864,263</b>	20,916,485

## Statements of Financial Position As at 31 December 2020

	Note	Group		Company	
		2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
<b>CURRENT ASSETS</b>					
Inventories	33	<b>141,663</b>	154,328	-	-
Amounts due from subsidiaries	34	-	-	<b>443,233</b>	175,870
Trade and other receivables	35	<b>4,362,395</b>	4,721,973	<b>4,583</b>	9,780
Derivative financial instruments	18	-	9,247	-	-
Financial assets at fair value through profit or loss	36	<b>138,113</b>	60,417	-	-
Tax recoverable		<b>97,610</b>	70,944	-	-
Deposits, cash and bank balances	37	<b>7,194,254</b>	4,231,099	<b>1,231,872</b>	199,240
		<b>11,934,035</b>	9,248,008	<b>1,679,688</b>	384,890
Assets classified as held-for-sale	39	<b>30,593</b>	277,643	-	-
<b>Total current assets</b>		<b>11,964,628</b>	9,525,651	<b>1,679,688</b>	384,890
<b>LESS: CURRENT LIABILITIES</b>					
Trade and other payables	21	<b>12,001,948</b>	12,178,262	<b>102,930</b>	110,954
Deferred income	19	<b>3,820</b>	-	-	-
Deferred gain on sale and leaseback assets	20	<b>121,365</b>	124,748	-	-
Borrowings	16	<b>2,971,544</b>	7,631,753	<b>431,750</b>	206,284
Lease liabilities	24	<b>1,734,320</b>	1,442,700	<b>3,841</b>	3,519
Derivative financial instruments	18	<b>10,881</b>	2,041,199	-	-
Amounts due to subsidiaries	34	-	-	<b>8,312,525</b>	5,691,143
Current tax liabilities		<b>532,947</b>	899,811	-	-
		<b>17,376,825</b>	24,318,473	<b>8,851,046</b>	6,011,900
Liabilities classified as held-for-sale	39	<b>17,156</b>	19,017	-	-
<b>Total current liabilities</b>		<b>17,393,981</b>	24,337,490	<b>8,851,046</b>	6,011,900
<b>Net current liabilities</b>		<b>(5,429,353)</b>	(14,811,839)	<b>(7,171,358)</b>	(5,627,010)
		<b>50,567,768</b>	42,196,313	<b>15,692,905</b>	15,289,475

The above Statements of Financial Position are to be read in conjunction with the notes to the financial statements on pages 56 to 175.

Consolidated Statement of Changes in Equity For the financial year ended 31 December 2020

	Note	Share capital RM'000	Currency translation differences RM'000	Reserves RM'000	Retained earnings RM'000	Total RM'000	NCI RM'000	Total equity RM'000
At 1 January 2020		13,857,268	(561,180)	(3,762,267)	6,646,972	16,180,793	6,039,230	22,220,023
Profit for the financial year		-	-	-	365,155	365,155	258,890	624,045
Other comprehensive (expense)/income:								
- Currency translation differences of subsidiaries	18(C)	-	(443,878)	-	-	(443,878)	(129,145)	(573,023)
- Net cash flow hedge	18(C)	-	-	28,640	-	28,640	-	28,640
- Net cost of hedging		-	-	7,025	-	7,025	-	7,025
- Actuarial losses, net of tax		-	-	(24,275)	-	(24,275)	(10,654)	(34,909)
- Revaluation of financial assets at FVTOCI		-	-	(117,360)	-	(117,360)	(455)	(117,815)
Total comprehensive (expense)/income for the financial year		-	(443,878)	(105,970)	365,155	(184,693)	118,656	(66,037)
Transactions with owners:								
- Dilution of equity interests in subsidiaries		-	3,638	(64)	217,182	220,756	98,806	319,562
- Additional investment in subsidiaries		-	-	-	-	-	7,584	7,584
- Rights issue by a subsidiary		-	-	-	-	-	9,596	9,596
- Revaluation of put option		-	-	(222,982)	-	(222,982)	-	(222,982)
- Derecognition of put option	18(b)	-	-	2,250,479	-	2,250,479	-	2,250,479
- Share buyback by a subsidiary	5(a)(iv)	-	(3,287)	109	(2,554)	(5,732)	(34,737)	(40,469)
- IPO of a subsidiary	5(a)(ii)	-	2,687	946	(47,941)	(44,308)	292,995	248,687
- Dividends declared to:								
- shareholders of the Company	48	-	-	-	(595,993)	(595,993)	-	(595,993)
- NCI		-	-	-	-	(300,530)	-	(300,530)
- Share-based payment expense		-	-	42,822	-	42,822	6,688	49,510
- Transferred from share-based payment reserve upon vesting		25,760	-	(25,760)	-	-	-	-
Total transactions with owners		25,760	3,038	2,045,550	(429,306)	1,645,042	80,402	1,725,444
At 31 December 2020		13,883,028	(1,002,020)	(1,822,687)	6,582,821	17,641,142	6,238,288	23,879,430

Other comprehensive income ("OCI"), Non-controlling interests ("NCI"), Initial Public Offerings ("IPO"), Fair value through other comprehensive income ("FVTOCI").

**Consolidated Statement of Changes in Equity** For the financial year ended 31 December 2020

	Note	Share capital RM'000	Currency translation differences RM'000	Reserves RM'000	Retained earnings RM'000	Total RM'000	NCI RM'000	Total equity RM'000
At 1 January 2019		13,502,368	(329,197)	(1,707,663)	5,945,779	17,411,287	5,735,526	23,146,813
Profit for the financial year		-	-	-	1,457,550	1,457,550	357,546	1,815,096
Other comprehensive (expense)/income:								
- Currency translation differences arising during the financial year:								
- subsidiaries		-	(180,834)	-	-	(180,834)	(31,286)	(212,120)
- derecognition of an associate		-	(59,625)	-	-	(59,625)	-	(59,625)
- Net cash flow hedge	18(c)	-	(240,459)	-	-	(240,459)	(31,286)	(271,745)
- Net cost of hedging	18(c)	-	-	61,158	-	61,158	-	61,158
- Actuarial gains, net of tax		-	-	(6,632)	-	(6,632)	-	(6,632)
- Revaluation of financial assets at FVTOCI		-	-	1,530	-	1,530	2,040	3,570
Total comprehensive (expense)/income for the financial year		-	(240,459)	(1,542,367)	1,457,550	(325,276)	328,656	3,380
Transactions with owners:								
- Issuance of new ordinary shares		16,389	-	-	-	16,389	-	16,389
- Dilution of equity interests in subsidiaries		-	8,476	-	59,697	68,173	8,692	76,865
- Additional investment in subsidiaries		-	-	-	(56,145)	(56,145)	(12,499)	(68,644)
- Termination of put option		-	-	98,729	(6,372)	92,357	54,241	146,598
- Revaluation of put option		-	-	(499,665)	-	(499,665)	-	(499,665)
- Dividends declared to shareholders via:								
- DRS	48	326,673	-	-	(326,673)	-	-	-
- Cash settlement	48	-	-	-	(538,283)	(538,283)	-	(538,283)
- Dividends declared to NCI		-	-	-	-	-	(75,386)	(75,386)
- Share-based payment expense	14(a),(b)	-	-	11,956	-	11,956	-	11,956
- Transferred from share-based payment reserve upon:								
- exercise/vesting		11,838	-	(11,838)	-	-	-	-
- lapse		-	-	(111,419)	111,419	-	-	-
Total transactions with owners		354,900	8,476	(512,237)	(756,357)	(905,218)	(24,952)	(950,170)
At 31 December 2019		13,857,268	(561,180)	(3,762,267)	6,646,972	16,180,793	6,039,230	22,220,023

Dividend Reinvestment Scheme ("DRS")

**Company Statement of Changes in Equity** For the financial year ended 31 December 2020

	Note	Share capital RM'000	Capital contribution reserve RM'000	Share-based payments reserve RM'000	Retained earnings RM'000	Total RM'000
At 1 January 2020		<b>13,857,268</b>	<b>16,598</b>	<b>27,351</b>	<b>1,363,494</b>	<b>15,264,711</b>
Profit/Total comprehensive income for the financial year		-	-	-	<b>139,503</b>	<b>139,503</b>
Transactions with owners:						
- Dividends declared to shareholders	48	-	-	-	<b>(595,993)</b>	<b>(595,993)</b>
- Share-based payment expense	14(b)	-	-	<b>26,035</b>	-	<b>26,035</b>
- Transferred from share-based payment reserve upon vesting		<b>25,760</b>	-	<b>(25,760)</b>	-	-
Total transactions with owners		<b>25,760</b>	-	<b>275</b>	<b>(595,993)</b>	<b>(569,958)</b>
At 31 December 2020		<b>13,883,028</b>	<b>16,598</b>	<b>27,626</b>	<b>907,004</b>	<b>14,834,256</b>
At 1 January 2019		13,502,368	16,598	138,652	2,412,312	16,069,930
(Loss)/Total comprehensive expense for the financial year		-	-	-	(295,281)	(295,281)
Transactions with owners:						
- Issuance of new ordinary shares		16,389	-	-	-	16,389
- Dividends declared to shareholders via:						
- DRS	48	326,673	-	-	(326,673)	-
- Cash settlement	48	-	-	-	(538,283)	(538,283)
- Share-based payment expense	14(a),(b)	-	-	11,956	-	11,956
- Transferred from share-based payment reserve upon:						
- exercise/vesting		11,838	-	(11,838)	-	-
- lapse		-	-	(111,419)	111,419	-
Total transactions with owners		354,900	-	(111,301)	(753,537)	(509,938)
At 31 December 2019		13,857,268	16,598	27,351	1,363,494	15,264,711

The above Company Statement of Changes in Equity is to be read in conjunction with the notes to the financial statements on pages 56 to 175.



## Statements of Cash Flows For the financial year ended 31 December 2020

	Note	Group		Company	
		2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Cash flows from/(used in) operating activities	38	<b>7,136,701</b>	8,538,614	<b>(237,445)</b>	(317,220)
Cash flows (used in)/from investing activities	38	<b>(3,638,591)</b>	(5,099,659)	<b>(2,353,473)</b>	521,235
Cash flows from/(used in) financing activities	38	<b>229,300</b>	(4,165,795)	<b>3,665,403</b>	(351,731)
Net increase/(decrease) in cash and cash equivalents		<b>3,727,410</b>	(726,840)	<b>1,074,485</b>	(147,716)
Effect of exchange (losses)/gains on cash and cash equivalents		<b>(66,881)</b>	49,343	<b>(41,853)</b>	(5,226)
Net decrease/(increase) in restricted cash and cash equivalents		<b>46,528</b>	(95,146)	-	-
Cash and cash equivalents at the beginning of the financial year		<b>3,015,105</b>	3,787,748	<b>199,240</b>	352,182
Cash and cash equivalents at the end of the financial year		<b>6,722,162</b>	3,015,105	<b>1,231,872</b>	199,240
Cash and cash equivalents at the end of the financial year consist of the following:					
Cash and cash equivalents in banks	37	<b>6,700,654</b>	3,089,171	<b>1,231,872</b>	199,240
Financial asset at fair value through profit or loss	36	<b>138,063</b>	60,376	-	-
Bank overdraft	16	<b>(116,555)</b>	(134,442)	-	-
		<b>6,722,162</b>	3,015,105	<b>1,231,872</b>	199,240

The above Statements of Cash Flows are to be read in conjunction with the notes to the financial statements on pages 56 to 175.

### 1. GENERAL INFORMATION

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

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

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

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

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

The financial statements have been approved for issuance in accordance with a resolution of the Board of Directors on 25 March 2021.

### 2. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

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

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

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

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

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

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

The following amendments to published standards have been adopted by the Group and the Company for the first time for the financial year beginning on 1 January 2020:

- The Conceptual Framework for Financial Reporting (Revised 2018)
- Amendments to MFRS 101 "Presentation of Financial Statements" and MFRS 108 "Accounting Policies, Changes in Accounting Estimates and Errors" - Definition of Material
- Amendments to MFRS 3 "Business Combinations" - Definition of a Business
- Amendments to MFRS 9 "Financial Instruments", MFRS 139 "Financial Instruments: Recognition and Measurement" and MFRS 7 "Financial Instruments: Disclosures" - Interest Rate Benchmark Reform

The adoption of the above has no significant impact to the Group and the Company.

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

The Group and the Company will apply the following amendments to standard in the financial year beginning on/after 1 January 2021:

- Amendments to MFRS 16 "Leases" - COVID-19-Related Rent Concessions (effective 1 June 2020) grant an optional exemption for lessees to account for a rent concession related to COVID-19 in the same way as they would if they were not lease modifications. In many cases, this will result in accounting for the concession as a variable lease payment in the period(s) in which the event or condition that triggers the reduced payment occurs. The amendment, however, do not make any changes to lessor accounting.

The exemption only applies to rent concessions occurring as a direct consequence of the COVID-19 pandemic and only if all of the following conditions are met:

- (a) the change in lease payments results in revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease immediately preceding the change;
- (b) any reduction in lease payments affects only payments due on or before 30 June 2021; and
- (c) there is no substantive change to other terms and conditions of the lease.

The amendments shall be applied retrospectively.

The impact of amendments to MFRS 16 is not expected to have material impact to the Group and the Company.

## Notes to the Financial Statements For the financial year ended 31 December 2020

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

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

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

- Annual Improvements to MFRS 9 “Fees in the 10% test for derecognition of financial liabilities” clarifies that only fees paid or received between the borrower and the lender, including the fees paid or received on each other’s behalf, are included in the cash flow of the new loan when performing the 10% test.

An entity shall apply the amendment to financial liabilities that are modified or exchanged on or after the beginning of the annual reporting period in which the entity first applies the amendment.

The impact of Annual Improvements to MFRS 9 is being assessed by the Group and the Company.

- Amendments to MFRS 3 - Reference to Conceptual Framework replace the reference to Framework for Preparation and Presentation of Financial Statements with 2018 Conceptual Framework. The amendments did not change the current accounting for business combinations on acquisition date.

The amendments provide an exception for the recognition of liabilities and contingent liabilities should be in accordance with the principles of MFRS 137 “Provisions, Contingent Liabilities and Contingent Assets” and IC Interpretation 21 “Levies” when falls within their scope. It also clarifies that contingent assets should not be recognised at the acquisition date.

The amendments shall be applied prospectively.

The impact of amendments to MFRS 3 is being assessed by the Group and the Company.

- Amendments to MFRS 116 “Property, Plant and Equipment” - Proceeds before intended use prohibit an entity from deducting from the cost of a property, plant and equipment the proceeds received from selling items produced by the property, plant and equipment before it is ready for its intended use. The sales proceeds should instead be recognised in profit or loss.

The amendments also clarify that testing whether an asset is functioning properly refers to assessing the technical and physical performance of the property, plant and equipment.

The amendments shall be applied retrospectively.

The impact of amendments to MFRS 116 is being assessed by the Group and the Company.

- Amendments to MFRS 137 - Onerous contracts - cost of fulfilling a contract clarify that direct costs of fulfilling a contract include both the incremental cost of fulfilling the contract as well as an allocation of other costs directly related to fulfilling contracts. The amendments also clarify that before recognising a separate provision for an onerous contract, impairment loss that has occurred on assets used in fulfilling the contract should be recognised.

The amendments shall be applied retrospectively.

The amendments to MFRS 137 is being assessed by the Group and the Company.

The Group and the Company will apply the following amendments to standard in the financial year beginning on/after 1 January 2023:

- Amendments to MFRS 101 - Classification of liabilities as current or non-current clarify that a liability is classified as non-current if an entity has a substantive right at the end of the reporting period to defer settlement for at least 12 months after the reporting period.

In addition, the amendments clarify that when a liability could be settled by the transfer of an entity’s own equity instruments (e.g. a conversion option in a convertible bond), conversion option that is not an equity instrument as defined in MFRS 132 “Financial Instruments: Presentation” is considered in the current or non-current classification of the convertible instrument.

The amendments shall be applied retrospectively.

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

### 3. SIGNIFICANT ACCOUNTING POLICIES

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

#### (a) Economic entities in the Group

##### (i) Subsidiaries

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

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

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

Acquisition-related costs are expensed as incurred.

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

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

Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of exchange. The discount rate used is the entity's incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions.

The excess of the consideration transferred by the Group, the amount of any NCI in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the identifiable net assets acquired is recognised as goodwill. If the total of consideration transferred, NCI recognised and previously held interest measured is less than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognised directly in the profit or loss. The accounting policy of goodwill is stated in Note 3(b)(i) to the financial statements. Goodwill is carried at cost less accumulated impairment losses, if any.

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

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

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

NCI in the results and equity of subsidiaries are shown separately in the consolidated statement of comprehensive income, statement of financial position and statement of changes in equity respectively.

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

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

## Notes to the Financial Statements For the financial year ended 31 December 2020

**3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)****(a) Economic entities in the Group (continued)****(ii) Changes in ownership interests in subsidiaries without change of control (continued)**

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

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

**(iii) Disposal of subsidiaries**

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

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

**(iv) Joint arrangements**

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

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

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

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

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

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

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

### 3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### (a) Economic entities in the Group (continued)

##### (v) Associates

Associates are entities which the Group has significant influence, but not control or joint control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Significant influence is the power to participate in the financial and operating policy decisions of the associates but not power to exercise control or joint control over those policies.

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

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

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

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

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

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

The cost of an associate acquired in stages is measured as the sum of the fair value of the interest previously held plus the fair value of any additional consideration transferred as of the date when the investment became an associate. Any gain or loss on remeasurement of the previously held stake is taken to profit or loss and any OCI recognised in prior periods in relation to the previously held stake in the acquired associate is also recognised in profit or loss or OCI if election has been made under MFRS 9. Goodwill is determined on acquisition date, based on the difference between the cost of investment (which comprise of both fair value of consideration transferred for additional interest and fair value of interest previously held) and the Group's share of fair value of the associate's net assets.

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

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

#### (b) Intangible assets

##### (i) Goodwill

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

For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the cash generating units ("CGUs"), or groups of CGUs, that is expected to benefit from the synergies of the combination. Each unit or group of units to which the goodwill is allocated represents the lowest level within the entity at which the goodwill is monitored for internal management purposes. Goodwill is monitored at the operating segment level.

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

## Notes to the Financial Statements For the financial year ended 31 December 2020

### 3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### (b) Intangible assets (continued)

##### (ii) Licenses

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

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

##### (iii) Customer contracts and the related relationship

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

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

##### (iv) Brands

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

Indonesia	2 years
Nepal	10 years
Bangladesh	3 years

##### (v) Computer software

Costs associated with maintaining computer software programmes are recognised as an expense as incurred. Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the Group are recognised as intangible assets when the following criteria are met:

- it is technically feasible to complete the software product so that it will be available for use;
- management intends to complete the software product and use or sell it;
- there is an ability to use or sell the software product;
- it can be demonstrated how the software product will generate probable future economic benefits;
- adequate technical, financial and other resources to complete the development and to use or sell the software product are available; and
- the expenditure attributable to the software product during its development can be reliably measured.

Directly attributable costs that are capitalised as part of the software product include the software development employee costs and an appropriate portion of relevant overheads.

Other development expenditures that do not meet these criteria are recognised as an expense as incurred. Development costs previously recognised as an expense are not recognised as an asset in subsequent period.

Software under development are capitalised only after technical and commercial feasibility of the asset has been completed and able to generate future economic benefits.

Computer software development costs recognised as assets are amortised from the point at which the asset is ready for use over their estimated useful lives, which does not exceed five (5) years.

### 3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### (c) Property, plant and equipment (“PPE”)

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

##### (i) Cost

The cost of telecommunication network includes cost of equipment, site surveys, contractors’ charges, materials and related overhead. The cost of other PPE comprises their purchase cost and any incidental cost of acquisition. These costs include the costs of dismantling, removal and restoration, the obligation which was incurred as a consequence of installing the asset.

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

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

Subsequent costs are included in the carrying amount of the asset or recognised as a separate asset, as appropriate, only when it is probable that the future economic benefit associated with the item will flow to the Group and the Company and the cost of the item can be measured reliably. The carrying value of the replaced part is derecognised. All other repairs and maintenance are recognised as expenses in profit or loss during the period in which they are incurred.

##### (ii) Depreciation and residual value

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

Buildings	8 - 50 years
Telecommunication network equipment	2 - 20 years
Movable plant and equipment	3 - 10 years
Computer support systems	2 - 10 years

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

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

##### (iii) Impairment

At the end of the reporting period, the Group and the Company assess whether there is any indication of impairment. If such indication exists, an analysis is performed to assess whether the carrying value of the asset is fully recoverable. A write down is made if the carrying value exceeds the recoverable amount. See significant accounting policies Note 3(e) to the financial statements on impairment of non-financial assets.

##### (iv) Gains or losses on disposals

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

##### (v) Asset exchange transaction

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

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

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

##### (vi) Repairs and maintenance

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



## Notes to the Financial Statements For the financial year ended 31 December 2020

**3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)****(d) Investments in subsidiaries, associates and joint ventures in separate financial statements**

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

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

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

The amount due from subsidiaries of which the Company does not expect repayment are considered as quasi-investment as part of the Company's investments in the subsidiaries.

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

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

Assets with definite useful life are reviewed for impairment losses whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the carrying amount of the asset exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less cost to sell ("FVLCS") and value-in-use ("VIU"). For the purpose of assessing impairment, assets are grouped at the lowest level for which there are separately identifiable cash flows. Assets that suffered an impairment are reviewed for possible reversal at the end of reporting period.

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

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

**(f) Financial assets****(i) Classification**

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

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

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

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

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

**(ii) Recognition and derecognition**

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

**(iii) Measurement**

At initial recognition, the Group and the Company measure a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss ("FVTPL"), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVTPL are expensed off in profit or loss.

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

**3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**(f) Financial assets (continued)**

(iii) Measurement (continued)

*Debt instruments*

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

- **Amortised cost:** Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss. Impairment losses are presented as a separate line in statement of comprehensive income.
- **FVTOCI:** Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVTOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses which are recognised in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in 'other gains/(losses)'. Interest income from these financial assets is included in finance income using the effective interest rate method. Foreign exchange gains and losses are presented in other 'gains/(losses)' and impairment expenses are presented as part of 'depreciation, impairment and amortisation' in the profit or loss.
- **FVTPL:** Assets that do not meet the criteria for amortised cost or FVTOCI are measured at FVTPL. Fair value changes are recognised in profit or loss and presented net within other gains/(losses) in the period in which it arises.

*Equity instruments*

The Group and the Company subsequently measure all equity investments at fair value. Where the Group's and the Company's management have elected to present fair value gains and losses on equity investments in OCI, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. Dividends from such investments continue to be recognised in profit or loss within 'other income - net' when the Group's and the Company's right to receive payments are established.

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

(iv) Impairment

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

The Group has five types of financial instruments that are subject to the ECL model:

- Trade receivables
- Finance lease receivables
- Accrued lease receivables
- Contract assets
- Other receivables (including deposits and Universal Service Provider ("USP") receivables)

The Company has three types of financial instruments that are subject to the ECL model:

- Other receivables (including deposits)
- Amount due from subsidiaries
- Financial guarantee contracts

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

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

## Notes to the Financial Statements For the financial year ended 31 December 2020

### 3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### (f) Financial assets (continued)

##### (iv) Impairment (continued)

The measurement of ECL reflects:

- an unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;
- the time value of money; and
- reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

*Simplified approach - accrued lease receivables, finance lease receivables, trade receivables and contract assets within the scope of MFRS 15 "Revenue from contracts with customers"*

The Group applies the MFRS 9 simplified approach to measure ECL, which uses a lifetime ECL for accrued lease receivables, finance lease receivables, trade receivables and contract assets within the scope of MFRS 15. The measurement details of ECL are disclosed in Note 35 to the financial statements.

*General 3-stage approach for all other financial instruments*

At each reporting date, the Group and the Company measure loss allowance at an amount equal to twelve (12) month ECL if credit risks of the financial assets have not increased significantly since initial recognition. For all other financial instruments, a loss allowance at an amount equal to lifetime ECL is required. The measurement details of ECL are disclosed in Note 35 to the financial statements.

*Significant increase in credit risk*

The Group and the Company consider the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk, the Group and the Company compare the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. The Group and the Company consider available reasonable and supportable forward-looking information.

The following indicators are incorporated:

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

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

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

*Definition of default and credit-impaired financial assets*

The Group and the Company define a financial instrument as default, which is fully aligned with the definition of credit-impaired, when it meets one or more of the following criteria:

Quantitative criteria: When the counterparty fails to make contractual payments within ninety (90) days after they fall due.  
Qualitative criteria: The debtor meets unlikelihood to pay criteria, which indicates the debtor is in significant financial difficulty. The Group and the Company consider the following instances:

- the debtor is in breach of financial covenants;
- concessions have been made by the lender relating to the debtor's financial difficulty;
- it is becoming probable that the debtor will enter bankruptcy or other financial reorganisation; or
- the debtor is insolvent.

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

### 3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### (f) Financial assets (continued)

##### (iv) Impairment (continued)

*Groupings of instruments of ECL measured on collective basis*

- Collective assessment

To measure ECL, trade receivables and contract assets have been grouped based on shared credit risk characteristics and of customer's behaviour and the days past due. The contract assets relate to unbilled work in progress and have substantially the same risk characteristics as the trade receivables for the same types of contracts. The Group has therefore concluded that the expected loss rates for trade receivables are a reasonable approximation of the loss rates for the contract assets.

- Individual assessment

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

Amounts due from subsidiaries in the Company's separate financial statements are assessed on individual basis for ECL measurement, as credit risk information is obtained and monitored based on individual balances.

##### (v) Write-off

- Trade receivables, finance lease receivables, accrued lease receivables and contract assets

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

Impairment losses on trade receivables, finance lease receivables and contract assets are presented as part of impairment of receivables, net. Subsequent recoveries of amounts previously written off are credited against the same line item in the profit or loss.

- Other receivables

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

#### (g) Offsetting financial instruments

Financial assets and liabilities are offset and the net amount is presented in the statements of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy.

#### (h) Derivatives and hedging activities

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

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

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

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

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

## Notes to the Financial Statements For the financial year ended 31 December 2020

### 3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### (h) Derivatives and hedging activities (continued)

##### (i) Fair value hedge

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

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

##### (ii) Cash flow hedge

The effective portion of changes in the fair value of derivatives that are designated and qualified as cash flow hedges is recognised in OCI and accumulated in reserves within equity. The gain or loss relating to the ineffective portion is recognised immediately in the profit or loss within 'other gains/(losses) - net'. Where the Group excludes the foreign currency basis spread from the designation of derivatives used as hedging instruments, the change in the foreign currency basis spread of the hedging instrument is recognised in OCI and accumulated in costs of hedging reserve within equity. The Group designates the cost of hedging application in relation to foreign currency basis spread on a hedge by hedge basis.

Amounts accumulated in equity (including the cost of hedging reserve) are reclassified to profit or loss in the periods when the hedged cash flows affects the profit or loss. The gain or loss relating to the effective portion of interest rate swaps hedging variable rate borrowings is recognised in the profit or loss within 'finance costs'. The gain or loss relating to the ineffective portion is recognised in the profit or loss within 'other gains/(losses) - net'.

When a hedging instrument expires or is sold, or when a hedge no longer meets the effectiveness criteria for hedge accounting, any cumulative gain or loss existing in equity at that time remains in equity and is recognised when the hedged cash flows affect profit or loss.

##### (iii) Net investment hedge

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

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

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

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

#### (i) Financial liabilities

##### Classification, recognition and measurement

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

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

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

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

### 3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### (i) Financial liabilities (continued)

Derecognition

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

#### (j) Inventories

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

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

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

Net realisable value represents the estimated selling price in the ordinary course of business, less all estimated costs to completion and applicable variable selling expenses. In arriving at the net realisable value, due allowance is made for all obsolete and slow-moving items.

#### (k) Trade and other receivables

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

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

Other receivables are recognised initially at fair value plus transaction.

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

Deposits paid to avoid possible penalties in relation to litigation and arbitration cases where provisions have not been recognised are accounted for as assets on the basis that there is a right to obtain future economic benefits, either by receiving a cash refund or by using the payment to settle future liabilities. At initial recognition, the Group and the Company measures the deposits at fair value. Subsequent to initial recognition, the Group and the Company measures the deposits at FVTPL at each reporting period taking into account the probability of any outflow of future economic benefits for the disputed amount.

#### (l) Cash and cash equivalents

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

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

#### (m) Trade payables

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

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

## Notes to the Financial Statements For the financial year ended 31 December 2020

**3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)****(n) Borrowings**

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

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

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

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

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

**(o) Current and deferred tax**

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

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the Company and its subsidiaries, associates and joint ventures operate and generate taxable income.

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

Deferred tax is provided in full, using the liability method, on temporary differences arising between the amounts attributed to assets and liabilities for tax purposes and their carrying amounts in the financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred tax is determined using tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.

Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, unused tax losses or unused tax credits can be utilised.

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

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

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

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

**(p) Provisions**

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

### 3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### (p) Provisions (continued)

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

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

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

#### (q) Contingent liabilities and contingent assets

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

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

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

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

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

#### (r) Share capital

##### (i) Classification

Ordinary shares and non-redeemable preference shares with discretionary dividends are classified as equity. Other shares are classified as equity and/or liability according to the economic substance of the contractual arrangement of the particular instrument.

##### (ii) Share issue expenses

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

##### (iii) Dividends to shareholders of the Company

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

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



## Notes to the Financial Statements For the financial year ended 31 December 2020

**3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)****(s) Leases**

Accounting by lessee

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

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

**(i) ROU assets**

ROU assets are initially measured at cost comprising the following:

- The amount of the initial measurement of lease liability;
- Any lease payments made at or before the commencement date less any lease incentive received;
- Any initial direct costs; and
- Decommissioning or restoration costs.

ROU assets are subsequently measured at cost, less accumulated depreciation and impairment loss (if any). The ROU assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the Group and the Company are reasonably certain to exercise a purchase option, the ROU assets are depreciated over the underlying asset's useful life. In addition, the ROU assets are adjusted for certain remeasurement of the lease liabilities.

**(ii) Lease liabilities**

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

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

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

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

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

Lease liabilities shall be remeasured when:

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

The Group and the Company are also exposed to potential future increases in variable lease payments that depend on an index or rate, which are not included in the lease liability until they take effect. When adjustments to lease payments based on an index or rate take effect, the lease liability is remeasured and adjusted against the ROU assets.

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

In determining the lease term, the Group and the Company consider all facts and circumstances that create an economic incentive to exercise an extension option, or not to exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not to be terminated).

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

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

Short-term leases are leases with a lease term of twelve (12) months or less. Low-value assets comprise IT equipment and small items of office furniture. Payments associated with short-term leases of equipment and vehicles and all leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss.

### 3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### (s) Leases (continued)

Accounting by lessor

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

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

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

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

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

#### (t) Revenue

##### (i) Revenue from contracts with customers

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

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

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

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

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

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

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

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

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

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

## Notes to the Financial Statements For the financial year ended 31 December 2020

**3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)****(t) Revenue (continued)**

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

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

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

**(ii) Lease of passive infrastructure**

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

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

**(iii) Interest income**

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

**(iv) Dividend income**

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

**(u) Employee benefits****(i) Short term employee benefits**

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

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

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

**(iii) Termination benefits**

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

### 3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### (u) Employee benefits (continued)

##### (iv) Share-based compensation

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

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

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

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

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

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

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

##### (v) Post-employment benefit obligations

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

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

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

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

Past-service costs are recognised immediately in profit or loss within "staff costs"

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

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in profit or loss within "staff costs".

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

## Notes to the Financial Statements For the financial year ended 31 December 2020

### 3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### (u) Employee benefits (continued)

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

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

#### (v) Deferred revenue

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

#### (w) Indefeasible right of use (“IRU”)

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

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

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

#### (x) Foreign currencies

##### (i) Functional and presentation currency

Items included in the financial statements of each of the Group’s entities are measured using the currency of the primary economic environment in which the entity operates (“the functional currency”). The consolidated financial statements are presented in RM, which is the Company’s functional and presentation currency.

##### (ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are remeasured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities (inclusive of advances to subsidiaries treated as quasi-investments) denominated in foreign currencies are recognised in profit or loss. However, exchange differences are deferred in OCI when they arose from qualifying cash flow or qualifying net investment hedges or are attributable to items that form part of the net investment in a foreign operation.

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

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

##### (iii) Group companies (Consolidated financial statements)

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

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

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

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

### 3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### (x) Foreign currencies (continued)

##### (iii) Group companies (Consolidated financial statements) (continued)

On the disposal of a foreign operation (that is, a disposal of the Group's entire interest in a foreign operation, or a disposal involving loss of control over a subsidiary that includes a foreign operation, a disposal involving loss of joint control over a joint venture that includes a foreign operation, or a disposal involving loss of significant influence over an associate that includes a foreign operation), all of the exchange differences relating to that foreign operation previously recognised in consolidated OCI and accumulated in the separate component of equity are reclassified to consolidated profit or loss as part of the gain or loss on disposal. In the case of a partial disposal that does not result in the Group losing control over a subsidiary that includes a foreign operation, the proportionate share of accumulated exchange differences are re-attributed to NClS and are not recognised in consolidated profit or loss. For all other partial disposals (that is, reductions in the Group's ownership interest in associates or joint ventures that do not result in the Group losing significant influence or joint control) the proportionate share of the accumulated exchange difference is reclassified to profit or loss.

#### (y) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker ("CODM"). The CODM, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors that makes strategic decisions for the Group and the Company.

#### (z) Government grants

As a USP, the Group is entitled to claim certain qualified expenses from the relevant authorities in relation to USP projects. The claim qualifies as a government grant and is recognised at fair value where there is a reasonable assurance that the grant will be received and the Group will comply with all qualifying conditions.

Government grants relating to costs are recognised in the profit or loss over the period necessary to match them with the costs they are intended to compensate.

Government grants relating to the purchase of assets are included in non-current liabilities as deferred income and are credited to the profit or loss on the straight-line basis over the expected life of the related assets.

#### (aa) Non-current assets (or disposal groups) classified as held-for-sale

Non-current assets (or disposal groups) are classified as assets held-for-sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use and a sale is considered highly probable. They are stated at the lower of carrying amount and fair value less costs to sell, except for assets such as deferred tax assets, assets arising from employee benefits, financial assets and investment property that are carried at fair value and contractual rights under insurance contracts, which are specifically exempt from this requirement.

An impairment loss is recognised for any initial or subsequent write-down of the asset (or disposal group) to fair value less costs to sell. A gain is recognised for any subsequent increases in fair value less costs to sell of an asset (or disposal group), but not in excess of any cumulative impairment loss previously recognised. A gain or loss not previously recognised by the date of the sale of the non-current asset (or disposal group) is recognised at the date of derecognition.

Non-current assets (including those that are part of a disposal group) are not depreciated or amortised while they are classified as held-for-sale. Interest and other expenses attributable to the liabilities of a disposal group classified as held-for-sale continue to be recognised.

Non-current assets classified as held-for-sale and the assets of a disposal group classified as held-for-sale are presented separately from the other assets in the statement of financial position. The liabilities of a disposal group classified as held-for-sale are presented separately from other liabilities in the statements of financial position.

A discontinued operation is a component of the entity that has been disposed of or is classified as held-for-sale and that represents a separate major line of business or geographical area of operations, is part of a single co-ordinated plan to dispose off such a line of business or area of operations, or is a subsidiary acquired exclusively with a view to resale.

#### (ab) Contract assets

A contract asset is the right to consideration in exchange for goods or services transferred to the customers. If the Group performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional. Contract assets is presented within trade and other receivables in the statement of financial position.

**Notes to the Financial Statements** For the financial year ended 31 December 2020**3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)****(ac) Contract liabilities**

A contract liability is the obligation to transfer the goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Group transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities is recognised as revenue when the Group performs the services under the contract. Contract liabilities is presented within trade and other payables in the statements of financial position.

**(ad) Contract cost assets**

Contract cost assets comprise the incremental costs of obtaining a contract (mainly sales commission paid to dealers) and the costs to fulfil a contract. These costs are capitalised if it can be assumed that the costs will be compensated by future revenue from the contract. Incremental costs of obtaining a contract are additional costs that would have not been incurred had the contract not been concluded. Costs to fulfil a contract are costs relating directly to a contract that are incurred after contract inception and serve the purpose of fulfilling the contract but are incurred prior to fulfilment and cannot be capitalised under any other standard. The Group has elected the practical expedient to recognise contract costs incurred related to contracts with an amortisation period of less than one year as an expense when incurred.

The capitalised contract cost assets are amortised on a systematic basis that is consistent with the transfer to the customer of the goods or services to which the asset relates.

**4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS**

Estimates and judgements are continually evaluated by the Directors and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

**(a) Critical judgements in applying the Group's and Company's accounting policies**

In determining and applying accounting policies, judgement is often required in respect of items where the choice of specific policy could materially affect the reported results and financial position of the Group and the Company. The following accounting policies require subjective judgements, often as a result of the need to make estimates about the effect of matters that are inherently uncertain.

**Intangible assets – acquired telecommunication licenses with allocated spectrum rights**

The Group had applied judgement in determining the treatment of the annual fees payable over ten (10) years in respect of a 3G spectrum license granted to an overseas subsidiary. The annual fee was charged to the profit or loss when incurred based on management's judgement that future annual fees would no longer be payable upon the decision by the subsidiary to return the license. The Group considered the annual payment to be usage fees based on interpretation of the license conditions, written confirmation from the Directorate General of Post and Telecommunication, Indonesia. The annual fees were therefore not considered part of the acquisition cost of the license.

Should the regulations and conditions with regards to the payment of the annual fees be amended in the future with the consequence that payment of the remaining outstanding annual fees could not be avoided upon the subsidiary surrendering the license, the Group would recognise an intangible asset and a corresponding liability at the present value of the remaining annual fees at that point in time.

**Intangible assets – estimated useful life of telecommunication licenses with allocated spectrum rights**

The telecommunication licenses with allocated spectrum rights acquired by a subsidiary via business combination are not subject to amortisation and are tested annually for impairment as the Group is of the opinion that the licenses can be renewed in perpetuity at negligible cost and the associated spectrum rights, similar to land, have an indefinite economic useful life. The estimated indefinite economic useful life reflects the Group's expectation of the period over which the Group will continuously recover the benefits from the licenses.

#### 4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONTINUED)

##### (b) Critical accounting estimates and assumptions

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, rarely equal the related actual results. The Group, and to a large extent the activities, are governed by the legal, regulatory and business environment in the countries which the Group operates in and which the Group has investments in. The business of the Group is subject to a number of risks, many of which are beyond the Group's control.

The main risks relating to the Group's business in the countries or regions the Group operates in are as follows:

- Increasing competition in the countries
- Challenges in expanding business in certain emerging markets
- Political, regulatory and social developments in the region
- Significant expansion of capital investments required
- Increasing substitution of traditional voice by data

To enhance the information content of the estimates, certain key variables that are anticipated to have material impact to the Group's results and financial position are tested for sensitivity to changes in the underlying parameters. These estimates are based on the Group's best knowledge of current events, historical experience, actions that the Group may undertake in the future and on various other assumptions that are believed to be reasonable under the circumstances, including in 2020, where applicable, the macroeconomic impact of the COVID-19 pandemic. Actual results may be different from these estimates.

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next year are mentioned follows:

##### (i) Impairment assessment of goodwill

The Group tests goodwill for impairment annually in accordance with its accounting policy or more frequently if events or change in circumstances indicate that this is necessary within the financial year. Recoverable amount is measured at the higher of the FVLCS for that asset and its VIU.

These calculations require the use of estimates. The calculations are inherently judgemental and susceptible to change from period to period because they require the Group to make assumptions about revenue growth, an appropriate discount rate and terminal growth rate.

The assumptions used, results and sensitivities of the impairment assessment of goodwill are disclosed in Note 25 to the financial statements.

##### (ii) Impairment assessment on non-financial assets (excluding goodwill)

The Group and the Company assess impairment of the assets or CGUs whenever the events or changes in circumstances indicate that the carrying amount of an asset or CGU may not be recoverable i.e. the carrying amount of the asset is more than the recoverable amount. Recoverable amount is measured at the higher of the FVLCS for that asset or CGU and its VIU.

Projected future cash flows used in impairment testing of the assets or CGUs are based on Group's and Company's estimates calculated using historical, sector and industry trends, general market and economic conditions, changes in technology and other available information.

The recoverable amounts of the asset or CGUs are determined based on VIU or FVLCS calculations. These calculations require the use of estimates. The calculations are inherently judgemental and susceptible to change from period to period because they require the Group and the Company to make assumptions about revenue growth rate, an appropriate discount rate and terminal growth rate.

##### (iii) Estimated useful lives of PPE

The Group reviews the estimated useful lives of PPE, particularly on its telecommunication network equipment, based on approved network and information technology ("IT") modernisation plans. The network and IT modernisation involve estimating when the telecommunication network equipment will be replaced. Useful lives of assets are revised accordingly. Future operational results could be materially affected by changes in useful lives.

A reduction in the estimated useful lives of PPE would increase the recorded depreciation charge and decrease the PPE balance.



## Notes to the Financial Statements For the financial year ended 31 December 2020

### 4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONTINUED)

#### (b) Critical accounting estimates and assumptions (continued)

##### (iv) Taxation

###### Income taxes

The Group and the Company are subject to income tax in numerous jurisdictions. Judgement is involved in determining the group-wide provision for income taxes. There are certain transactions and computations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group and the Company recognise liabilities for tax matters based on estimates of whether additional taxes will be due. If the final outcome of these tax matters result in a difference in the amounts initially recognised, such differences will impact the income tax and/or deferred tax provisions in the period in which such determination is made.

###### Deferred tax assets

Deferred tax asset is recognised to the extent that it is probable that future taxable profit will be available against which temporary differences can be utilised. This involves judgement regarding future financial performance of a particular entity in which the deferred tax asset has been recognised.

##### (v) Legal, regulatory and taxation claims and disputes across the Group

There are a number of ongoing legal, regulatory and taxation claims and disputes across the Group. The accounting treatment of these matters are based on the Group's view of the expected outcome of these contingencies. These outcomes are assessed in consultation with legal counsel for litigation cases and internal and external experts of the Group for matters in the ordinary course of business. Provisions are recorded if it is probable that an outflow of economic benefits will be required to settle the obligation and the amount can be estimated reliably.

The outcome of ongoing legal, regulatory and taxation claims and disputes are dependent on future events and the Group makes estimates and assumptions concerning these future events. The Group may be required to increase or decrease provisions for such matters due to unanticipated events and circumstances that occur during the financial year.

The ongoing legal, regulatory and taxation claims and disputes of the Group as at reporting date are disclosed in Note 40(d) and Note 50 to the financial statements.

##### (vi) Fair value of deposits paid in relation to ongoing legal, regulatory and taxation claims and disputes of the Group

The Group estimates the fair value of deposits paid in relation to ongoing legal, regulatory and taxation claims and disputes across the Group using the expected present value technique. The Group applies judgement in arriving at key assumptions to the probability-weighted average of possible future cash flows. These judgements are based on available information at each financial reporting period.

The fair value assessments are inherently judgemental and susceptible to changes depending on the circumstances surrounding the ongoing legal, regulatory and taxation claims and disputes. The Group, in consultation with legal counsel, is required to make assumptions on timing, amounts and probability of expected future cash flows and discount rate that are based on conditions existing at the end of each financial reporting period.

The ongoing legal, regulatory and taxation claims and disputes of the Group as at reporting period date are disclosed in Note 35 and Note 50(b) to the financial statements.

##### (vii) Provision for asset retirement

Fair value estimates of provision for asset retirement for dismantling, removal or restoration generally involve discounted future cash flows, and periodic accretion of such liabilities due to the passage of time is recorded as finance cost. The significant assumptions used in estimating the provision are: timing of assets removals; costs of restorations; expected inflation rates; and the discount rates. There can be no assurances that actual costs and the probability of incurring obligations will not differ from these estimates.

##### (viii) Identification of performance obligation

Certain contracts with customers are bundled packages that may include sale of devices and mobile services that comprise voice, data and other services. Individual products and services are accounted for as separate performance obligations if they are distinct promised goods and services.

Judgement is involved in identifying if products and services in a bundled package are distinct as a separate promised product or service. The respective services and devices are accounted for as separate performance obligations when they are distinct i.e. if a service or device is separately identifiable from other items in the bundled contract and if a customer can benefit from it separately. The Group exercise judgement when identifying whether products and services within the bundled contract are distinct as separate performance obligations. The identification of separate performance obligations within a bundled contract affects the allocation of transaction price specified in the contract and the revenue recognised for each performance obligation.

#### 4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONTINUED)

##### (b) Critical accounting estimates and assumptions (continued)

(ix) Determination of stand-alone selling price ("SSP")

The Group estimates SSP based on external inputs; methods for estimating SSP include determining the stand-alone price of similar goods and services sold by the Group, observing the stand-alone prices for similar goods and services when sold by third parties or using a cost-plus reasonable margin approach (which is sometimes the case for handsets and other equipment). Where it is not possible to reliably estimate stand-alone prices due to lack of observable stand-alone sales or highly variable pricing, which is sometimes the case for services, the stand-alone price of an obligation may be determined as the transaction price less the stand-alone prices of other obligations in the contract. The stand-alone price determined for obligations materially impacts the allocation of revenue between obligations.

(x) Determination of lease term

In determining the lease term, the Group and the Company consider all the facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated).

The lease term is reassessed if an option is exercised (or not exercised) or the Group and the Company become obligated to exercise (not to exercise) it. The assessment of reasonable certainty is only revised if a significant event or a significant change in circumstances occurred, which affect this assessment, and that is within the lessee.

(xi) Disposal of investments in subsidiaries and investments in associate in exchange of financial assets

In its normal course of business, the Group and the Company dispose or transfer its investments in subsidiaries and associates through various types of transactions including those in exchange of financial assets. The Group and the Company apply significant judgement in assessing whether it has transferred these investments according to appropriate de-recognition criteria by analysing the contractual rights and obligations in connection with such disposals or transfers.

The Group and the Company analyse whether the Group and the Company have relinquished its control and significant influence over these financial assets, and if the Group and the Company have continuing involvement in these financial assets. Significant judgement is applied in the Group's and the Company's assessment with regards to its ability to direct the relevant activities, direct and indirect beneficial interest and returns, and is not able to use its power over the entity to affect those returns.

(xii) Leases - sale and leaseback of telecommunication towers

The Group applies certain estimates and judgements in the accounting for sale and leaseback transactions of a subsidiary as follows:

- Determination of whether the transfer of assets qualifies as a sale based on the requirements for determining when a performance obligation is satisfied in MFRS 15;
- Determination of specific tower space as unit of accounts; and
- The estimation of fair value of towers sold and measurement of right-of-use assets retained by the Group, which includes discount rate and expected future cash flow.

(xiii) Fair value of derivatives and other financial instruments

Certain financial instruments such as investments and derivative financial instruments are carried on the statements of financial position at fair value, with changes in fair value reflected in the profit or loss.

Fair values are estimated by reference in part to published price quotations and in part by using valuation techniques. The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined by using valuation techniques. The Group uses its judgement to select a variety of methods and make assumptions that are based on market conditions existing at the end of each financial reporting period.

## Notes to the Financial Statements For the financial year ended 31 December 2020

### 5. SIGNIFICANT CHANGES IN COMPOSITION OF THE GROUP

#### (a) Changes in composition of the Group during the financial year

##### (i) Disposal of SmartLuy PLC (“SmartLuy”)

On 18 October 2019, Smart Axiata Co., Ltd (“Smart”) entered into a share subscription agreement with the owners of Pi Pay International Co. Limited (“Pi Pay HK”) to acquire 26.42% equity interest in Pi Pay HK for a consideration of USD6.0 million (RM24.2 million), satisfied via:

- disposal of SmartLuy, a subsidiary of Smart to merge with Pi Pay PLC, a subsidiary of Pi Pay HK (“Proposed Merger”) at USD3.0 million (RM12.1 million) and
- additional cash consideration of USD3.0 million (RM12.1 million).

The Proposed Merger completed on 14 July 2020. Effectively, Pi Pay HK became an associate of the Group.

##### (ii) Dilution of equity interest in subsidiaries

- On 31 March 2020, the Group’s equity interest in PT XL Axiata Tbk (“XL”) decreased from 66.36% to 66.25% following the issuance of new ordinary shares by XL to its eligible employees under XL’s Long Term Incentive Program. The dilution above did not have a significant impact to the Group during the financial year.
- On 18 September 2020, the Group’s equity interest in Dialog Axiata PLC (“Dialog”) decreased from 83.32% to 83.01% following the issuance of new ordinary shares by Dialog to its eligible employees under Dialog’s Performance-Based Long-Term Incentive Share Scheme. The dilution above did not have a significant impact to the Group during the financial year.
- On 4 December 2020, Axiata Digital Services Sdn Bhd (“ADS”) completed the transfer of its entire shareholding in Axiata Digital Capital Sdn Bhd, Axiata Digital eCode Sdn Bhd, Apigate Sdn Bhd and PT Axiata Digital Services Indonesia to Boost Holdings Sdn Bhd (“Boost Holdings”). On 15 December 2020, Great Eastern Digital Private Limited completed a capital injection in Boost Holdings of RM294.0 million representing 21.88% of share capital of Boost Holdings. As a result, the Group’s effective equity interest in Boost Holdings diluted from 96.47% to 75.37%. Accordingly, the Group recorded an increase in consolidated retained earnings of RM214.0 million and non-controlling interest of RM80.0 million.
- On 24 December 2020, the Group’s equity interest in Robi Axiata Limited (“Robi”) decreased from 68.69% to 61.82% following to the listing of Robi on Dhaka Stock Exchange Limited and the Chittagong Stock Exchange Limited in Bangladesh.

The Group recognised a decrease of RM47.9 million in the consolidated retained earnings and an increase of RM2.7 million in consolidated currency translation differences, actuarial reserves of RM0.9 million and non-controlling interest amounting to RM293.0 million

##### (iii) Incorporation of subsidiaries and joint venture

- On 11 June 2020, ADS completed the incorporation of Boost Holdings (Registration No. 202001013946 (1370266-W)), a private company limited by shares, under the Malaysia Companies Act 2016.
- On 22 July 2020, edotco Group Sdn Bhd (“edotco”) via its subsidiary edotco Investments Singapore Pte Ltd, completed the incorporation of edotco Urban Infrashare Ltd (Registration No. 126570724), a private company limited by shares, under the Myanmar Companies Law 2017.
- On 24 July 2020, the Company completed the incorporation of Axiata SPV5 (Labuan) Limited (Company No. LL16934), a private company limited by shares, under the Labuan Companies Act 1990.
- On 4 October 2020, ADS completed the incorporation of a joint venture, Trust Axiata Digital Limited (Registration No. C-164124/2020), a private company limited by shares, under the Bangladesh Companies Act 1994.

The incorporations above did not have significant impact to the Group during the financial year.

##### (iv) Share buyback by XL

During the financial year, XL repurchased 56,487,800 shares equivalent to 0.53% of its issued and fully paid shares for a total consideration of IDR134.4 billion (RM40.5 million). Accordingly, the Group’s equity shareholding in XL increased from 66.25% to 66.60%.

The Group recognised an increase of RM0.1 million in actuarial reserves and decrease of RM3.3 million in consolidated currency translation differences, RM2.6 million in the consolidated retained earnings and non-controlling interest amounting to RM34.7 million.

### 5. SIGNIFICANT CHANGES IN COMPOSITION OF THE GROUP (CONTINUED)

#### (b) Changes in composition of the Group in the previous financial year

##### (i) Disposal of entire equity interest in M1 Limited ("M1")

On 15 February 2019, the Group via its wholly-owned subsidiary, Axiata Investments (Singapore) Limited ("AIS") accepted the Voluntary Conditional General Offer made by Konnectivity Pte. Ltd. in accordance with Rule 15 of the Singapore Code on Takeovers and Mergers on 27 September 2018 to acquire entire equity interest in M1 comprising 265,410,150 ordinary shares at the offer price of SGD2.06 for a total cash consideration of RM1,649.3 million or SGD546.7 million. The disposal was completed on 27 February 2019 and as a result, the Group recognised a total net gain of RM113.4 million.

##### (ii) Disposal of digital venture investments to Pegasus 7 Ventures Pte. Ltd ("Pegasus 7")

On 21 February 2019, the Company and its wholly-owned subsidiary, ADS entered into an application for shares with Pegasus 7 for the disposal of its digital venture investments as follows:

- Investment in a subsidiary, Axiata Investments (Mauritius) Limited which was holding Localcube Commerce Pvt Ltd and Localcube Commerce Asia Sdn Bhd completed on 28 March 2019;
- Investment in associates, Milvik AB and Etobee Holding Pte Ltd completed on 25 November 2019 and 11 October 2019 respectively; and
- Financial assets at FVTOCI, Redeemable Convertible Preference Shares in Celcom Planet Sdn Bhd ("Celcom Planet") and Preference Shares in STS Media Inc ("STS Media") completed on 18 November 2019 and 7 October 2019 respectively.

for a non-cash consideration of RM575.8 million or USD140.0 million via the issuance of preference shares by Pegasus 7 to the Group. Accordingly, the Group recognised a total net gain on disposal of RM367.1 million in consolidated profit or loss.

The Company recognised a total net gain of disposal of RM342.1 million following:

- inter-group transfer of the investment capital ventures above from ADS to the Company. The transfer was settled via offsetting of amount due from ADS of RM194.4 million; and
- novation of its preference shares in Pegasus 7 to its wholly-owned subsidiary, AIS as part of settlement of amount due to AIS as disclosed in Note 34 to the financial statements.

The Group had determined that it neither had control nor significant influence over Pegasus 7. The Group had analysed the contractual rights and obligations of the Group in connection with such disposals including its ability to direct the relevant activities and the power to obtain direct and indirect beneficial interest and returns. Based on the Group's assessment, it had no ability to use its power over Pegasus 7 to affect returns.

##### (iii) Capital injection in ADS

Mitsui Co., Ltd. ("Mitsui") had, on 5 April 2019, invested in ADS for the subscription of 193,050 ordinary shares in ADS for a cash consideration of RM80.6 million or USD20.0 million representing 3.53% of total issued and paid-up share capital of ADS. Subsequent to the said investment, the shareholding of ADS is held by the Company and Mitsui at 96.47% and 3.53% respectively.

The Group recognised an increase in the consolidated retained earnings, foreign exchange reserve and non-controlling interest of RM67.9 million, RM0.2 million and RM12.5 million respectively.

##### (iv) Subscription of Shares in Mekong Tower Company Limited ("MTCL")

edotco via its wholly-owned subsidiary, edotco Investments (Labuan) Limited ("EIL") had on 21 June 2019 completed the subscription of 25,600 ordinary shares of Laotian Kip ("LAK") 500,000 each representing 80.00% of the enlarged issued and paid-up share capital of MTCL for a cash consideration of LAK12.8 billion or RM6.7 million.

The subscription above did not have material impact to the Group in the previous financial year.

##### (v) Acquisition of equity interests in edotco Holdings (Labuan) Limited ("EHL")

edotco had on 21 June 2019 completed the acquisition of 437 ordinary shares representing 21.85% of the entire equity interests in EHL held by Southern Coast Ventures Inc. for a cash consideration of RM87.2 million or USD21.0 million. Effectively, EHL became a wholly-owned subsidiary of edotco.

The Group recognised a decrease of RM48.6 million in the consolidated retained earnings and non-controlling interest amounting to RM38.6 million accordingly.

##### (vi) Subscription of Shares in ISOC edotco Towers Inc. (formerly known as ISOC Asia Telecom Towers, Inc.) ("ISOC ASIA")

edotco via its wholly-owned subsidiary, EIL had on 18 December 2019 completed the subscription of 260,204,082 common shares of Philippines Peso ("PhP") 1.00 each representing 51.00% of the enlarged issued and paid-up share capital of ISOC Asia for a cash consideration of PhP260.2 million or RM21.4 million.

The acquisition above did not have significant impact to the Group in the previous financial year.

## Notes to the Financial Statements For the financial year ended 31 December 2020

### 5. SIGNIFICANT CHANGES IN COMPOSITION OF THE GROUP (CONTINUED)

#### (b) Changes in composition of the Group in the previous financial year (continued)

##### (vii) Incorporation of subsidiaries

- Apigate Sdn Bhd, a wholly-owned subsidiary of ADS, had on 5 February 2019, completed the incorporation of Apigate India Service Private Limited, a private company limited by shares, under the Companies Act 2013.
- Smart, had on 8 February 2019, completed the incorporation of SmartLuy, a public limited company, under the laws of the Kingdom of Cambodia. Notification of completion of the incorporation process in accordance with the local laws was received on 27 February 2019.
- Robi, had on 5 November 2019, completed the incorporation of RetDot Digital Limited, a public company limited by shares, under the Companies Act (Act XVIII) of 1994.
- Dialog, had on 17 December 2019, completed the incorporation of Dialog Network Services (Private) Limited, a private company limited by shares, under the Companies Act No. 07 of 2007 of Sri Lanka (Act).

The incorporations above did not have significant impact to the Group in the previous financial year.

##### (viii) Establishment of an associate

On 27 June 2019, XL entered into an agreement with Princeton Digital Group (Indonesia Alpha) Pte. Limited (“PDG”) in which PDG and XL agreed to establish a new company, transfer certain assets, sell subscription shares and partially leaseback such assets for a period of ten years and can be extended for the next five years. The new company was established under the name of PT Princeton Digital Group Data Centres (“PDGDC”) based on Deed of Establishment No 13 dated 27 June 2019 as approved by the Minister of Justice of Republic Indonesia dated 1 July 2019.

The establishment above did not have significant impact to the Group in the previous financial year.

### 6. REVENUE

	Group		Company	
	2020 RM'000	2019 RM'000 Restated <sup>1</sup>	2020 RM'000	2019 RM'000
<u>Revenue under MFRS 15:</u>				
- Mobile services	19,561,066	20,187,637	-	-
- Interconnect services	1,277,755	1,309,609	-	-
- Sale of devices	647,996	664,399	-	-
- Others <sup>2</sup>	2,044,599	1,671,753	-	-
- Technical and management services fees (“TMSA”)	-	-	61,146	66,077
	<b>23,531,416</b>	23,833,398	<b>61,146</b>	66,077
<u>Revenue under other MFRSs:</u>				
Dividend income	-	-	1,629,946	1,011,994
Lease of passive infrastructure	661,704	737,227	-	-
Interest income from financial services	10,051	12,687	-	-
<b>Total</b>	<b>24,203,171</b>	24,583,312	<b>1,691,092</b>	1,078,071

<sup>1</sup> Restated to conform with current year presentation.

<sup>2</sup> Others include revenue from pay television transmission, broadband services, digital services and technical services.

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### 6. REVENUE (CONTINUED)

Disaggregation of revenue of the Group and the Company accounted for under MFRS 15 by timing of revenue recognition are as follows:

	By categories			
			Group	Company
	At a point in time RM'000	Over time RM'000	Total RM'000	Over time RM'000
<b>2020</b>				
Mobile services	-	19,561,066	19,561,066	-
Interconnect services	85,902	1,191,853	1,277,755	-
Sale of devices	647,996	-	647,996	-
Others	360,160	1,684,439	2,044,599	-
TMSA	-	-	-	61,146
<b>Total</b>	<b>1,094,058</b>	<b>22,437,358</b>	<b>23,531,416</b>	<b>61,146</b>

#### 2019 (Restated<sup>1</sup>)

Mobile services	-	20,187,637	20,187,637	-
Interconnect services	96,339	1,213,270	1,309,609	-
Sale of devices	664,399	-	664,399	-
Others	238,677	1,433,076	1,671,753	-
TMSA	-	-	-	66,077
<b>Total</b>	<b>999,415</b>	<b>22,833,983</b>	<b>28,833,398</b>	<b>66,077</b>

	By segments			
			Group	Company
	At a point in time RM'000	Over time RM'000	Total RM'000	Over time RM'000
<b>2020</b>				
Mobile:				
- Malaysia	571,615	5,602,432	6,174,047	-
- Indonesia	4,262	7,450,939	7,455,201	-
- Bangladesh	38,826	3,648,837	3,687,663	-
- Sri Lanka	26,549	2,666,487	2,693,036	-
- Nepal	-	1,476,526	1,476,526	-
- Cambodia	16,566	1,342,160	1,358,726	-
Infrastructure	-	163,953	163,953	-
Others	436,240	86,024	522,264	61,146
<b>Total</b>	<b>1,094,058</b>	<b>22,437,358</b>	<b>23,531,416</b>	<b>61,146</b>

#### 2019 (Restated<sup>1</sup>)

Mobile:				
- Malaysia	512,647	6,138,723	6,651,370	-
- Indonesia	43,130	7,125,508	7,168,638	-
- Bangladesh	43,490	3,585,488	3,628,978	-
- Sri Lanka	31,764	2,659,134	2,690,898	-
- Nepal	27	1,974,448	1,974,475	-
- Cambodia	33,341	1,245,852	1,279,193	-
Infrastructure	-	45,560	45,560	-
Others	335,016	59,270	394,286	66,077
<b>Total</b>	<b>999,415</b>	<b>22,833,983</b>	<b>23,833,398</b>	<b>66,077</b>

<sup>1</sup> Restated to conform with current year presentation.

Notes to the Financial Statements For the financial year ended 31 December 2020

**6. REVENUE (CONTINUED)**

The following table shows revenue in relation to performance obligations that are unsatisfied as at the reporting date.

	Group	
	2020 RM'000	2019 RM'000 Restated <sup>1</sup>
Mobile services	<b>2,676,589</b>	2,675,251
Infrastructure services	<b>271,569</b>	352,458
Others	<b>107,760</b>	84,368

Management expects that approximately all of the transaction price allocated to the unsatisfied performance obligations as at 31 December will be recognised as revenue as follows:

	Group	
	2020	2019 Restated <sup>1</sup>
Mobile services	<b>1 - 3 years</b>	1 - 3 years
Infrastructure services	<b>1 - 12 years</b>	1 - 12 years
Others	<b>1 - 13 years</b>	1 - 14 years

<sup>1</sup> Restated to conform with current year presentation.

**7(a). DEPRECIATION, IMPAIRMENT AND AMORTISATION**

	Note	Group		Company	
		2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Amortisation of:					
- intangible assets	25	<b>809,953</b>	784,222	-	-
- contract cost assets	26	<b>146,144</b>	113,245	-	-
Depreciation of:					
- PPE	27	<b>5,704,718</b>	4,539,635	<b>6,623</b>	7,960
- ROU assets	28	<b>1,589,072</b>	1,626,489	<b>4,105</b>	2,356
Impairment of:					
- intangible assets	25	<b>37,741</b>	-	-	-
- PPE	27	<b>34,514</b>	9,495	-	-
- subsidiaries	29	-	-	<b>1,576,333</b>	1,404,514
Reversal of impairment of:					
- PPE	27	-	(89)	-	-
- subsidiaries	29	-	-	<b>(148,284)</b>	-
Write-off of:					
- Intangible assets	25	<b>6,088</b>	-	-	-
- PPE	27	<b>156,764</b>	11,003	<b>5,985</b>	-
Others		-	236	-	-
<b>Total</b>		<b>8,484,994</b>	7,084,236	<b>1,444,762</b>	1,414,830

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### 7(b). OTHER OPERATING COSTS

	Group		Company	
	2020 RM'000	2019 RM'000 Restated <sup>1</sup>	2020 RM'000	2019 RM'000 Restated <sup>1</sup>
Repair and maintenance including utilities	1,800,899	1,822,701	14,302	15,277
Regulatory related outpayments and contributions	1,005,204	1,186,675	-	-
Business license and spectrum fees	1,460,885	1,422,942	-	-
Cost of devices and accessories including charges and commissions	1,005,756	1,011,924	-	-
Leased circuit charges	394,844	409,965	-	-
Professional fees	206,754	298,300	57,857	118,971
Rental:				
- equipment	550,155	499,160	336	340
- land and buildings	200,437	100,948	903	1,843
- others	15,441	20,563	29	16
Others <sup>2</sup>	665,215	633,620	23,730	25,857
Write-off of amount due from a subsidiary	-	-	2,735	23,778
<b>Total</b>	<b>7,305,590</b>	<b>7,406,798</b>	<b>99,892</b>	<b>186,082</b>

<sup>1</sup> Restated to conform with current year presentation.

<sup>2</sup> Others include outsourcing costs, transportation, travelling, satellite expenses, fees paid to foreign channels.

### 7(c). AUDITORS' REMUNERATION

	Group		Company	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Audit fees:				
- PricewaterhouseCoopers Malaysia ("PwCM"):				
- current year	5,622	5,522	2,263	2,148
- under provision in prior year	207	111	165	-
- Member firms of PricewaterhouseCoopers International Limited ("PwCI") <sup>1</sup>	6,176	6,257	-	-
- Others	150	172	-	-
Audit related fees <sup>2</sup> :				
- PwCM and PwCI	3,572	4,666	2,583	2,941
	15,727	16,728	5,011	5,089
Other fees paid to PwCM and PwCI:				
- Tax and tax related services <sup>3</sup>	1,222	2,883	459	1,649
- Other non-audit services <sup>4</sup>	6,760	10,726	246	1,780
<b>Total</b>	<b>23,709</b>	<b>30,337</b>	<b>5,716</b>	<b>8,518</b>

<sup>1</sup> Separate and independent legal entity from PwCM.

<sup>2</sup> Fees incurred in connection with performance of quarterly reviews, agreed-upon procedures and regulatory compliance.

<sup>3</sup> Fees incurred for assisting the Group in connection with tax compliance and advisory services.

<sup>4</sup> Fees incurred primarily in connection to financial due diligences on potential merger and acquisitions, project management and other advisory services incurred.

In order to maintain the independence of the external auditors, the Board Audit Committee has determined policies as to what non-audit services can be provided by external auditors of the Group and the approval processes related to them. Under these policies and guidelines, non-audit services can be offered by external auditors of the Group if there are clear efficiencies and value-added benefits to the Group.



Notes to the Financial Statements For the financial year ended 31 December 2020

**7(d). STAFF COSTS**

	Note	Group		Company	
		2020 RM'000	2019 RM'000 Restated <sup>1</sup>	2020 RM'000	2019 RM'000
Salaries, allowances, overtime and bonus:					
- current financial year		<b>1,598,509</b>	1,645,483	<b>80,954</b>	91,464
- prior financial year		<b>(21,162)</b>	(14,846)	<b>(286)</b>	(14,846)
Termination benefits/restructuring cost		<b>101,200</b>	56,777	-	-
Contribution to EPF:					
- current year		<b>122,084</b>	110,542	<b>12,043</b>	12,967
- prior financial year		<b>(2,227)</b>	-	-	-
Other staff benefits		<b>340,744</b>	351,738	<b>13,643</b>	21,849
Equity-settled share-based compensation expense:					
- scheme of the Company	14(a),(b)	<b>19,818</b>	9,683	<b>17,800</b>	10,512
- schemes of subsidiaries	14(c),(e)	<b>25,379</b>	19,768	-	-
Cash-settled share-based compensation expense:					
- schemes of subsidiaries	14(d),(f)	<b>23,974</b>	31,082	-	-
Remuneration of Executive Directors of the Company					
	7(e)	<b>19,213</b>	9,973	<b>19,213</b>	9,973
<b>Total</b>		<b>2,227,532</b>	2,220,200	<b>143,367</b>	131,919

<sup>1</sup> Restated to conform with current year presentation.

**7(e). DIRECTORS' REMUNERATION**

	Note	Group		Company	
		2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Remuneration of Executive Directors of the Company:					
- salaries, allowances and bonus:					
- current financial year		<b>9,311</b>	7,621	<b>9,311</b>	7,621
- prior financial year		<b>1,725</b>	(1,150)	<b>1,725</b>	(1,150)
- contribution to EPF		<b>1,960</b>	1,229	<b>1,960</b>	1,229
- share-based payment expense	14 (a),(b)	<b>6,217</b>	2,273	<b>6,217</b>	2,273
		<b>19,213</b>	9,973	<b>19,213</b>	9,973
Remuneration of Non-Executive Directors of the Company:					
- fees and allowances		<b>3,447</b>	4,425	<b>2,362</b>	3,093
<b>Total</b>		<b>22,660</b>	14,398	<b>21,575</b>	13,066

Estimated monetary value of benefits of Directors amounting to RM384,370 (2019: RM522,115) for the Group and the Company.

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### 8. OTHER GAINS/(LOSSES) - NET

	Group	
	2020 RM'000	2019 RM'000
Financial assets at FVTPL	2,693	379
Derivatives at FVTPL:		
- CCIRS	-	(4,601)
- Call spread options	-	(18,379)
<b>Total</b>	<b>2,693</b>	<b>(22,601)</b>

### 9. OTHER INCOME - NET

	Note	Group		Company	
		2020 RM'000	2019 RM'000 Restated <sup>1</sup>	2020 RM'000	2019 RM'000
Gain/(Loss) on disposal of PPE		8,403	17,488	(10)	-
Gain on tower sale and leaseback <sup>2</sup>		444,240	-	-	-
Gain on disposal of a subsidiary	5(b)(ii)	8,627	301,145	-	291,522
Gain on disposal of associates	5(b)(i),(ii)	-	179,394	-	50,604
Gain on disposal of rights on right issue of a financial asset at FVTOCI		-	96,149	-	-
Other taxes	49(a)	(165,189)	(92,461)	-	-
Others <sup>3</sup>		220,312	212,677	5,568	2,421
<b>Total</b>		<b>516,393</b>	<b>714,392</b>	<b>5,558</b>	<b>344,547</b>

<sup>1</sup> Restated to conform with current year presentation.

<sup>2</sup> On 7 February 2020, XL entered into an Asset Purchase Agreement ("APA") with PT Profesional Telekomunikasi Indonesia Tbk and PT Centratama Menara Indonesia for the sale of 2,782 telecommunication towers with a total transaction value of IDR4,050.3 billion (RM1,194.8 million) and leaseback of 2,763 specific tower spaces for a period of ten (10) years.

During the financial year, XL completed the sale of 2,688 telecommunication towers for a consideration of IDR3,806.8 billion (RM1,100.2 million). Sale of the remaining 94 towers were cancelled as a result of the completion of tower audit required by the APA. As a result of the transaction, XL recorded a gain on outright sale of IDR1,331.6 billion (RM384.8 million) and a gain on sale and leaseback of IDR205.5 billion (RM59.4 million), totalling to IDR1,537.0 billion (RM444.2 million).

<sup>3</sup> Included amortisation on deferred gain on sale and leaseback assets of a subsidiary of RM122.2 million (2019: RM123.9 million).

Notes to the Financial Statements For the financial year ended 31 December 2020

**10. FINANCE INCOME/(COST)**

	Note	Group		Company	
		2020 RM'000	2019 RM'000 Restated <sup>1</sup>	2020 RM'000	2019 RM'000 Restated <sup>1</sup>
<u>Finance income</u>					
Islamic financial instruments		<b>22,118</b>	33,245	<b>1,944</b>	7,884
Deposits, cash and bank balances		<b>130,799</b>	150,849	<b>3,605</b>	5,410
Finance lease receivables	35	<b>8,045</b>	4,060	-	-
Trade receivables <sup>2</sup>		<b>13,060</b>	14,800	-	-
Others		<b>3,161</b>	27,514	<b>172</b>	-
Amounts due from subsidiaries		-	-	<b>25,295</b>	409
<b>Total</b>		<b>177,183</b>	230,468	<b>31,016</b>	13,703
<u>Finance cost</u>					
Borrowings		<b>(465,701)</b>	(533,478)	<b>(28,985)</b>	(21,747)
Profit on Sukuks		<b>(427,747)</b>	(456,332)	-	-
Cash flow hedge - CCIRS		<b>(50,673)</b>	(49,042)	-	-
Provision for asset retirement	22	<b>(24,753)</b>	(14,340)	<b>(25)</b>	(13)
Lease liabilities	24	<b>(669,847)</b>	(595,318)	<b>(792)</b>	(462)
Others		<b>(54,346)</b>	(89,963)	-	-
Amounts due to subsidiaries	34	-	-	<b>(21,766)</b>	(24,578)
<b>Total</b>		<b>(1,693,067)</b>	(1,738,473)	<b>(51,568)</b>	(46,800)

<sup>1</sup> Restated to conform with current year presentation.

<sup>2</sup> Relates to deferred credits extended to subscribers by a subsidiary discounted at 8% (2019: 8%).

**11. TAXATION AND ZAKAT**

	Note	Group		Company	
		2020 RM'000	2019 RM'000 Restated <sup>1</sup>	2020 RM'000	2019 RM'000
Current taxation		<b>605,071</b>	852,089	-	3,251
Deferred taxation		<b>(59,768)</b>	110,826	-	-
<b>Taxation</b>		<b>545,303</b>	962,915	-	3,251
Zakat		<b>1,769</b>	1,729	-	-
<b>Total</b>		<b>547,072</b>	964,644	-	3,251
Current taxation:					
- Current financial year		<b>590,797</b>	814,887	-	3,251
- Prior financial year		<b>14,274</b>	37,202	-	-
		<b>605,071</b>	852,089	-	3,251
Deferred taxation:					
- Net origination of temporary differences	23	<b>(58,391)</b>	100,970	-	-
- Others		<b>(1,377)</b>	9,856	-	-
<b>Taxation</b>		<b>545,303</b>	962,915	-	3,251
<b>Zakat</b>		<b>1,769</b>	1,729	-	-
<b>Total</b>		<b>547,072</b>	964,644	-	3,251

<sup>1</sup> Restated in conjunction with the reclassification as disclosed in Note 49(a) to the financial statements.

# Audited Financial Statements

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### 11. TAXATION AND ZAKAT (CONTINUED)

Numerical reconciliation between taxation and the product of accounting profit multiplied by the Malaysian tax rate:

	Group		Company	
	2020 RM'000	2019 RM'000 Restated <sup>1</sup>	2020 RM'000	2019 RM'000
Profit/(Loss) before taxation	<b>1,171,117</b>	2,779,740	<b>139,503</b>	(292,030)
Taxation calculated at the applicable Malaysian tax rate of 24%	<b>281,068</b>	667,138	<b>33,481</b>	(70,087)
Tax effects of:				
- income not subject to tax	<b>(238,694)</b>	(220,204)	<b>(433,682)</b>	(341,789)
- share of results of associates	<b>(4,287)</b>	155	-	-
- share of results of joint ventures	<b>(206)</b>	676	-	-
- change in statutory tax rate	<b>(39,171)</b>	-	-	-
- approved tax credit of a subsidiary	<b>(29,532)</b>	(14,786)	-	-
- different tax rates in other countries	<b>44,909</b>	83,107	-	-
- utilisation of previously unrecognised deferred tax assets	<b>(27,137)</b>	(7,419)	<b>(12,191)</b>	-
- unrecognised deferred tax assets	<b>162,844</b>	125,248	<b>29,271</b>	22,714
- expenses not deductible for tax purposes	<b>381,235</b>	291,798	<b>383,121</b>	392,413
- prior financial year income tax	<b>14,274</b>	37,202	-	-
- zakat	<b>1,769</b>	1,729	-	-
Total	<b>547,072</b>	964,644	-	3,251

<sup>1</sup> Restated in conjunction with the reclassification as disclosed in Note 49(a) to the financial statements.

### 12. EARNINGS PER SHARE

#### (a) Basic earnings per share ("EPS")

Basic EPS of the Group is calculated by dividing the profit attributable to owners of the Company by the weighted average number of ordinary shares of the Company in issue during the financial year.

	Group	
	2020	2019
Profit attributable to owners of the Company (RM'000)	<b>365,155</b>	1,457,550
Weighted average number of ordinary shares in issue ('000)	<b>9,167,584</b>	9,112,486
Basic EPS (sen)	<b>4.0</b>	16.0

#### (b) Diluted earnings per share

For the diluted EPS calculation, the weighted average number of ordinary shares in issue is adjusted to assume conversion of all dilutive potential ordinary shares. The Company has granted shares to employees under Axiata Group Performance-Based Long Term Incentive Plan ("Axiata PBLTIP") as disclosed in Note 14(b) to the financial statements which are dilutive potential ordinary shares and is assumed to have been converted into ordinary shares.

	Group	
	2020	2019
Profit attributable to owners of the Company (RM'000)	<b>365,155</b>	1,457,550
Weighted average number of ordinary shares in issue ('000)	<b>9,167,584</b>	9,112,486
Adjusted for diluted effect of Axiata PBLTIP ('000)	<b>8,136</b>	8,221
Adjusted weighted average number of ordinary shares ('000)	<b>9,175,720</b>	9,120,707
Diluted EPS (sen)	<b>4.0</b>	16.0

Notes to the Financial Statements For the financial year ended 31 December 2020

**13. SHARE CAPITAL**

	Note	Group and Company			
		2020		2019	
		No. of shares '000	Value RM'000	No. of shares '000	Value RM'000
Ordinary shares paid-up capital:					
At 1 January		9,163,573	<b>13,857,268</b>	9,071,018	13,502,368
Performance-Based Employee Share					
Option Scheme ("ESOS")		-	-	5,751	21,487
Restricted Share Awards ("RSA")		-	-	1,548	6,571
Axiata PBLTIP	14(b)	5,968	<b>25,760</b>	35	169
Dividend Reinvestment Scheme	(a)	-	-	85,221	326,673
At 31 December		9,169,541	<b>13,883,028</b>	9,163,573	13,857,268

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

- (a) In previous financial year, the shareholders of the Company via Annual General Meeting ("AGM") approved the renewal of the authority for the Directors of the Company to allot and issue new ordinary shares of the Company in relation to the DRS that provided the shareholders of the Company the option to elect to reinvest their full or partial cash dividend entitlement in new ordinary shares of the Company. In the event that only part of the electable portion is reinvested, the shareholders shall receive the remaining portion of the dividend in cash.

The Company had issued the new ordinary shares pursuant to DRS at the conversion price as disclosed in Note 48 to the financial statements. During the financial year, no new ordinary shares were issued pursuant to DRS.

**14. SHARE-BASED COMPENSATION PLANS**

- (a) Performance-Based Employee Share Option Scheme and Restricted Share Plan ("Axiata Share Scheme")

Performance-Based ESOS of the Company was approved by its shareholders at an Extraordinary General Meeting ("EGM") held on 24 March 2009 and was implemented on 16 April 2009. On 1 June 2011, the Company's shareholders had, at the Nineteenth (19th) AGM of the Company, approved amendments to the Performance-Based ESOS Bye-Laws to include the Restricted Share Plan ("RSP"). The existing Performance-Based ESOS was renamed as Axiata Share Scheme.

The Company implemented the Axiata Share Scheme on 15 July 2011 and started to offer eligible employees the entitlement to receive RSA under the RSP in the Company on 18 July 2011 instead of Performance-Based ESOS. The Axiata Share Scheme expired on 15 April 2019.

The amounts recognised in the profit or loss as disclosed in Note 7(d) and 7(e) to the financial statements for all employees (including eligible Directors) arising from the Performance-Based ESOS and RSA were summarised as follows:

	2019	
	Group RM'000	Company RM'000
Share-based payment expense	(1,372)	(794)

**14. SHARE-BASED COMPENSATION PLANS (CONTINUED)**

**(b) Axiata Group Performance Based Long Term Incentive Plan (“Axiata PBLTIP”)**

On 25 May 2016, shareholders of the Company had approved the Axiata PBLTIP and it was implemented on 30 September 2016. Effectively, the Group and the Company started to offer eligible employees the entitlement to receive Axiata PBLTIP.

The total number of Axiata PBLTIP shares granted, percentage of shares to be vested and the vesting period are as follows:

	Entitlement over the Company's shares				
	Reference date	Vesting date	% of shares to be vested <sup>1</sup>	Number of shares granted <sup>2</sup>	Reference price <sup>4</sup> RM
Grant 1(a), 2017	28 Feb 2017	28 Feb 2020	100	4,680,100	4.48
Grant 1(b), 2017 <sup>2</sup>	15 Aug 2017	15 Aug 2020	100	496,600	4.83
Grant 2, 2018	28 Feb 2018	28 Feb 2021	100	1,992,100	5.56
Grant 3(a), 2019	21 Feb 2019	21 Feb 2020	100	607,600	4.12
Grant 3(b), 2019	21 Feb 2019	21 Feb 2022	100	2,295,400	4.12
Grant 4(a), 2020	28 Feb 2020	28 Feb 2023	100	1,796,000	4.17
Grant 4(b), 2020 <sup>2</sup>	15 Aug 2020	15 Aug 2023	100	78,800	3.15

- <sup>1</sup> The shares granted under Axiata PBLTIP granted shall become vested only upon the fulfilment of certain performance condition.  
<sup>2</sup> The grant was made to newly hired employees who did not receive the main cycle grant and have been confirmed as at reporting dates.  
<sup>3</sup> Eligible employees can only vest the Axiata PBLTIP shares at the end of the third (3rd) year. Number of shares originally granted excludes multiplier effect from achieving performance targets.  
<sup>4</sup> Refers to the share price at reference date for the purpose of granting the number of shares to the employees.

The salient terms and conditions of the Axiata PBLTIP are as follows:

(i) Maximum number of new ordinary shares of the Company available under the Axiata PBLTIP

The maximum number of shares which may be allotted upon the vesting of Axiata PBLTIP shares, (collectively referred to as “Aggregate”) shall not be more than 7% of the issued and paid-up ordinary share capital of the Company at any point of time during the duration of this Axiata PBLTIP.

If the Company undertakes a share buy-back exercise or any other corporate proposal resulting in the total number of the Company's shares issued and/or to be issued under the Axiata PBLTIP exceeding 7% of the Company's issued and fully paid-up ordinary share capital, all shares under the Axiata PBLTIP offered and/or granted prior to the said variation of the issued and paid-up ordinary share capital of the Company shall remain valid and exercisable in accordance with the provisions of this Axiata PBLTIP as if that reduction had not occurred.

(ii) Basis of allocation and maximum allowable allotment

The total number of new ordinary shares of the Company that can be offered and allotted to any one of the Eligible Employees (as defined in the Bye-Laws in relation to the Axiata PBLTIP shall be at the absolute discretion of the Board of Remuneration Committee that has been established to administer the Axiata PBLTIP from time to time) after taking into consideration such criteria as may be determined by the Board of Directors or the Board Remuneration Committee at their absolute discretion.

Not more than 10% of the Company's new ordinary shares available under the Axiata PBLTIP will be allocated to any individual Eligible Employee who, either singly or collectively through persons connected with the Eligible Employees, holds 20% or more of the Company's paid-up share capital.

**Notes to the Financial Statements** For the financial year ended 31 December 2020**14. SHARE-BASED COMPENSATION PLANS (CONTINUED)****(b) Axiata Group Performance Based Long Term Incentive Plan (“Axiata PBLTIP”) (continued)**

The salient terms and conditions of the Axiata PBLTIP are as follows: (continued)

(iii) Eligibility

Any employee of the Group (other than subsidiaries which are dormant) shall be eligible to participate in the Axiata PBLTIP if the employee, as at the dates of the respective offers of options:

- (a) has attained the age of eighteen (18) years;
- (b) has entered into a full-term contract of employment with, and is on the payroll of, a corporation within the Group and whose service has been confirmed;
- (c) is not a non-executive or independent Director of the Company; and
- (d) fulfils any other criteria as may be set by the Board of Directors in its absolute discretion.

Eligibility under the Axiata PBLTIP does not confer on any Eligible Employee any claim, right to participate in, or any other right whatsoever under the Axiata PBLTIP and an Eligible Employee does not acquire or have any right over, or in connection with, any Axiata PBLTIP shares under this Axiata PBLTIP unless an Offer has been made by the Board of Directors to that Eligible Employee and that Eligible Employee has accepted the Offer in accordance with the terms of the Offer and the Bye-Laws governing the Axiata PBLTIP.

(iv) Axiata PBLTIP shares reference price

The reference price at which the Grantees shall be allotted new shares will be based on the fair value of the shares on the date of grant.

(v) Duration of the Axiata PBLTIP

The Axiata PBLTIP shall be in force for a period of ten (10) years from the effective date of implementation, being a date of full compliance with the relevant requirements of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Securities”). All Axiata PBLTIP shares, whether or not vested, shall forthwith lapse upon the expiry of the scheme. All unvested shares under the Axiata PBLTIP which are not vested shall forthwith lapse upon the expiry of the scheme on 30 September 2026.

**14. SHARE-BASED COMPENSATION PLANS (CONTINUED)**

**(b) Axiata Group Performance Based Long Term Incentive Plan (“Axiata PBLTIP”) (continued)**

The movement during the financial year in the number of Axiata PBLTIP shares of the Company, in which the employees of the Group and the Company are entitled to, is as follows:

Group	At 1 January	Granted	Adjusted <sup>1</sup>	Vested	Lapsed/ forfeited	At 31 December	Weighted average fair value at grant date RM
<b>2020</b>							
Grant 1(a), 2017	4,145,400	-	2,963,810	(4,941,100)	(709,150)	1,458,960	4.31
Grant 1(b), 2017	496,600	-	179,500	(320,300)	(72,900)	282,900	4.56
Grant 2, 2018	1,992,100	-	-	-	(151,900)	1,840,200	4.67
Grant 3(a), 2019	607,600	-	-	(607,600)	-	-	4.11
Grant 3(b), 2019	2,295,400	-	49,600	(99,200)	(30,300)	2,215,500	4.36
Grant 4(a), 2020	-	1,796,000	-	-	(83,200)	1,712,800	3.44
Grant 4(b), 2020	-	78,800	-	-	-	78,800	2.77
<b>Total</b>	<b>9,537,100</b>	<b>1,874,800</b>	<b>3,192,910</b>	<b>(5,968,200)</b>	<b>(1,047,450)</b>	<b>7,589,160</b>	
<b>2019</b>							
Grant 1(a), 2017	4,377,200	-	-	(34,900)	(196,900)	4,145,400	4.31
Grant 1(b), 2017	496,600	-	-	-	-	496,600	4.56
Grant 2, 2018	1,992,100	-	-	-	-	1,992,100	4.67
Grant 3 (a), 2019	-	607,600	-	-	-	607,600	4.11
Grant 3 (b), 2019	-	2,295,400	-	-	-	2,295,400	4.36
<b>Total</b>	<b>6,865,900</b>	<b>2,903,000</b>	<b>-</b>	<b>(34,900)</b>	<b>(196,900)</b>	<b>9,537,100</b>	

<sup>1</sup> Being additional number of shares vested due to multiplier effect from achieving performance targets.



**Notes to the Financial Statements** For the financial year ended 31 December 2020

**14. SHARE-BASED COMPENSATION PLANS (CONTINUED)**

**(b) Axiata Group Performance Based Long Term Incentive Plan (“Axiata PBLTIP”) (continued)**

The movement during the financial year in the number of Axiata PBLTIP shares of the Company, in which the employees of the Group and the Company are entitled to, is as follows: (continued)

Company	At 1 January	Granted	Adjusted <sup>1</sup>	Vested	Lapsed/ forfeited	At 31 December	Weighted average fair value at grant date RM
<b>2020</b>							
Grant 1(a), 2017	3,560,000	-	2,763,010	(4,553,500)	(709,150)	1,060,360	4.31
Grant 1(b), 2017	496,600	-	179,500	(320,300)	(72,900)	282,900	4.56
Grant 2, 2018	1,992,100	-	-	-	(151,900)	1,840,200	4.67
Grant 3(a), 2019	607,600	-	-	(607,600)	-	-	4.11
Grant 3(b), 2019	2,295,400	-	49,600	(99,200)	(30,300)	2,215,500	4.36
Grant 4(a), 2020	-	1,796,000	-	-	(83,200)	1,712,800	3.44
Grant 4(b), 2020	-	78,800	-	-	-	78,800	2.77
<b>Total</b>	<b>8,951,700</b>	<b>1,874,800</b>	<b>2,992,110</b>	<b>(5,580,600)</b>	<b>(1,047,450)</b>	<b>7,190,560</b>	
<b>2019</b>							
Grant 1(a), 2017	3,695,800	-	-	(34,900)	(100,900)	3,560,000	4.31
Grant 1(b), 2017	496,600	-	-	-	-	496,600	4.56
Grant 2, 2018	1,992,100	-	-	-	-	1,992,100	4.67
Grant 3(a), 2019	-	607,600	-	-	-	607,600	4.11
Grant 3(b), 2019	-	2,295,400	-	-	-	2,295,400	4.36
<b>Total</b>	<b>6,184,500</b>	<b>2,903,000</b>	<b>-</b>	<b>(34,900)</b>	<b>(100,900)</b>	<b>8,951,700</b>	

<sup>1</sup> Being additional number of shares vested due to multiplier effect from achieving performance targets.

**14. SHARE-BASED COMPENSATION PLANS (CONTINUED)**

**(b) Axiata Group Performance Based Long Term Incentive Plan (“Axiata PBLTIP”) (continued)**

The fair value of the Axiata PBLTIP shares granted were determined using the Monte Carlo valuation model. The significant inputs in the model are as follows:

	Reference price	Grant date at valuation <sup>1</sup>	Vesting date	Closing share price at grant date <sup>1</sup>	Expected dividend yield <sup>2</sup>	Risk free interest rates	Expected volatility <sup>3</sup>
Grant 1(a)	4.48	14 Apr 2017	28 Feb 2020	RM5.06	2.02%	3.48%	20.56%
Grant 1(b)	4.83	13 Oct 2017	15 Aug 2020	RM5.27	2.02%	3.46%	22.06%
Grant 2	5.56	27 Apr 2018	28 Feb 2021	RM5.30	3.42%	3.73%	22.84%
Grant 3(a)	4.12	17 May 2019	21 Feb 2020	RM4.44	2.79%	3.18%	43.10%
Grant 3(b)	4.12	17 May 2019	21 Feb 2022	RM4.44	2.79%	3.42%	31.10%
Grant 4(a)	4.17	27 Apr 2020	28 Feb 2023	RM3.70	2.64%	2.46%	33.38%
Grant 4(b)	3.15	12 Oct 2020	15 Aug 2023	RM2.96	2.64%	1.89%	33.56%

<sup>1</sup> Grant date refers to the date where majority of employees accepted the offer.

<sup>2</sup> Yield of Malaysian Government Securities.

<sup>3</sup> The expected volatility rate of the Axiata PBLTIP shares was derived using three (3) years period on daily basis historical volatility due to availability of data with more data points to increase the credibility of assumptions.

The amounts recognised in the profit or loss as disclosed in Note 7(d) and 7(e) to the financial statements for all employees (including Directors) arising from the Axiata PBLTIP are summarised as follows:

	Group		Company	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Share-based payment expense <sup>1</sup>	<b>26,035</b>	13,328	<b>24,017</b>	13,579

<sup>1</sup> Including adjustment on additional number of shares vested due to multiplier effect from achieving performance targets.

**(c) Share-based compensation plan of XL**

On 10 December 2015, Board of Commissioners of XL approved a long term incentive program 2016-2020 under which XL's shares without pre-emptive rights or cash consideration are to be awarded as retention program to motivate employees to enhance performance. The programme was approved by the EGM of shareholders of XL on 10 March 2016.

Under the scheme, the eligible employees will be granted certain amount of new shares which will vest only if prescribed company performance target is met and the individual employees attaining certain performance rating. XL's performance is measured based on return on capital employed. Employee's performance is measured based on average employee's performance ratings over the relevant vesting period. In addition, the employees are required to be with XL up to the end of the relevant vesting period to receive the granted shares issued under this programme. The shares will be issued at the end of the relevant vesting period and are locked up for one (1) year in accordance with prevailing regulation in Indonesia Stock Exchange (“IDX”).

Total share-based payment compensation expense recognised in the profit or loss as disclosed in Note 7(d) to the financial statements was RM12.7 million (2019: RM16.0 million).

**Notes to the Financial Statements** For the financial year ended 31 December 2020

**14. SHARE-BASED COMPENSATION PLANS (CONTINUED)**

**(d) Long-term Incentive Plan (“LTIP”) of edotco Group**

edotco has developed and implemented a performance based LTIP for senior management of edotco and its subsidiaries. Under the plan, eligible senior management are entitled to ordinary shares of edotco for no cash consideration upon the occurrence of certain event during the vesting period, otherwise, the award will be settled in cash, based on an independent valuation.

The number of ordinary shares granted, their respective grant date and vesting period is summarised as follows:

LTIP for Senior Management	Grant date	Units granted <sup>1</sup>	Vesting date
Grant 1(a), 2017	17 Mar 2017	1,713,700	31 Mar 2019
Grant 1(b), 2017	17 Mar 2017	66,800	14 Aug 2019
Grant 1(c), 2017	17 Mar 2017	1,203,600	31 Mar 2020
Grant 2(a), 2017	15 Aug 2017	192,900	14 Aug 2020
Grant 3(a), 2018	31 Mar 2018	2,324,600	31 Mar 2021
Grant 3(b), 2018	31 Aug 2018	202,600	31 Aug 2021
Grant 4(a), 2019	31 Mar 2019	2,539,800	31 Mar 2022
Grant 4(b), 2019	15 Aug 2019	147,300	31 Aug 2022
Grant 5, 2020	31 Mar 2020	721,100	31 Dec 2022

<sup>1</sup> The number of equity instruments initially granted excludes multiplier effects which will be offered to eligible employees based on consolidated edotco and individual performance for the award period.

The movement in the number of ordinary shares granted during the financial year, in which the employees of edotco and its subsidiaries is entitled to is as follows:

	At 1 January	Granted	Lapsed/ Forfeited	Paid	At 31 December
<b>2020</b>					
Grant 1(c), 2017	1,075,000	-	-	(1,075,000)	-
Grant 2(a), 2017	192,900	-	-	(192,900)	-
Grant 3(a), 2018	1,970,563	-	(384,900)	-	1,585,663
Grant 3(b), 2018	143,600	-	(36,900)	-	106,700
Grant 4(a), 2019	2,316,500	-	(390,370)	-	1,926,130
Grant 4(b), 2019	147,300	-	-	-	147,300
Grant 5, 2020	-	721,100	(125,400)	-	595,700
<b>Total</b>	<b>5,845,863</b>	<b>721,100</b>	<b>(937,570)</b>	<b>(1,267,900)</b>	<b>4,361,493</b>
<b>2019</b>					
Grant 1(a), 2017	1,481,300	-	-	(1,481,300)	-
Grant 1(b), 2017	66,800	-	-	(66,800)	-
Grant 1(c), 2017	1,203,600	-	(128,600)	-	1,075,000
Grant 2(a), 2017	192,900	-	-	-	192,900
Grant 3(a), 2018	2,234,300	-	(263,737)	-	1,970,563
Grant 3(b), 2018	202,600	-	(58,951)	-	143,649
Grant 4(a), 2019	-	2,539,800	(223,300)	-	2,316,500
Grant 4(b), 2019	-	147,300	-	-	147,300
<b>Total</b>	<b>5,381,500</b>	<b>2,687,100</b>	<b>(674,588)</b>	<b>(1,548,100)</b>	<b>5,845,912</b>

The share-based compensation expense recognised in the profit or loss as disclosed in Note 7(d) to the financial statements was RM15.1 million (2019: RM28.8 million).

The share-based payment liabilities recognised within trade and other payables in the statements of financial position of the Group for the financial year ended 31 December 2020 was RM28.3 million (2019: RM24.6 million).

### 14. SHARE-BASED COMPENSATION PLANS (CONTINUED)

#### (e) Performance Based Restrictive Share Plan of Dialog

The Board of Directors of Dialog had approved the implementation of Performance Based Restrictive Share Plan of Dialog as part of Dialog's Long-Term Incentive Plan and it was approved by Dialog shareholders in May 2017.

Eligibility is determined upon an employee satisfying the following:

- has attained the age of eighteen years;
- is an executive director of Dialog or has entered into a full-time or fixed-term contract of employment with, and is on the payroll of, a group company and whose service has been confirmed; and
- has fulfilled any other eligibility criteria which has been determined by the Board of Directors of Dialog at its absolute discretion, as the case may be.

The movement in the number of ordinary shares granted during the financial year, in which the employees of Dialog is entitled to is as follows:

	At 1 January	Granted	Vested	At 31 December
2020	66,599,050	37,816,950	(30,030,700)	74,385,300
2019	36,315,550	30,283,500	-	66,599,050

Shares granted outstanding at the end of the financial year have the following vesting dates.

Grant date	Vesting date	Volume weighted average share price in SLR per ordinary share	2020	2019
1 Oct 2017	30 Sept 2020	12.10	-	17,869,200
1 May 2018	30 Apr 2021	14.50	27,015,500	18,181,250
1 Oct 2019	30 Sept 2022	10.50	47,369,800	30,548,600
Total			74,385,300	66,599,050

The share-based compensation expense recognised in the profit or loss as disclosed in Note 7(d) to the financial statements was RM12.7 million (2019: RM3.8 million).

#### (f) Cash-settled share-based compensation plans which are individually immaterial

During the financial year, the Group recognised the expenses and liabilities of cash-settled share-based compensation plans of certain subsidiaries which are individually immaterial as follows:

- total share-based compensation expenses recognised in the profit or loss as disclosed in Note 7(d) to the financial statements amounting to RM8.9 million (2019: RM2.3 million); and
- total share-based payment liabilities recognised within trade and other payables in the statements of financial position of the Group amounting to RM12.7 million (2019: RM4.1 million).

## Notes to the Financial Statements For the financial year ended 31 December 2020

### 15. RESERVES

	Note	Group		Company	
		2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Retained earnings		<b>6,582,821</b>	6,646,972	<b>907,004</b>	1,363,494
Currency translation differences arising from translation of:					
- subsidiaries		<b>(1,002,020)</b>	(560,873)	-	-
- associates		-	(307)	-	-
		<b>(1,002,020)</b>	(561,180)	-	-
Reserves:					
- Capital contribution	(a)	<b>16,598</b>	16,598	<b>16,598</b>	16,598
- Merger	(b)	<b>346,774</b>	346,774	-	-
- Hedging	(c)	<b>18,935</b>	(9,705)	-	-
- Cost of hedging	(d)	<b>1,163</b>	(5,862)	-	-
- Actuarial	(e)	<b>5,232</b>	28,512	-	-
- Share-based payment	(f)	<b>44,413</b>	27,351	<b>27,626</b>	27,351
- FVTOCI	(g)	<b>(2,255,802)</b>	(2,138,438)	-	-
- Other reserve	(h)	-	(2,027,497)	-	-
		<b>(1,822,687)</b>	(3,762,267)	<b>44,224</b>	43,949
<b>Total</b>		<b>3,758,114</b>	2,323,525	<b>951,228</b>	1,407,443

- (a) The Group's and the Company's capital contribution reserve relates to the Employee Share Option Scheme of Telekom Malaysia Berhad, former holding company, which were made available to the employees of the Group and the Company.
- (b) The Group's merger reserve relates to the credit difference arising from the business combination accounted under the predecessor method of accounting upon completion of a Group's restructuring exercise on 25 April 2008.
- (c) The Group's hedging reserve consists of cash flow hedge arising from effective hedges as disclosed in Note 18(c) to the financial statements.
- (d) The Group's cost of hedging reserve represents the change in the foreign currency basis spread of the CCIRS as disclosed in Note 18(c) to the financial statements.
- (e) The Group's actuarial reserve relates to actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions from post-employment benefit obligations.
- (f) The Group's and the Company's share-based payment reserve relate to share-based compensation plans of the Group and the Company, which were made available to the employees as disclosed in Note 14 to the financial statements.
- (g) The Group's FVTOCI reserve is the fair value changes of financial assets at FVTOCI.
- (h) The Group's other reserve relates to the put option liabilities over shares held by NCI as disclosed in Note 18(b) to the financial statements.

**15. RESERVES (CONTINUED)**

The movement of Reserves of the Group attributable to the owners of the Company is as follows:

Group	Note	Capital contribution RM'000	Merger RM'000	Hedging RM'000	Cost of hedging RM'000	Actuarial RM'000	Share-based payment RM'000	FVTOCI RM'000	Other RM'000	Total RM'000
At 1 January 2020		16,598	346,774	(9,705)	(5,862)	28,512	27,351	(2,138,438)	(2,027,497)	(3,762,267)
Other comprehensive income/(expense):										
- Net cash flow hedge	18(C)	-	-	28,640	-	-	-	-	-	28,640
- Net cost of hedging	18(C)	-	-	-	7,025	-	-	-	-	7,025
- Actuarial losses, net of tax		-	-	-	-	(24,275)	-	-	-	(24,275)
- Revaluation of financial assets at FVTOCI		-	-	-	-	-	-	(117,360)	-	(117,360)
Total other comprehensive income/(expense) for the financial year		-	-	28,640	7,025	(24,275)	-	(117,360)	-	(105,970)
Transactions with owners:										
- Dilution of equity interest in subsidiaries		-	-	-	-	(60)	-	(4)	-	(64)
- Revaluation of put option		-	-	-	-	-	-	-	(222,982)	(222,982)
- Derecognition of put option	18(b)	-	-	-	-	-	-	-	2,250,479	2,250,479
- Share buyback by a subsidiary	5(a)(iv)	109	-	-	-	109	-	-	-	109
- IPO of a subsidiary	5(a)(ii)	-	-	-	-	946	-	-	-	946
- Share-based payment expense		-	-	-	-	-	42,822	-	-	42,822
- Transferred from share-based payment reserve upon vesting		-	-	-	-	-	(25,760)	-	-	(25,760)
Total transaction with owners		-	-	-	-	995	17,062	(4)	2,027,497	2,045,550
At 31 December 2020		16,598	346,774	18,935	1,163	5,232	44,413	(2,255,802)	-	(1,822,687)

**Notes to the Financial Statements** For the financial year ended 31 December 2020

**15. RESERVES (CONTINUED)**

The movement of Reserves of the Group attributable to the owners of the Company is as follows: (continued)

	Note	Capital contribution RM'000	Merger RM'000	Hedging RM'000	Cost of hedging RM'000	Actuarial RM'000	Share-based payment RM'000	FVTOCI RM'000	Other RM'000	Total RM'000
<b>Group</b>										
At 1 January 2019		16,598	346,774	(70,863)	770	26,982	138,652	(540,015)	(1,626,561)	(1,707,663)
Other comprehensive income/(expense):										
- Net cash flow hedge	18(c)	-	-	61,158	-	-	-	-	-	61,158
- Net cost of hedging	18(c)	-	-	-	(6,632)	-	-	-	-	(6,632)
- Actuarial gains, net of tax		-	-	-	-	1,530	-	-	-	1,530
- Revaluation of financial assets at FVTOCI		-	-	-	-	-	-	(1,598,423)	-	(1,598,423)
Total comprehensive income/(expense) for the financial year		-	-	61,158	(6,632)	1,530	-	(1,598,423)	-	(1,542,367)
Transaction with owners:										
- Termination of put option		-	-	-	-	-	-	-	98,729	98,729
- Revaluation of put option		-	-	-	-	-	-	-	(499,665)	(499,665)
- Share-based payment expense	14(a),(b)	-	-	-	-	-	11,956	-	-	11,956
- Transferred from share-based payment reserve upon:										
- exercise/vesting		-	-	-	-	-	(11,838)	-	-	(11,838)
- lapse		-	-	-	-	-	(111,419)	-	-	(111,419)
Total transactions with owners		-	-	-	-	-	(111,301)	-	(400,936)	(512,237)
At 31 December 2019		16,598	346,774	(9,705)	(5,862)	28,512	27,351	(2,138,438)	(2,027,497)	(3,762,267)

# Audited Financial Statements

## Notes to the Financial Statements

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For the financial year ended 31 December 2020

### 16. BORROWINGS

	Note	2020			2019				
		W.A.R.F %	Non- current RM'000	Current RM'000	Total RM'000	W.A.R.F %	Non- current RM'000	Current RM'000	Total RM'000
<b>Group</b>									
Overseas									
Secured:									
- Borrowings from financial institutions	(a)	8.42	717,532	213,965	931,497	9.34	67,215	20,613	87,828
- Bank overdrafts		10.77	-	59,460	59,460	11.54	-	58,343	58,343
Unsecured:									
- Borrowings from financial institutions		4.05	2,475,084	1,240,034	3,715,118	7.29	2,351,684	2,258,501	4,610,185
- Sukuk Ijarah	(c)(iii)	9.60	485,652	123,641	609,293	9.35	616,205	317,255	933,460
- Bonds	(d)	9.28	156,279	134,008	290,287	8.95	292,773	91,413	384,186
- Bank overdrafts		9.50	-	57,095	57,095	9.06	-	76,099	76,099
<b>Total overseas</b>		<b>5.66</b>	<b>3,834,547</b>	<b>1,828,203</b>	<b>5,662,750</b>	<b>7.69</b>	<b>3,327,877</b>	<b>2,822,224</b>	<b>6,150,101</b>
Malaysia									
Secured:									
- Borrowings from financial institutions		2.01	314,373	4,966	319,339	3.87	324,026	248	324,274
Unsecured:									
- Notes	(b), (e)	3.04	4,022,175	45,104	4,067,279	5.33	-	1,243,676	1,243,676
- Borrowings from financial institutions		1.82	829,849	471,847	1,301,696	3.97	1,200,000	227,416	1,427,416
- Sukuk	(c)(i), (ii)	3.77	5,772,951	621,424	6,394,375	4.13	4,342,587	3,338,189	7,680,776
<b>Total Malaysia</b>		<b>3.27</b>	<b>10,939,348</b>	<b>1,143,341</b>	<b>12,082,689</b>	<b>4.24</b>	<b>5,866,613</b>	<b>4,809,529</b>	<b>10,676,142</b>
<b>Total</b>		<b>4.03</b>	<b>14,773,895</b>	<b>2,971,544</b>	<b>17,745,439</b>	<b>5.50</b>	<b>9,194,490</b>	<b>7,631,753</b>	<b>16,826,243</b>
<b>Company</b>									
Unsecured:									
- Borrowings from financial institutions		1.80	829,850	431,750	1,261,600	2.63	-	206,284	206,284

W.A.R.F. - Weighted Average Rate of Finance as at reporting date



**Notes to the Financial Statements** For the financial year ended 31 December 2020

**16. BORROWINGS (CONTINUED)**

- (a) Secured by way of fixed charge on certain intangible assets, PPE and deposits with financial institutions of certain subsidiaries, as disclosed in Note 25, Note 27(a) and Note 37 to the financial statements respectively.
- (b) USD300.0 million (RM1,300.0 million) Guaranteed Notes matured on 28 April 2020 were guaranteed by the Company. The Guaranteed Notes, which were issued at 99.94%, carried a coupon rate of 5.375% per annum (“p.a.”) (payable semi-annually in arrears) and had a tenure of ten (10) years from the date of issuance.

The Guaranteed Notes subsequently was delisted from the Stock Exchange of Hong Kong Limited and the Labuan International Financial Exchange Inc. effective 28 April 2020.

- (c) Sukuk of the Group consist of a Multi-Currency Sukuk Programme (“Multi-currency Sukuk”), a Sukuk Murabahah Programme (“Sukuk Murabahah”) and a Sukuk Ijarah Programme (“Sukuk Ijarah”) issued as follows:

(i) Multi-currency Sukuk

The Group established a Multi-Currency Sukuk Programme involving the issuance of up to USD1,500.0 million (or its equivalent in other currencies based on Islamic Principle). On 12 November 2015, the Group successfully priced the issuance USD500.0 million (RM2,181.8 million) Sukuk pursuant to the Sukuk Programme. The Sukuk, which was issued at par, carries a coupon rate of 3.466% p.a. (payable semi-annually in arrears) and has a tenure of five (5) years from the date of issuance.

On 19 November 2015, the Sukuk was listed and quoted on Bursa Securities (under the Exempt Regime) and on the Singapore Exchange Securities Trading Limited (“SGX-ST”). The Group fully repaid its USD500.0 million (RM2,068.0 million) Sukuk which matured on 19 November 2020.

On 15 March 2016, the Group successfully priced the issuance USD500.0 million (RM2,052.0 million) Sukuk pursuant to the Sukuk Programme. The Sukuk, which was issued at par, carries a coupon rate of 4.357% p.a. (payable semi-annually in arrears) and has a tenure of ten (10) years from the date of issuance, maturing on 23 March 2026.

Subsequently, on 24 March 2016, the Sukuk was listed and quoted on Bursa Securities (under the Exempt Regime) and on the SGX-ST.

On 12 August 2020, the Group successfully priced the issuance USD500.0 million (RM2,098.8 million) Sukuk pursuant to the Sukuk Programme and issued on 19 August 2020. The Sukuk, which was issued at par, carries a coupon rate of 2.163% p.a. (payable semi-annually in arrears) and has tenure of ten (10) years from the date of issuance, maturing on 19 August 2030.

Subsequently, on 21 August 2020, the Sukuk was listed but not quoted for trading, on Bursa Securities (under the Exempt Regime) and listed and quoted on the SGX-ST.

(ii) Sukuk Murabahah

On 14 August 2012, Celcom via its wholly-owned subsidiary, Celcom Networks Sdn Bhd (“Celcom Networks”) established a Sukuk Murabahah of up to RM5.0 billion in nominal value.

The details of the Sukuk Murabahah as at 31 December are as follows:

	Contractual profit rate <sup>1</sup> %	Maturity date	Notional amount	
			2020 RM'million	2019 RM'million
Series 4	3.90	28 Aug 2020	-	1,200
Series 5	4.05	27 Aug 2021	400	400
Series 6	4.20	29 Aug 2022	400	400
Series 7	4.85	28 Oct 2021	150	150
Series 8	5.27	28 Oct 2026	350	350
Series 9	4.85	29 Aug 2022	200	200
Series 10	5.05	29 Aug 2024	350	350
Series 11	5.20	29 Aug 2027	450	450
			<b>2,300</b>	<b>3,500</b>

<sup>1</sup> payable semi-annually

During the financial year, Celcom Networks financed the repayment of Sukuk Murabahah Series 4 of RM1.2 billion via a shareholder loan from the Company as disclosed in Note 34 to the financial statements.

**16. BORROWINGS (CONTINUED)**

- (c) Sukuk of the Group consist of a Multi-Currency Sukuk Programme (“Multi-currency Sukuk”), a Sukuk Murabahah Programme (“Sukuk Murabahah”) and a Sukuk Ijarah Programme (“Sukuk Ijarah”) issued as follows: (continued)

(iii) Sukuk Ijarah

On 28 October 2015, XL established a Sukuk Ijarah of up to IDR5.0 trillion in nominal value. The Sukuk Ijarah was established under a 2-year shelf registration programme. The issuance of Shelf Sukuk Ijarah I XL Axiata Tranche I Year 2015 (“Sukuk Ijarah I, Tranche I”) amounting up to IDR1.5 trillion (RM466.5 million) was based on the Shariah principle of Ijarah with the payment of Ujarah to be made quarterly in arrears. On 3 December 2015, Sukuk Ijarah I, Tranche I Sukuk was listed and quoted on IDX.

The details of Sukuk Ijarah I, Tranche I are as follows:

	Annual fixed Sukuk Ijarah return IDR'million	Maturity date	Nominal value	
			2020 RM'million	2019 RM'million
Series C	33,915	2 Dec 2020	-	95.3
Series D	46,750	2 Dec 2022	<b>122.0</b>	125.4
			<b>122.0</b>	220.7

Revenue sharing of Sukuk Ijarah I, Tranche I is paid on a quarterly basis where the first payment was due on 2 March 2016 and the last payment will be paid simultaneously with payment of principal of each series of the Sukuk Ijarah.

On 28 April 2017, XL issued Sukuk Ijarah namely Shelf Sukuk Ijarah I XL Axiata Tranche II Year 2017 (“Sukuk Ijarah I, Tranche II”) amounting to IDR2.8 trillion (RM712.9 million) with maturity period between three hundred seventy six (376) days and ten (10) years and was registered on IDX on 2 May 2017.

The details of Sukuk Ijarah I, Tranche II are as follows:

	Annual fixed Sukuk Ijarah return IDR'million	Maturity date	Nominal value	
			2020 RM'million	2019 RM'million
Series B	33,768	28 Apr 2020	-	118.6
Series C	12,425	28 Apr 2022	<b>40.8</b>	41.9
Series D	23,660	28 Apr 2024	<b>74.6</b>	76.7
Series E	31,584	28 Apr 2027	<b>96.4</b>	99.1
			<b>211.8</b>	336.3

Revenue sharing of Sukuk Ijarah I, Tranche II is paid on a quarterly basis where the first payment was due on 28 July 2017 and the last payment will be paid simultaneously with payment of principal of each series of the Sukuk Ijarah.

**Notes to the Financial Statements** For the financial year ended 31 December 2020

**16. BORROWINGS (CONTINUED)**

- (c) Sukuk of the Group consist of a Multi-Currency Sukuk Programme (“Multi-currency Sukuk”), a Sukuk Murabahah Programme (“Sukuk Murabahah”) and a Sukuk Ijarah Programme (“Sukuk Ijarah”) issued as follows: (continued)

- (iii) Sukuk Ijarah (continued)

On 8 October 2018, XL issued Sukuk Ijarah namely Shelf Sukuk Ijarah II XL Axiata Tranche I Year 2018 (“Sukuk Ijarah II, Tranche I”) amounting to IDR1.0 trillion (RM273.0 million) with maturity period between three hundred seventy (370) days and ten (10) years and was registered on IDX on 17 October 2018.

The details of Sukuk Ijarah II, Tranche I are as follows:

	Annual fixed Ijarah return IDR'million	Maturity date	Nominal value	
			2020 RM'million	2019 RM'million
Series B	36,909	16 Oct 2021	<b>114.5</b>	117.7
Series C	14,304	16 Oct 2023	<b>42.8</b>	44.0
Series D	3,434	16 Oct 2025	<b>9.8</b>	10.0
Series E	6,180	16 Oct 2028	<b>17.2</b>	17.7
			<b>184.3</b>	189.4

Revenue sharing of Sukuk Ijarah II, Tranche I is paid on a quarterly basis where the first payment is due on 16 January 2019 and the last payment is paid simultaneously with payment of principal of each series of the Sukuk Ijarah.

On 8 February 2019, XL issued Sukuk Ijarah namely Shelf Sukuk Ijarah II XL Axiata Tranche II Year 2019 (“Sukuk Ijarah II, Tranche II”) amounting to IDR640.0 billion (RM186.2 million) with maturity period between three hundred seventy (370) days and ten (10) years and was registered on IDX on 11 February 2019.

The details of Sukuk Ijarah II, Tranche II are as follows:

	Annual fixed Sukuk Ijarah return IDR'million	Maturity date	Nominal value	
			2020 RM'million	2019 RM'million
Series A	27,729	18 Feb 2020	-	103.5
Series B	9,515	8 Feb 2022	<b>31.6</b>	32.5
Series C	12,765	8 Feb 2024	<b>39.6</b>	40.7
Series D	1,455	8 Feb 2026	<b>4.3</b>	4.4
Series E	2,600	8 Feb 2029	<b>7.5</b>	7.7
			<b>83.0</b>	188.8

Revenue sharing of Sukuk Ijarah II, Tranche II is paid on a quarterly basis where the first payment is due on 8 May 2019 and the last payment is paid simultaneously with payment of principal of each series of the Sukuk Ijarah.

- (d) Bonds

On 8 October 2018, XL issued a series of bonds namely Shelf Public Offering Shelf Bond I Tranche I Year 2018 XL Axiata (“Bond I, Tranche I”) amounting to IDR1.0 trillion (RM286.0 million) with maturity period between three hundred seventy (370) days and ten (10) years.

The details of Bond I, Tranche I are as follows:

	Annual fixed interest rate %	Maturity date	Nominal value	
			2020 RM'million	2019 RM'million
Series B	9.10	16 Oct 2021	<b>129.2</b>	132.8
Series C	9.60	16 Oct 2023	<b>37.6</b>	38.6
Series D	10.10	16 Oct 2025	<b>5.5</b>	5.6
Series E	10.30	16 Oct 2028	<b>20.7</b>	21.2
			<b>193.0</b>	198.2

**16. BORROWINGS (CONTINUED)**

(d) Bonds (continued)

Interest payment of Bond I Tranche I is paid on quarterly basis with the first payment on 16 January 2019 and the last payment will do simultaneously with payment of principal of each series of the Bond.

On 8 February 2019, XL issued a series of bonds namely Shelf Bond I Tranche II Year 2019 XL Axiata ("Bond I, Tranche II") amounting to IDR634.0 billion (RM184.5 million) with maturity period between three hundred seventy (370) days and ten (10) years.

The details of Bond I, Tranche II are as follows:

	Annual fixed interest rate %	Maturity date	Nominal value	
			2020 RM'million	2019 RM'million
Series A	7.90	18 Feb 2020	-	91.5
Series B	8.65	8 Feb 2022	<b>54.8</b>	56.3
Series C	9.25	8 Feb 2024	<b>11.5</b>	11.8
Series D	10.00	8 Feb 2029	<b>26.7</b>	27.4
			<b>93.0</b>	187.0

Interest payment of Bond I Tranche II is paid on quarterly basis with the first payment on 8 May 2019 and the last payment will do simultaneously with payment of principal of each series of the Bond.

- (e) The Group established a Euro medium-term note programme involving issuance of up to USD1,500.0 million or its equivalent in other currencies ("EMTN Programme") on 10 August 2020.

On 12 August 2020, the Group successfully priced the USD1,000.0 million (RM4,200.0 million) Notes pursuant to the EMTN Programme ("Series One Notes") which are guaranteed by the Company. The Series One Notes were issued on 19 August 2020 at par, with a coupon rate of 3.064% p.a. (payable semi-annually) and has tenure of thirty (30) years from the date of issuance, maturing on 19 August 2050.

On 21 August 2020, the Series One Notes was listed and quoted on the SGX-ST.

- (f) Borrowings of the Group are subject to certain covenants. These covenants require that certain ratios (Debts over Assets, Earnings Before Interest, Tax, Depreciation and Amortisation ("EBITDA") to Borrowing/Finance Costs, Debts to EBITDA and Debts to Equity) to be met, limitation to certain asset sales or transferred and maintaining majority ownership in certain subsidiaries held by the Group. The Group is in compliance with these covenants at each reporting date.
- (g) Total floating interest rate borrowings of the Group are RM5,619.1 million (2019: RM5,108.1 million) as at the reporting date.
- (h) The Group's and the Company's net movements in borrowings are analysed follows:

	Group		Company	
	2020 RM'000	2019 RM'000 Restated <sup>1</sup>	2020 RM'000	2019 RM'000 Restated <sup>1</sup>
At 1 January	<b>16,826,243</b>	19,129,750	<b>206,284</b>	1,468,365
Proceeds from borrowings and Sukuk	<b>13,386,878</b>	3,702,681	<b>3,456,784</b>	209,000
Repayments of borrowings and Sukuk	<b>(11,969,204)</b>	(6,054,944)	<b>(2,326,700)</b>	(1,447,100)
Bank overdrafts	<b>(17,887)</b>	31,141	-	-
Foreign exchange gains	<b>(259,865)</b>	(77,932)	<b>(82,015)</b>	(12,275)
Finance costs on borrowings and Sukuk	<b>893,448</b>	989,810	<b>28,985</b>	21,747
Payment of finance costs	<b>(847,602)</b>	(975,526)	<b>(21,738)</b>	(33,453)
Currency translation differences	<b>(266,572)</b>	81,263	-	-
At 31 December	<b>17,745,439</b>	16,826,243	<b>1,261,600</b>	206,284

<sup>1</sup> Restated to conform with current year presentation.

Notes to the Financial Statements For the financial year ended 31 December 2020

16. BORROWINGS (CONTINUED)

The currencies profiles of the borrowings of the Group and the Company are as follows:

Group	2020										2019									
	RM RM'000	Functional currency					Total RM'000	RM RM'000	IDR RM'000	SLR RM'000	BDT RM'000	NPR RM'000	Functional currency			Total RM'000	Others RM'000	BDT RM'000	Others RM'000	Total RM'000
		RM'000	IDR RM'000	SLR RM'000	BDT RM'000	NPR RM'000							Others RM'000	RM'000	IDR RM'000					
RM	3,037,085	-	-	-	-	3,037,085	4,766,468	-	-	-	-	-	-	-	-	-	-	-	4,766,468	
USD	9,045,604	-	675,545	538,175	-	10,281,357	5,909,674	-	748,523	254,132	-	-	-	-	-	-	25,769	-	6,938,098	
IDR	-	2,707,443	-	-	-	2,707,443	-	3,903,883	-	-	-	-	-	-	-	-	-	-	3,903,883	
SLR	-	-	202,965	-	-	202,965	-	-	332,021	-	-	-	-	-	-	-	-	-	332,021	
BDT	-	-	-	617,301	-	617,301	-	-	-	778,295	-	-	-	-	-	-	-	-	778,295	
NPR	-	-	-	-	690,862	690,862	-	-	-	-	-	-	-	-	-	-	-	-	-	
PKR	-	-	-	-	-	207,952	-	-	-	-	-	-	-	-	-	-	-	105,659	105,659	
THB	-	-	-	-	-	474	-	-	-	-	-	-	-	-	-	-	-	1,819	1,819	
<b>Total</b>	<b>12,082,689</b>	<b>2,707,443</b>	<b>878,510</b>	<b>1,155,476</b>	<b>690,862</b>	<b>17,745,439</b>	<b>10,676,142</b>	<b>3,903,883</b>	<b>1,080,544</b>	<b>1,032,427</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>133,247</b>	<b>-</b>	<b>16,826,243</b>	
<b>Company</b>																				
RM	666,646	-	-	-	-	666,646	-	-	-	-	-	-	-	-	-	-	-	-	-	
USD	594,954	-	-	-	-	594,954	206,284	-	-	-	-	-	-	-	-	-	-	-	206,284	
<b>Total</b>	<b>1,261,600</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,261,600</b>	<b>206,284</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>206,284</b>	

<sup>1</sup> Restated to conform with current year presentation.

USD : United States Dollar  
 IDR : Indonesian Rupiah  
 SLR : Sri Lankan Rupee  
 BDT : Bangladeshi Taka  
 NPR : Nepalese Rupee  
 PKR : Pakistani Rupee  
 THB : Thai Baht

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## Notes to the Financial Statements

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### 16. BORROWINGS (CONTINUED)

The carrying amounts and fair value of the Group's and the Company's borrowings are as follows:

	2020		2019	
	Carrying amount RM'000	Fair value RM'000	Carrying amount RM'000	Fair value RM'000
<b>Group</b>				
Overseas:				
- Borrowings from financial institutions <sup>1</sup>	4,763,170	4,763,170	4,832,455	4,832,455
- Sukuk Ijarah <sup>2</sup>	609,293	662,444	933,460	997,224
- Bonds <sup>3</sup>	290,287	310,365	384,186	409,129
Total overseas	5,662,750	5,735,979	6,150,101	6,238,808
Malaysia:				
- Borrowings from financial institutions <sup>1</sup>	1,621,035	1,621,035	1,751,690	1,751,690
- Notes <sup>2</sup>	4,067,279	4,092,020	1,243,676	1,243,676
- Multi-currency Sukuk <sup>2</sup>	4,064,031	4,354,763	4,135,440	4,246,658
- Sukuk Murabahah <sup>2</sup>	2,330,344	2,447,570	3,545,336	3,622,270
Total Malaysia	12,082,689	12,515,388	10,676,142	10,864,294
Total	17,745,439	18,251,367	16,826,243	17,103,102

### Company

Malaysia:

- Borrowings from financial institutions <sup>1</sup>	1,261,600	1,261,600	206,284	206,284
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<sup>1</sup> The fair values are calculated based on cash flows discounted using a rate based on the borrowing rate which ranges from 0.81% to 13.50% (2019: 1.64% to 13.50%) p.a. and are within level 2 of the fair value hierarchy.

<sup>2</sup> The fair values are based on quoted prices in an active market and is within level 1 of the fair value hierarchy.

<sup>3</sup> The fair values are calculated based on cash flows discounted using a rate based on the bond annual fixed interest rate which ranges from 8.65% to 10.30% (2019: 7.90% to 10.30%) p.a. and are within level 2 of the fair value hierarchy.

### 17. FINANCIAL INSTRUMENTS BY CATEGORIES

	Note	2020				2019			
		Financial asset classified as amortised cost RM'000	Assets at FVTPL RM'000	Assets at FVTOCI RM'000	Total RM'000	Financial asset classified as amortised cost RM'000	Assets at FVTPL RM'000	Assets at FVTOCI RM'000	Total RM'000
<b>Group</b>									
<b>Financial assets</b>									
Derivative financial instruments	18	-	8,343	-	8,343	-	24,503	-	24,503
Trade and other receivables		2,530,869	-	-	2,530,869	3,358,980	-	-	3,358,980
Financial assets at FVTPL		-	142,580	-	142,580	-	63,876	-	63,876
Financial assets at FVTOCI	32	-	-	220,978	220,978	-	-	301,347	301,347
Deposits, cash and bank balances	37	7,194,254	-	-	7,194,254	4,231,099	-	-	4,231,099
Total		9,725,123	150,923	220,978	10,097,024	7,590,079	88,379	301,347	7,979,805

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**17. FINANCIAL INSTRUMENTS BY CATEGORIES (CONTINUED)**

	Note	2020			2019		
		Financial liabilities classified as amortised cost RM'000	Liabilities at FVTPL RM'000	Total RM'000	Financial liabilities classified as amortised cost RM'000	Liabilities at FVTPL RM'000	Total RM'000
<b>Group</b>							
<b>Financial liabilities</b>							
Borrowings	16	17,745,439	-	17,745,439	16,826,243	-	16,826,243
Derivative financial instruments	18	-	132,665	132,665	2,027,497	124,520	2,152,017
Trade and other payables		8,041,145	-	8,041,145	7,987,482	-	7,987,482
<b>Total</b>		<b>25,786,584</b>	<b>132,665</b>	<b>25,919,249</b>	<b>26,841,222</b>	<b>124,520</b>	<b>26,965,742</b>

	Note	Financial assets classified as amortised cost	
		2020 RM'000	2019 RM'000
<b>Company</b>			
<b>Financial assets</b>			
Amounts due from subsidiaries	34	3,160,989	253,136
Trade and other receivables		5,024	7,742
Deposits, cash and bank balances	37	1,231,872	199,240
<b>Total</b>		<b>4,397,885</b>	<b>460,118</b>

<b>Financial liabilities</b>			
Trade and other payables		46,500	47,882
Borrowings	16	1,261,600	206,284
Amounts due to subsidiaries	34	8,312,525	5,691,143
<b>Total</b>		<b>9,620,625</b>	<b>5,945,309</b>

**18. DERIVATIVE FINANCIAL INSTRUMENTS**

	Note	Group			
		2020		2019	
		Assets RM'000	Liabilities RM'000	Assets RM'000	Liabilities RM'000
<b>Non-current</b>					
Non-hedging derivative:					
- Convertible warrants in an associate	(a)	8,343	-	8,343	-
Derivatives designated as hedging instrument:					
- CCIRS	(c)	-	(121,784)	6,913	(110,818)
<b>Total non-current</b>		<b>8,343</b>	<b>(121,784)</b>	<b>15,256</b>	<b>(110,818)</b>
<b>Current</b>					
Non-hedging derivative:					
- Put option over shares held by NCI	(b)	-	-	-	(2,027,497)
Derivatives designated as hedging instrument:					
- CCIRS	(c)	-	(10,881)	9,247	(13,702)
<b>Total current</b>		<b>-</b>	<b>(10,881)</b>	<b>9,247</b>	<b>(2,041,199)</b>
<b>Total</b>		<b>8,343</b>	<b>(132,665)</b>	<b>24,503</b>	<b>(2,152,017)</b>

**18. DERIVATIVE FINANCIAL INSTRUMENTS (CONTINUED)**

Non-hedging derivatives are classified as current/non-current assets or liabilities. The full fair value of a hedging derivative is classified as a non-current asset or liability if the remaining maturity of the hedged item is more than twelve (12) months and, as a current asset or liability, if the maturity of the hedged items is less than twelve (12) months.

**Non-hedging derivatives**

(a) Convertible warrants in an associate

Sacofa Sdn Bhd ("Sacofa"), an associate company of the Group undertook a refinancing exercise which entails amongst others, the issuance of up to RM400.0 million Islamic Medium Term Notes, the issuance of up to RM50.0 million Islamic Commercial Paper and the 64.2 million bonus issue of warrants on the entitlement basis of one (1) free warrant for every one (1) existing Sacofa ordinary share held.

Counterparty	Underlying number of shares	Period	Strike price
Sacofa	12,834,327	28 Jan 2009- 25 Jan 2022	RM1.50/share + any adjustments

(b) Put option over shares held by NCI in Robi

In conjunction with the amalgamation/merger of Airtel Bangladesh Limited ("Airtel") with Robi on 16 November 2016, the Group granted a non-controlling shareholder a put option which requires the Group to purchase all the shares held by this non-controlling shareholder, at a price determined to be lower of EBITDA with a fixed multiple or EBITDA with comparable companies' multiple. The Group estimated the price at EBITDA with a fixed multiple.

The present value of the put option liability was estimated by reference to the following assumptions:

(i) Discount rate

The Group determined the appropriate discount rate at the end of each financial year. In choosing the appropriate discount rate, the Group exercised judgement in selecting the interest rates of high-quality corporate bonds that were denominated in the currency in which the benefits would be paid and that had terms to maturity approximating the terms of the related put option obligation.

(ii) EBITDA

The Group determined the EBITDA based on actual.

The put option was exercisable four (4) years from 16 November 2016, subject to completion of IPO of Robi, for a period of two (2) years. Subsequently, the exercise date of 16 November 2020 was extended to 31 December 2020 as per the amended shareholders' agreement signed on 9 June 2020.

On 24 December 2020, Robi successfully completed its IPO and was listed on Dhaka Stock Exchange Limited and Chittagong Stock Exchange Limited in Bangladesh. As a result, the put option had lapsed and the corresponding liability of RM2,250.5 million was extinguished and derecognised through reserves.

**Derivatives designated as hedging instrument**

(c) Cash flow hedge – CCIRS

The Group enters into CCIRS that have similar critical terms as the hedged item, such as reference rate, reset dates, payment dates, maturities and notional amount. The Group does not hedge 100% of its borrowings, therefore the hedged item is identified as a proportion of the outstanding borrowings up to the notional amount of the swaps. As all critical terms matched, there is an economic relationship.

The underlying debt instrument for the CCIRS is the Group's Multi-currency Sukuk as disclosed in Note 16(c)(i) to the financial statements. The hedging instrument is designed to hedge against foreign currency risk.

The CCIRS is designated as cash flow hedge to hedge the currency risk of borrowings denominated in USD. The hedge has been fully effective from inception and during the financial year. Hedge ineffectiveness may occur due to:

- the credit value/debit value adjustment on the interest rate swaps which is not matched by the borrowings, and
- differences in critical terms between the interest rate swaps and loans.

During the financial year, the Group:

- recognised a gain of RM33.7 million (2019: gain of RM54.5 million) in OCI after reclassification of fair value loss of RM43.3 million (2019: loss of RM18.7 million) on the CCIRS from the OCI to the profit or loss – foreign exchange gain/(loss) on financing activities; and
- derecognised CCIRS which matured on 19 November 2020. As a result of the derecognition, a loss of RM2.0 million was reclassified from the OCI to the profit or loss.

The fair value changes of the derivative are attributable to future exchange rates stated above and interest rate movements as disclosed in Note 10 to the financial statements.



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18. DERIVATIVE FINANCIAL INSTRUMENTS (CONTINUED)

Derivatives designated as hedging instrument (continued)

(c) Cash flow hedge - CCIRS (continued)

Information relating to the CCIRS of a subsidiary of the Group as at 31 December are as follows:

Counterparties	Notional amount USD' million	Exchange rate	Notional amount RM' million	Notional carrying amount		Period	Semi- annually fixed interest rate paid on USD notional %	Semi- annually fixed interest rate received on RM notional %	Fair value assets/ (liabilities)	
				2020 RM' million	2019 RM' million				2020 RM'000	2019 RM'000
<u>Sukuk matured on 19 November 2020</u>										
CIMB Bank Berhad	255.0	4.021	1,025.3	-	1,048.1	30 Sep 2016- 19 Nov 2020	5.440	3.466	-	7,037
Hong Kong and Shanghai Banking Corporation	30.0	4.083	122.5	-	123.3	8 Sep 2016- 19 Nov 2020	5.350	3.466	-	(1,021)
Weighted average	285.0		1,147.8	-	1,171.4		5.431	3.466	-	6,016
<u>Sukuk maturing on 26 March 2026</u>										
CIMB Bank Berhad	1300	4.193	545.1	524.7	534.3	20 Dec 2016- 24 Mar 2026	6.656	4.357	(57,335)	(53,976)
	500	4.070	203.5	201.8	205.5	25 Mar 2019- 24 Mar 2026	5.600	4.357	(2,627)	(33)
	460	4.080	187.7	185.7	189.1	25 Mar 2019- 24 Mar 2026	5.480	4.357	(1,786)	774
Hong Kong and Shanghai Banking Corporation	200	4.160	83.2	80.7	82.2	28 Oct 2016- 24 Mar 2026	6.730	4.357	(8,293)	(7,841)
	500	4.060	203.0	201.8	205.5	25 Mar 2019- 24 Mar 2026	5.470	4.357	(821)	1,905
Bank of Tokyo Mitsubishi / Mitsubishi UFJ Group	1540	4.160	640.7	621.5	632.9	27 Dec 2016- 24 Mar 2026	6.641	4.357	(60,983)	(57,110)
	500	4.060	203.0	201.8	205.5	21 Mar 2019- 24 Mar 2026	5.470	4.357	(820)	1,905
Weighted average	5000		2,066.2	2,018.0	2,055.0		6.210	4.357	(132,665)	(114,376)
		4.132								

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### 19. DEFERRED INCOME

	Group		Company
	2020 RM'000	2019 RM'000	2020 RM'000
At 1 January	383,337	363,196	-
Received	157,919	93,397	20,000
Released to profit or loss	(91,542)	(73,371)	(2,735)
Currency translation differences	(657)	115	-
At 31 December	449,057	383,337	17,265
Current	3,820	-	-
Non-current	445,237	383,337	17,265
	449,057	383,337	17,265

The deferred income of the Group mainly relates to the government grants received by subsidiaries for the purchase of certain qualifying assets.

The deferred income of the Company relates to government grant under PRIHATIN - Program Kredit Mikro Kepada Perusahaan Kecil dan Sederhana Mikro.

### 20. DEFERRED GAIN ON SALE AND LEASEBACK ASSETS

Deferred gain arising from tower sale and finance leaseback transaction where the gain is deferred and amortised over leaseback period of ten (10) years. The remaining useful life is four (4) to six (6) years (2019: five (5) to seven (7) years).

The Group accounted for sale and finance leaseback transactions in the same way as it accounts for any other finance lease that exists at the date of initial application of MFRS 16 as at 1 January 2019 and continue to amortise any gain on sale over the lease term.

### 21. TRADE AND OTHER PAYABLES

	Note	2020			2019		
		Non-current RM'000	Current RM'000	Total RM'000	Non-current RM'000	Current RM'000	Total RM'000 Restated <sup>1</sup>
<b>Group</b>							
Trade payables		-	2,890,808	2,890,808	-	3,087,090	3,087,090
Customer deposits		-	228,379	228,379	-	146,641	146,641
Business license payable		793,533	263,279	1,056,812	323,532	259,641	583,173
Payroll liabilities		112,048	625,295	737,343	134,924	669,503	804,427
Accruals		-	5,002,560	5,002,560	-	4,837,424	4,837,424
Other payables		201,459	342,616	544,075	22,671	689,708	712,379
USP payables		-	461,028	461,028	-	462,819	462,819
Defined benefit plans	(a)	160,976	-	160,976	113,730	-	113,730
Contract liabilities	(b)	35,026	1,951,498	1,986,524	13,110	1,783,556	1,796,666
Taxes		-	190,083	190,083	-	217,684	217,684
Deferred revenue		-	46,402	46,402	-	24,196	24,196
		1,303,042	12,001,948	13,304,990	607,967	12,178,262	12,786,229
<b>Company</b>							
Payroll liabilities		-	39,774	39,774	9,414	44,264	53,678
Accruals		-	31,736	31,736	-	25,563	25,563
Other payables		-	14,764	14,764	-	22,319	22,319
Taxes		-	16,656	16,656	-	18,808	18,808
		-	102,930	102,930	9,414	110,954	120,368

<sup>1</sup> Restated to conform with current year presentation.

**Notes to the Financial Statements** For the financial year ended 31 December 2020

**21. TRADE AND OTHER PAYABLES (CONTINUED)**

- (a) The Group defined benefit plans are mainly from Indonesia, Sri Lanka and Bangladesh under mobile segment and infrastructure segment. The movements in the present value of defined benefit obligations of the defined benefit plans are as follows:

	Group	
	2020 RM'000	2019 RM'000
At 1 January	113,730	92,737
Additions	25,203	868
Charge/(credit) to profit or loss:		
- current services	28,217	18,913
- interest costs	6,543	9,291
- past service cost	(12,226)	19,589
	22,534	47,793
Benefit paid	(47,595)	(18,225)
Settlement gains	(685)	-
Debit/(Credit) to OCI		
- actuarial losses/(gains)	51,415	(10,067)
Currency translation differences	(3,626)	624
At 31 December	160,976	113,730

Present value of the defined benefit obligations are calculated annually by independent actuaries using the projected unit credit method. The principal actuarial valuation assumptions used are as follows:

	Group			
	2020		2019	
	Discount rate (p.a.)	Salary increment rate (p.a.)	Discount rate (p.a.)	Restated <sup>1</sup> Salary increment rate (p.a.)
Mobile segment:				
- Indonesia	6.8%	8.5%	7.8%	8.5%
- Sri Lanka	7.0% - 8.0%	7.0% - 10.0%	9.9% - 10.3%	7.0% - 10.0%
- Bangladesh	7.0%	6.0%	9.0%	6.0%
Infrastructure segment	6.4% - 7.8%	5.5% - 8.0%	9.3% - 10.3%	7.0% - 8.0%

<sup>1</sup> Restated to conform with current year presentation.

- (b) The movements of contract liabilities are as follows:

	Group	
	2020 RM'000	2019 RM'000
At 1 January	1,796,666	1,313,771
Revenue recognised that was included in the contract liability balance at the beginning of the financial year	(1,777,044)	(1,313,771)
Increases due to cash received, excluding amounts recognised as revenue during the financial year	1,968,243	1,776,237
Currency translation differences	(1,341)	20,429
At 31 December	1,986,524	1,796,666

**21. TRADE AND OTHER PAYABLES (CONTINUED)**

The currencies profiles of trade and other payables are as follows:

	2020											2019										
	Functional currency											Functional currency										
	RM RM'000	IDR RM'000	SLR RM'000	BDT RM'000	NPR RM'000	USD RM'000	Others RM'000	Total RM'000	RM RM'000	IDR RM'000	SLR RM'000	BDT RM'000	NPR RM'000	USD RM'000	Others RM'000	Total RM'000	Restated <sup>1</sup> RM'000					
<b>Group</b>																						
RM	3,326,473	17,433	-	-	-	-	-	3,257,570	11,499	-	-	-	-	-	-	-	3,269,069					
USD	301,612	51,038	161,174	383,345	120,209	567,657	191,083	191,083	91,170	76,232	-	42,807	550,325	-	-	-	951,617					
IDR	-	3,467,329	-	-	-	-	-	3,761,786	3,761,786	-	-	-	-	-	-	-	3,761,786					
SLR	-	-	999,287	-	-	-	-	999,287	-	923,106	-	-	-	-	-	-	923,106					
BDT	-	-	-	2,847,354	-	-	-	2,847,354	-	-	2,368,563	-	-	-	-	-	2,368,563					
NPR	-	-	-	-	914,601	-	-	914,601	-	-	-	1,305,303	-	-	-	-	1,305,303					
MMK	-	-	-	-	-	-	44,032	44,032	-	-	-	-	-	-	38,809	-	38,809					
PKR	-	-	-	-	-	-	72,527	72,527	-	-	-	-	-	-	128,250	-	128,250					
Others	7,086	-	-	-	8,614	-	15,219	6,411	126	51	-	1,479	-	-	31,659	-	39,726					
<b>Total</b>	<b>3,635,171</b>	<b>3,535,800</b>	<b>1,160,461</b>	<b>3,230,699</b>	<b>1,043,424</b>	<b>567,657</b>	<b>131,778</b>	<b>3,455,064</b>	<b>3,864,581</b>	<b>999,389</b>	<b>2,368,563</b>	<b>1,349,589</b>	<b>550,325</b>	<b>198,718</b>	<b>120,368</b>	<b>120,368</b>	<b>12,786,229</b>					
<b>Company</b>																						
RM	82,377	-	-	-	-	-	-	116,648	-	-	-	-	-	-	-	-	116,648					
USD	20,455	-	-	-	-	-	-	3,358	-	-	-	-	-	-	-	-	3,358					
Others	98	-	-	-	-	-	-	362	-	-	-	-	-	-	-	-	362					
<b>Total</b>	<b>102,930</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>120,368</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>120,368</b>					

MMK: Myanmar Kyat

<sup>1</sup> Restated to conform with current year presentation.

Credit terms of trade and other payables for the Group and the Company vary from thirty (30) to ninety (90) days (2019: thirty (30) to ninety (90) days) depending on the terms of the contracts respectively.

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**22. PROVISION FOR ASSET RETIREMENT**

	Note	Group		Company	
		2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
At 1 January		<b>517,288</b>	487,394	<b>779</b>	-
Additions		<b>120,335</b>	47,234	-	766
Accretion of interest	10	<b>24,753</b>	14,340	<b>25</b>	13
Reclassified to liability classified as held-for-sale	39	<b>(3,185)</b>	(19,017)	-	-
Currency translation differences		<b>(10,224)</b>	2,032	-	-
		<b>648,967</b>	531,983	<b>804</b>	779
Utilised during the financial year		<b>(8,460)</b>	(14,695)	-	-
At 31 December		<b>640,507</b>	517,288	<b>804</b>	779

The provision of asset retirement of the Group relates to provision for dismantling costs of existing telecommunication network equipment and buildings as disclosed in the significant accounting policies in Note 3(p) to the financial statements.

**23. DEFERRED TAXATION**

Deferred tax assets and liabilities of the Group are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred taxes relate to the same tax authority. The following amounts, determined after appropriate offsetting, are shown in the statements of financial position:

	Group	
	2020 RM'000	2019 RM'000
Deferred tax assets:		
- To be recovered within twelve (12) months	<b>223,991</b>	229,441
- To be recovered after more than twelve (12) months	<b>86,333</b>	94,746
Deferred tax assets	<b>310,324</b>	324,187
Deferred tax liabilities:		
- To be recovered within twelve (12) months	<b>231,344</b>	504,036
- To be recovered after more than twelve (12) months	<b>855,436</b>	701,386
Deferred tax liabilities	<b>1,086,780</b>	1,205,422
Net deferred tax liabilities	<b>776,456</b>	881,235

The movements in net deferred tax liabilities are as follows:

	Note	Group	
		2020 RM'000	2019 RM'000
At 1 January		<b>881,235</b>	787,968
Charge/(credit) to profit or loss:			
- PPE and intangible assets		<b>(264,698)</b>	34,378
- Tax losses		<b>196,931</b>	184,942
- Leases		<b>(47,784)</b>	(63,395)
- Provision and others		<b>57,160</b>	(54,955)
	11	<b>(58,391)</b>	100,970
(Credit)/Debit to OCI:			
- actuarial (gains)/losses		<b>(16,506)</b>	6,497
- FVTOCI		<b>(567)</b>	562
Currency translation differences		<b>(29,315)</b>	(14,762)
At 31 December		<b>776,456</b>	881,235

**23. DEFERRED TAXATION (CONTINUED)**

Breakdown of cumulative balances by each type of temporary differences are as follows:

	Group	
	2020 RM'000	2019 RM'000
Deferred tax assets:		
- PPE and intangible assets	60,985	12,281
- Tax losses	243,874	449,223
- Leases	133,396	85,565
- Provision and others	667,019	714,636
	<b>1,105,274</b>	1,261,705
Offsetting	<b>(794,950)</b>	(937,518)
	<b>310,324</b>	324,187
Deferred tax liabilities:		
- PPE and intangible assets	1,838,145	2,104,597
- Others	43,585	38,343
	<b>1,881,730</b>	2,142,940
Offsetting	<b>(794,950)</b>	(937,518)
	<b>1,086,780</b>	1,205,422

The amounts of deductible temporary differences and unutilised tax losses for which no deferred tax asset is recognised in the statements of financial position are as follows:

	Group		Company	
	2020 RM'000	2019 RM'000 Restated <sup>1</sup>	2020 RM'000	2019 RM'000 Restated <sup>1</sup>
Unutilised tax losses	2,226,039	1,842,591	350,267	271,681
Deductible temporary differences	515,214	333,217	83,134	90,553
	<b>2,741,253</b>	2,175,808	<b>433,401</b>	362,234
Tax effect calculated at applicable Malaysian tax of 24%	<b>657,901</b>	522,194	<b>104,016</b>	86,936

<sup>1</sup> Restated to be consistent with actual tax submission.

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### 23. DEFERRED TAXATION (CONTINUED)

The unutilised tax losses for which no deferred tax asset is recognised in the statement of financial positions, available for set off against future taxable profit with a time limit of utilisation are as follows:

	Group		Company	
	2020 RM'000	2019 RM'000 Restated <sup>1</sup>	2020 RM'000	2019 RM'000 Restated <sup>1</sup>
Expiring in the financial year ending:				
- 2021	13,195	13,045	-	-
- 2022	12,007	8,534	-	-
- 2023	45,851	44,322	-	-
- 2024	391,399	454,209	-	-
- 2025	817,279	771,254	162,690	162,690
- 2026	407,455	397,257	108,991	108,991
- 2027	367,664	-	78,586	-
- 2028-2037	20,451	16,946	-	-
	<b>2,075,301</b>	<b>1,705,567</b>	<b>350,267</b>	<b>271,681</b>

<sup>1</sup> Restated to be consistent with actual tax submission.

### 24. LEASE LIABILITIES

The movements in lease liabilities are as follows:

	Note	Group		Company	
		2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
At 1 January		8,840,317	7,981,853	18,090	304
Additions		2,443,489	1,920,617	-	19,757
Interest expense	10	669,847	595,318	792	462
Repayment of:					
- principal		(1,328,392)	(1,207,992)	(3,519)	(1,971)
- interest		(497,447)	(570,511)	(792)	(462)
Remeasurement		89,906	4,462	-	-
Modification		45,783	(11,375)	-	-
Termination		(444,296)	(29,049)	-	-
Reclassification of liabilities held-for-sale	39	(13,971)	-	-	-
Currency translation differences		(176,640)	156,994	-	-
At 31 December		<b>9,628,596</b>	<b>8,840,317</b>	<b>14,571</b>	<b>18,090</b>
Non-current		7,894,276	7,397,617	10,730	14,571
Current		1,734,320	1,442,700	3,841	3,519
		<b>9,628,596</b>	<b>8,840,317</b>	<b>14,571</b>	<b>18,090</b>

The Group leases sites for installation of telecommunication structures, retail outlets, land and office buildings. Rental contracts duration are typically between one (1) to forty (40) years (2019: one (1) to forty (40) years) with extension options. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions.

Extension and termination options are included, to provide the Group with greater flexibility to align its need for access to assets with the fulfilment of customer contracts.

In cases in which the Group is not reasonably certain to exercise an optional extended lease term, payment associated with the optional period are not included within lease liabilities. As at 31 December 2020, potential future cash outflows of RM7,374.0 million (undiscounted) (2019: RM6,258.2 million) have not been included in the lease liability because it is not reasonably certain that the leases will be extended (or not terminated).

The Company leases office building with a lease term of five (5) years (2019: five (5) years), including extension options.

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### 25. INTANGIBLE ASSETS

	Note	Group			Total RM'000
		Goodwill RM'000	Licenses RM'000	Others <sup>1</sup> RM'000	
<b>Net book value</b>					
At 1 January 2020		13,171,073	6,973,555	579,733	20,724,361
Acquisition of a subsidiary		405	-	-	405
Disposal of a subsidiary		-	-	(968)	(968)
Additions <sup>2</sup>		-	966,629	130,812	1,097,441
Amortisation	7(a)	-	(658,323)	(151,630)	(809,953)
Impairment <sup>3</sup>	7(a)	(9,476)	-	(28,265)	(37,741)
Disposals		-	-	(12)	(12)
Write-off	7(a)	-	-	(6,088)	(6,088)
Inter-classification		-	(472,324)	472,324	-
Currency translation differences		(213,698)	(167,130)	47,782	(333,046)
At 31 December 2020		12,948,304	6,642,407	1,043,688	20,634,399
Cost		13,051,109	10,750,822	2,187,326	25,989,257
Accumulated amortisation		-	(4,108,415)	(1,115,373)	(5,223,788)
Accumulated impairment losses		(102,805)	-	(28,265)	(131,070)
At 31 December 2020		12,948,304	6,642,407	1,043,688	20,634,399

<sup>1</sup> Others are brands, trademarks, platform, other licenses, customer contracts and related customer relationships.

<sup>2</sup> During the financial year, additions in licenses include telecommunication licenses of a subsidiary of BDT20,332.7 million (RM965.4 million). Out of which, BDT15,249.5 million (RM724.0 million) will be paid over the next five (5) years.

<sup>3</sup> Impairment during the year is due to liquidation plan of a subsidiary.

	Note	Group			Total RM'000
		Goodwill RM'000	Licenses RM'000	Others RM'000	
<b>Net book value</b>					
At 1 January 2019		13,238,212	7,053,453	592,897	20,884,562
Acquisition of a subsidiary		96	-	-	96
Additions <sup>4</sup>		(8,434)	718,103	40,260	749,929
Amortisation	7(a)	-	(741,637)	(42,585)	(784,222)
Disposals		-	(1,051)	-	(1,051)
Currency translation differences		(58,801)	(55,313)	(10,839)	(124,953)
At 31 December 2019		13,171,073	6,973,555	579,733	20,724,361
Cost		13,264,996	11,179,513	1,174,792	25,619,301
Accumulated amortisation		-	(4,205,958)	(595,059)	(4,801,017)
Accumulated impairment losses		(93,923)	-	-	(93,923)
At 31 December 2019		13,171,073	6,973,555	579,733	20,724,361

<sup>4</sup> In the previous financial year, additions in goodwill included an adjustment of contingent consideration relating to the acquisition of a subsidiary in year 2018 and additions in licenses include telecommunication licenses of a subsidiary of NPR17,656.0 million (RM635.7 million). Out of which, NPR11,256.0 million (RM405.2 million) will be paid over the next four (4) years.



## Notes to the Financial Statements For the financial year ended 31 December 2020

### 25. INTANGIBLE ASSETS (CONTINUED)

The remaining amortisation period of acquired telecommunication licenses with allocated spectrum rights which are individually material range from four (4) years to twenty-three (23) years 2019: five (5) year to twenty-four (24) years.

The carrying amount of the telecommunication licenses of a subsidiary which belongs to Indonesia's CGU having an indefinite useful life amounts to RM1,639.4 million (2019: RM1,685.1 million).

Net book value of intangible assets of certain subsidiaries amounting to RM18.8 million (2019: nil) pledged as security for borrowings as disclosed in Note 16(a) to the financial statements.

#### Impairment tests for goodwill

The Group undertakes an annual test for impairment of its goodwill allocated to the CGUs identified according to operating segment.

The following CGUs, being the lowest level of asset for which the management monitors the goodwill of the Group:

	2020 RM'000	2019 RM'000
Mobile segment:		
- Malaysia	4,031,110	4,031,110
- Indonesia	5,132,352	5,185,803
- Sri Lanka	212,518	219,287
- Cambodia	202,802	206,520
- Nepal	3,028,546	3,169,401
Infrastructure segment <sup>1</sup>	282,755	291,635
Others	58,221	67,317
	<b>12,948,304</b>	<b>13,171,073</b>

<sup>1</sup> Infrastructure segment consist of three (3) CGUs which are Pakistan, Myanmar and Malaysia.

#### Key assumptions used

The recoverable amount of Malaysia's, Indonesia's, Sri Lanka's, Cambodia's and Nepal's CGU under mobile segment and infrastructure segment including goodwill in this test is determined as follows:

	Type of business	2020	2019
Mobile segment:			
Malaysia	Mobile business	VIU	VIU
Indonesia	Mobile business	VIU	VIU
Sri Lanka	Fixed communication business (consist of fixed telephone and data) and television business	VIU	VIU
Cambodia	Mobile business	VIU	VIU
Nepal	Mobile business	FVLCS	FVLCS
Infrastructure segment	Telecommunication infrastructure and services	FVLCS	FVLCS

The VIU calculations apply a discounted cash flow model using cash flow projections based on forecasts and projections approved by management covering:

- a three (3) year period for the mobile business in Malaysia and Cambodia;
- a five (5) year period for mobile business in Indonesia, and
- a five (5) year period for the fixed telecommunication and television business in Sri Lanka.

The FVLCS calculations apply a discounted cash flow model based on market's participants' view using level three (3) in fair value hierarchy covering:

- a five (5) year (2019: a three (3) year) period for the mobile business in Nepal. A five (5) year projected period is used in the current financial year to demonstrate the impact of capturing data growth, achieving spectrum acquisition and stabilised revenue levels in line with the telecommunication industry in Nepal and comparable territories; and
- a ten (10) year period for Infrastructure segment in Pakistan, Myanmar and Malaysia due to long-term customer contracts, intensive capital required in the initial phase and expected market penetration growth in these countries.

**25. INTANGIBLE ASSETS (CONTINUED)**

Key assumptions used (continued)

The forecasts and projections reflect management's expectation of revenue growth, operating costs and margins based on past experience and future outlook of the respective CGUs. Cash flows beyond the third (3rd) year for the mobile businesses in Malaysia, Cambodia, fifth (5th) year for the mobile business in Indonesia, Sri Lanka, Nepal and tenth (10th) year for the Infrastructure segment are extrapolated in perpetuity using estimated terminal growth rates which takes into consideration the current Gross Domestic Product, inflation and average growth rates for the telecommunication industry. These rates have been determined with regards to projected growth rates for the market in which the CGUs participate and are not expected to exceed the long term average growth rates for these markets.

The following assumptions have been applied in the VIU and FVLCS calculations:

	Infrastructure	Mobile segment				
	segment	Nepal	Cambodia	Sri Lanka	Indonesia	Malaysia
<b>2020</b>						
Discount rate	<b>6.8% to 15.5%</b>	<b>10.5%</b>	<b>15.1%*</b>	<b>10.1%*</b>	<b>8.1%*</b>	<b>11.0%*</b>
Terminal growth rate	<b>2.0% to 5.0%</b>	<b>4.0%</b>	<b>2.0%</b>	<b>3.0%</b>	<b>3.0%</b>	<b>0.7%</b>
Revenue growth rate	<b>-5.0 to 35.0% over 10 years</b>	<b>4.2% to 8.2% over 5 years</b>	<b>-1.4% to 1.0% over 3 years</b>	<b>5.0% to 14.0% over 5 years</b>	<b>4.5% to 9.4% over 5 years</b>	<b>4.5% to 10.6% over 3 years</b>
<b>2019</b>						
Discount rate	8.0% to 14.5%	11.0%	13.3%*	11.8% to 11.9%*	9.7%*	11.0%*
Terminal growth rate	2.0% to 5.0%	4.0%	2.0%	3.0%	3.0%	0.0%
Revenue growth rate	2.0% to 41.0% over 10 years	0.4% to 2.1% over 3 years	-1.9% to 1.4% over 3 years	4.8% to 14.0% over 5 years	4.0% to 7.7% over 5 years	0.8% to 1.6% over 3 years

\* Pre-tax discount rates applied to the cash flow forecasts are derived from the pre-tax cash flows at the date of assessment of the respective CGU that reflects the risk of the CGU.

Based on the assessment above, the Malaysia, Indonesia, Sri Lanka, Nepal, Cambodia and Infrastructure segment CGUs' goodwill are not impaired as the recoverable amounts exceeds the carrying amounts included in the financial statements.

The Group's review includes an impact assessment of changes in key assumptions. Based on the sensitivity analysis performed, the Directors concluded that no reasonable change in the base case assumptions would cause the carrying amounts of the CGUs to exceed its recoverable amounts except for the Nepal CGU.

The Group's review of the Nepal CGU included an impact assessment of changes in assumptions in relation to the revenue growth rate, terminal growth rate and discount rate. A sensitivity analysis was performed where changes in the following assumptions would result in the recoverable amount falling to an amount equal to the carrying amount:

- If revenue growth rate in medium term decreases by 3.0% assuming all else remains constant.
- If terminal growth rate decreases by 0.6% assuming all else remains constant.
- If discount rate increases by 0.5% assuming all else remains constant.

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**26. CONTRACT COST ASSETS**

	Note	Group					Total RM'000
		2020			2019		
		Contract acquisition cost RM'000	Contract fulfillment cost RM'000	Total RM'000	Contract acquisition cost RM'000	Contract fulfillment cost RM'000	
At 1 January		57,004	125,904	182,908	52,661	55,842	108,503
Additions		86,930	57,352	144,282	60,349	124,480	184,829
Amortisation	7(a)	(68,259)	(77,885)	(146,144)	(57,418)	(55,827)	(113,245)
Currency translation differences		(340)	(905)	(1,245)	1,412	1,409	2,821
At 31 December		75,335	104,466	179,801	57,004	125,904	182,908

Contract acquisition costs comprise mainly of sales commission paid to dealers. Contract fulfillment cost comprise mainly of set-top boxes and routers. The contract cost assets are expected to be amortised over twenty-four (24) to thirty-six (36) months (2019: twenty (20) to forty-three (43) months).

**27. PROPERTY, PLANT AND EQUIPMENT**

	Note	Land RM'000	Building RM'000	Telecom-	Movable	Computer	Capital	Total RM'000
				munication network equipment RM'000	plant and equipment RM'000	support systems RM'000	work- in-progress RM'000	
<b>Group</b>								
<b>Net book value</b>								
At 1 January 2020		72,700	155,795	20,997,252	581,878	940,693	2,884,905	25,633,223
Additions		350	16,298	4,429,533	39,365	305,240	539,354	5,330,140
Inter-classification		-	4,116	808,148	(336,307)	378,798	(854,755)	-
Disposals		-	(2)	(52,633)	(2,172)	(1,565)	(102)	(56,474)
Write-off	7(a)	-	-	(140,983)	(891)	(9,139)	(5,751)	(156,764)
Depreciation	7(a)	-	(25,740)	(5,003,581)	(59,419)	(615,978)	-	(5,704,718)
Impairment	7(a)	-	-	(23,016)	-	(2,840)	(8,658)	(34,514)
Reclassified to assets classified as held-for-sale	39	-	-	(736)	-	-	-	(736)
Currency translation differences		(3,094)	(3,952)	(416,045)	(3,411)	(15,119)	(72,918)	(514,510)
At 31 December 2020		69,956	146,544	20,597,939	219,043	980,090	2,482,075	24,495,647

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### 27. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

	Note	Land RM'000	Building RM'000	Telecom- munication network equipment RM'000	Movable plant and equipment RM'000	Computer support systems RM'000	Capital work- in-progress RM'000	Total RM'000
<b>Group</b>								
<b>Net book value</b>								
At 1 January 2019		71,896	198,993	19,752,851	473,140	856,960	2,679,571	24,033,411
Additions		2,937	18,929	5,168,084	270,881	541,849	199,279	6,201,959
Inter-classification		(709)	(1,571)	(20,489)	22,957	(188)	-	-
Acquisition of subsidiaries		-	-	-	13	-	680	693
Disposals		-	(27,533)	(18,558)	(1,827)	(1,817)	158	(49,577)
Write-off	7(a)	-	-	(8,697)	(951)	-	(1,355)	(11,003)
Depreciation	7(a)	-	(33,775)	(3,867,784)	(178,844)	(459,232)	-	(4,539,635)
Impairment	7(a)	-	-	(2,048)	-	-	(7,447)	(9,495)
Reversal of impairment	7(a)	-	-	-	89	-	-	89
Reclassified to assets classified as held-for-sale	39	-	-	(20,254)	-	-	-	(20,254)
Currency translation differences		(1,424)	752	14,147	(3,580)	3,121	14,019	27,035
At 31 December 2019		72,700	155,795	20,997,252	581,878	940,693	2,884,905	25,633,223

		Land RM'000	Buildings RM'000	Telecom- munication network equipment RM'000	Movable plant and equipment RM'000	Computer software systems RM'000	Capital work- in-progress RM'000	Total RM'000
<b>Group</b>								
Cost		77,021	370,243	57,902,691	597,568	6,029,466	2,547,463	67,524,452
Accumulated depreciation		-	(198,029)	(36,883,302)	(372,929)	(5,035,759)	-	(42,490,019)
Accumulated impairment losses		(7,065)	(25,670)	(421,450)	(5,596)	(13,617)	(65,388)	(538,786)
At 31 December 2020		69,956	146,544	20,597,939	219,043	980,090	2,482,075	24,495,647
Cost		79,764	405,187	52,212,155	1,483,581	5,014,367	2,954,848	62,149,902
Accumulated depreciation		-	(222,463)	(30,859,278)	(895,859)	(4,062,504)	-	(36,040,104)
Accumulated impairment losses		(7,064)	(26,929)	(355,625)	(5,844)	(11,170)	(69,943)	(476,575)
At 31 December 2019		72,700	155,795	20,997,252	581,878	940,693	2,884,905	25,633,223

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**27. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)**

- (a) Net book value of PPE of certain subsidiaries pledged as security for borrowings as disclosed in Note 16(a) to the financial statements are as follows:

	Group	
	2020 RM'000	2019 RM'000
Land	32,886	14,160
Buildings	25,288	5,734
Telecommunication network equipment	1,193,885	4,517,037
Movable plant and equipment	31,824	200,473
Computer support systems	162,791	5,282
Capital work-in-progress	111,034	-
<b>Total</b>	<b>1,557,708</b>	<b>4,742,686</b>

- (b) During the financial year, certain subsidiaries recognised accelerated depreciation on its telecommunication network equipment mainly due to revision of useful life of the assets under modernisation plans and assets written off totalling to RM1,065.3 million.
- (c) During the financial year, net book value of telecommunication network equipment subject to operating lease of the Group is amounting to RM2,243.5 million (2019: RM2,189.4 million).

	Note	Movable plant and equipment				Total RM'000
		Office equipment RM'000	Furniture and fitting RM'000	Motor vehicle RM'000	Capital work- in-progress RM'000	
<b>Company</b>						
<b>Net book value</b>						
At 1 January 2020		13,149	3,936	-	313	17,398
Additions		6,191	1,032	-	6,072	13,295
Inter-classification		270	436	-	(706)	-
Disposals		(23)	-	-	-	(23)
Depreciation	7(a)	(5,523)	(1,100)	-	-	(6,623)
Write-off	7(a)	(1,989)	-	-	(3,996)	(5,985)
<b>At 31 December 2020</b>		<b>12,075</b>	<b>4,304</b>	<b>-</b>	<b>1,683</b>	<b>18,062</b>
At 1 January 2019		16,826	4,462	-	-	21,288
Additions		2,667	1,090	-	313	4,070
Depreciation	7(a)	(6,344)	(1,616)	-	-	(7,960)
<b>At 31 December 2019</b>		<b>13,149</b>	<b>3,936</b>	<b>-</b>	<b>313</b>	<b>17,398</b>
Cost		30,604	13,572	665	1,683	46,524
Accumulated depreciation		(18,529)	(9,268)	(665)	-	(28,462)
<b>At 31 December 2020</b>		<b>12,075</b>	<b>4,304</b>	<b>-</b>	<b>1,683</b>	<b>18,062</b>
Cost		28,160	12,104	665	313	41,242
Accumulated depreciation		(15,011)	(8,168)	(665)	-	(23,844)
<b>At 31 December 2019</b>		<b>13,149</b>	<b>3,936</b>	<b>-</b>	<b>313</b>	<b>17,398</b>

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### 28. RIGHT-OF-USE ASSETS

	Note	Land RM'000	Buildings RM'000	Telecommunication network sites and equipment RM'000	Others RM'000	Total RM'000
<b>Net book value</b>						
<b>Group</b>						
At 1 January 2020		1,303,468	659,801	6,951,955	22,482	8,937,706
Additions		237,843	403,000	1,262,651	10,956	1,914,450
Inter-classification		30,302	(2,114)	(28,188)	-	-
Disposal/Termination		(36,376)	(395,030)	-	-	(431,406)
Depreciation	7(a)	(267,537)	(87,406)	(1,221,057)	(13,072)	(1,589,072)
Remeasurement		(161,197)	3,399	-	(188)	(157,986)
Modification		17,274	(1,006)	33,159	(2,800)	46,627
Reclassified to assets classified as held-for-sale	39	(29,857)	-	-	-	(29,857)
Currency translation differences		(15,417)	(4,729)	(151,356)	(65)	(171,567)
At 31 December 2020		1,078,503	575,915	6,847,164	17,313	8,518,895
At 1 January 2019		1,477,532	638,981	6,482,397	16,407	8,615,317
Additions		350,915	108,545	1,500,556	19,292	1,979,308
Disposal/Termination		(19,601)	-	(23,329)	-	(42,930)
Depreciation	7(a)	(364,415)	(90,453)	(1,158,373)	(13,248)	(1,626,489)
Remeasurement		(1,150)	1,106	(10,982)	-	(11,026)
Reclassified to assets classified as held-for-sale	39	(150,615)	-	-	-	(150,615)
Currency translation differences		10,802	1,622	161,686	31	174,141
At 31 December 2019		1,303,468	659,801	6,951,955	22,482	8,937,706
<b>Company</b>						
At 1 January 2020		-	18,471	-	-	18,471
Depreciation	7(a)	-	(4,105)	-	-	(4,105)
At 31 December 2020		-	14,366	-	-	14,366
At 1 January 2019		-	304	-	-	304
Additions		-	20,523	-	-	20,523
Depreciation	7(a)	-	(2,356)	-	-	(2,356)
At 31 December 2019		-	18,471	-	-	18,471

**Notes to the Financial Statements** For the financial year ended 31 December 2020

**28. RIGHT-OF-USE ASSETS (CONTINUED)**

Amounts recognised in profit or loss within 'other operating costs' related to lease agreements are as follows:

	Group		Company	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Short-term leases	<b>58,434</b>	54,269	-	1,859
Low value assets	<b>11,591</b>	11,617	<b>1,268</b>	340
Variable lease payments	<b>129,949</b>	100,047	-	-

The Group is also exposed to potential future cash outflow on variable lease payments, which are not included in the lease liability until the event or condition that triggers those payment occurs. The variable lease payments are in relation to the number of equipment installed on network sites.

**29. SUBSIDIARIES**

	Note	2020			2019		
		Malaysia RM'000	Overseas RM'000	Total RM'000	Malaysia RM'000	Overseas RM'000	Total RM'000
<b>Company</b>							
Unquoted shares, at cost	(a)	<b>14,760,401</b>	<b>6,489,023</b>	<b>21,249,424</b>	14,498,174	6,489,023	20,987,197
Accumulated impairment losses	(d)	<b>(177,651)</b>	<b>(1,434,484)</b>	<b>(1,612,135)</b>	(3,996)	(181,851)	(185,847)
Net cost of investment in subsidiaries		<b>14,582,750</b>	<b>5,054,539</b>	<b>19,637,289</b>	14,494,178	6,307,172	20,801,350
Quasi-investments	(b),(c)	<b>857,975</b>	-	<b>857,975</b>	233,140	7,579,799	7,812,939
Accumulated impairment losses	(b),(d)	<b>(383,185)</b>	-	<b>(383,185)</b>	(233,140)	(7,579,799)	(7,812,939)
Quasi-investments		<b>474,790</b>	-	<b>474,790</b>	-	-	-
Total		<b>15,057,540</b>	<b>5,054,539</b>	<b>20,112,079</b>	14,494,178	6,307,172	20,801,350

The Group's and the Company's equity interests in subsidiaries, their respective principal activities and countries of incorporation are listed in Note 44 to the financial statements.

- (a) During the financial year, a subsidiary of the Company had issued 611,039 ordinary shares amounting to RM262.2 million by way of cash. The new ordinary shares ranked pari passu in all respects with the existing ordinary shares of the subsidiary.
- (b) During the financial year, the Company reversed impairment losses of RM148.3 million due to repayment of capital contribution from an overseas subsidiary. Subsequently, the Company had written-off quasi-investments and corresponding cumulative provision of impairment from overseas subsidiaries amounting to RM7,431.5 million.
- (c) During the financial year, the Company had converted RM624.8 million of amounts due from subsidiaries to quasi-investments as the Company does not expect repayment from subsidiaries as at 31 December 2020.
- (d) Impairment tests for investments in subsidiaries

During the financial year, the Company performed impairment assessments of its cost of investments and quasi-investments in certain subsidiaries as there were indicators of impairment due to objective evidence of non-recoverability attributable to the changes in macroeconomic outlook, including the impact of COVID-19, as follows:

- (i) Impairment assessment for Axiata Business Services Sdn Bhd ("ABS")

The recoverable amount for ABS was determined based on VIU calculations, which apply a discounted cash flow model based on forecasts approved by management covering a three (3) year period.

The forecasts and projections reflect management's expectation of revenue growth, operating costs and margins based on past experience and future outlook of the respective subsidiaries. Cash flows beyond the third (3rd) year for both subsidiaries in Malaysia are extrapolated in perpetuity using estimated terminal growth rates which takes into consideration the current Gross Domestic Product ("GDP"), inflation and average growth rates in the related businesses. These rates have been determined with regards to projected growth rates for the market in which the subsidiaries participate and are not expected to exceed the long-term average growth rates for these markets.

### 29. SUBSIDIARIES (CONTINUED)

The Group's and the Company's equity interests in subsidiaries, their respective principal activities and countries of incorporation are listed in Note 44 to the financial statements. (continued)

(d) Impairment tests for investments in subsidiaries (continued)

During the financial year, the Company performed impairment assessments of its cost of investments and quasi-investments in certain subsidiaries due to objective evidence of non-recoverability attributable to the changes in macroeconomic outlook, including the impact of COVID-19. (continued)

(i) Impairment assessment for Axiata Business Services Sdn Bhd ("ABS") (continued)

The following assumptions have been applied in the VIU calculations:

	2020	2019
Discount rate <sup>1</sup>	8.7%	9.6%
Terminal growth rate	0.0%	2.0%
Profit margin	-4.4% to 1.0% over 3 years	-3.3% to 4.4% over 3 years

<sup>1</sup> Pre-tax discount rates applied to the cash flow forecasts are derived from the pre-tax cash flows at the date of assessment of the respective subsidiaries that reflects the risk of the subsidiaries.

The carrying amount of ABS before impairment loss was RM258.5 million. Based on the impairment assessment, the carrying amount of the Company's investment in ABS as at 31 December 2020 exceeded its recoverable amount by RM171.9 million, hence an impairment loss was recognised.

A sensitivity analysis was performed for ABS's impairment assessment. The effects of movement in the key assumptions, assuming all else remains constant, to the recoverable amount are as follows:

	Changes in assumptions	Impact on recoverable amount	
		Increase RM'000	Decrease RM'000
Discount rate	1.0%	16,138	12,067
Profit margin in the third (3rd) and terminal year	0.5%	33,086	38,901

(ii) Impairment assessment for Axiata Investments (UK) Limited ("AIUK")

The recoverable amount for AIUK was determined based on FVLCS calculations, which apply a discounted cash flow model of the Nepal mobile business segment based on market participants' view covering a five (5) year period adjusted for net debt and debt-like items. It also includes deposits paid to avoid possible penalties in relation to an ongoing arbitration case as disclosed in Note 35 and Note 50(b) to the financial statements.

The assumptions that have been applied in the FVLCS calculations based on market's participants' view using level three (3) in fair value hierarchy are as follows:

	2020	2019
Discount rate	10.5%	11.0%
Terminal growth rate	4.0%	4.0%
Revenue growth rate	4.2% to 8.2% over 5 years	0.4% to 2.1% over 3 years

The carrying amount of AIUK before impairment loss was RM6,306.1 million. Based on the impairment assessment, the carrying amount of the Company's investment in AIUK as at 31 December 2020 exceeded its recoverable amount by RM1,252.6 million, hence an impairment loss was recognised.



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### 29. SUBSIDIARIES (CONTINUED)

The Group's and the Company's equity interests in subsidiaries, their respective principal activities and countries of incorporation are listed in Note 44 to the financial statements. (continued)

(d) Impairment tests for investments in subsidiaries (continued)

During the financial year, the Company performed impairment assessments of its cost of investments and quasi-investments in certain subsidiaries due to objective evidence of non-recoverability attributable to the changes in macroeconomic outlook, including the impact of COVID-19. (continued)

(ii) Impairment assessment for Axiata Investments (UK) Limited ("AIUK") (continued)

A sensitivity analysis was performed for AIUK's impairment assessment. The effects of movement in the key assumptions, assuming all else remains constant, to the recoverable amount are as follows:

	Changes in assumptions	Impact on recoverable amount	
		Increase RM'000	Decrease RM'000
Discount rate	0.5%	407,829	410,384
Terminal growth rate	0.5%	361,254	309,350
Revenue growth rate in medium term	4.0%	515,997	502,148

Additionally, in the event the outcome of the arbitration case as disclosed in Note 50(b) to the financial statements is not in favour of the Group, assuming all else remains constant, the impairment loss recognised in AIUK is expected to increase by approximately RM312.0 million.

(iii) In addition to the above, based on the assessment performed, the Company had fully impaired cost of investment and quasi-investment in two (2) other Malaysian subsidiaries amounting to RM151.8 million.

(e) NCI

The total NCI of the Group as at reporting date is RM6,238.3 million (2019: RM6,039.2 million), of which the subsidiaries that have material NCI to the Group are:

- RM1,797.5 million (2019: RM1,855.4 million) is attributable to XL;
- RM594.4 million (2019: RM796.5 million) is attributable to Ncell Axiata Limited (formerly known as Ncell Private Limited) ("Ncell");
- RM1,168.6 million (2019: RM870.0 million) is attributable to Robi; and
- RM1,712.7 million (2019: RM1,698.4 million) is attributable to consolidated edotco.

The remaining NCI of the Group are immaterial individually.

The financial information (before inter-company eliminations) of the segments that have material NCI to the Group are as follows:

(i) The summarised statement of comprehensive income for the financial year ended 31 December

	edotco		XL		Robi		Ncell	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000 Restated <sup>1</sup>
Profit for the financial year	<b>155,394</b>	251,870	<b>88,131</b>	143,696	<b>76,896</b>	8,302	<b>4,664</b>	405,350
OCI	<b>(43,500)</b>	(52,207)	<b>(153,097)</b>	168,531	<b>(65,288)</b>	(72,440)	<b>(65,675)</b>	(77,299)
Total comprehensive income/ (expense)	<b>111,894</b>	199,663	<b>(64,966)</b>	312,227	<b>11,608</b>	(64,138)	<b>(61,011)</b>	328,051
Profit for the financial year attributable to NCI	<b>79,612</b>	126,945	<b>30,655</b>	48,339	<b>24,076</b>	2,599	<b>933</b>	81,070
Dividend paid to NCI	<b>42,544</b>	24,326	<b>20,853</b>	-	-	-	<b>131,012</b>	-

<sup>1</sup> Restated to include consolidation adjustments.

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### 29. SUBSIDIARIES (CONTINUED)

(e) NCI (continued)

The financial information (before inter-company eliminations and after consolidation adjustments) of the segments that have material NCI to the Group are as follows: (continued)

(ii) The summarised statement of financial position as at 31 December

	edotco		XL		Robi		Ncell	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000 Restated <sup>1</sup>
Non-current assets	<b>4,285,564</b>	4,218,276	<b>17,129,735</b>	18,342,905	<b>8,542,659</b>	7,436,907	<b>3,354,062</b>	3,725,820
Current assets	<b>2,228,182</b>	1,978,975	<b>2,192,231</b>	1,848,476	<b>927,561</b>	849,487	<b>642,315</b>	1,114,520
Non-current liabilities	<b>(1,476,727)</b>	(1,363,458)	<b>(8,546,943)</b>	(8,058,250)	<b>(2,834,834)</b>	(1,874,804)	<b>(1,463,559)</b>	(1,030,921)
Current liabilities	<b>(1,256,826)</b>	(1,120,309)	<b>(5,397,215)</b>	(6,620,995)	<b>(3,503,920)</b>	(3,497,193)	<b>(1,216,705)</b>	(1,560,788)
Net assets	<b>3,780,193</b>	3,713,484	<b>5,377,808</b>	5,512,136	<b>3,131,466</b>	2,914,397	<b>1,316,113</b>	2,248,631

<sup>1</sup> Restated to include consolidation adjustments.

(iii) The summarised statement of cash flows as at 31 December

	edotco		XL		Robi		Ncell	
	2020 RM'000	2019 RM'000 Restated <sup>1</sup>	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000 Restated <sup>1</sup>
Net cash flow from/ (used in) operating activities	<b>1,001,246</b>	813,744	<b>4,003,502</b>	3,645,323	<b>1,208,716</b>	1,385,764	<b>(65,815)</b>	409,216
Net cash flow used in investing activities	<b>(239,617)</b>	(240,893)	<b>(1,577,911)</b>	(2,564,262)	<b>(998,499)</b>	(642,487)	<b>(335,252)</b>	(257,269)
Net cash flow (used in)/from financing activities	<b>(240,487)</b>	(765,001)	<b>(2,034,995)</b>	(911,772)	<b>24,934</b>	(653,040)	<b>30,630</b>	(15,482)
Net increase/(decrease) in cash and cash equivalent	<b>521,142</b>	(192,150)	<b>390,596</b>	169,289	<b>235,151</b>	90,237	<b>(370,437)</b>	136,465
Effect of exchange rate changes on cash and cash equivalents	<b>(10,212)</b>	4,784	<b>(12,489)</b>	4,253	<b>(3,184)</b>	(3,358)	<b>(40,222)</b>	(437)
Cash and cash equivalents at beginning of financial year	<b>521,279</b>	708,645	<b>473,018</b>	299,476	<b>217,644</b>	130,765	<b>816,820</b>	680,792
Cash and cash equivalents at the end of financial year	<b>1,032,209</b>	521,279	<b>851,125</b>	473,018	<b>449,611</b>	217,644	<b>406,161</b>	816,820

<sup>1</sup> Restated to conform with current year presentation.

### 30. ASSOCIATES

	2020			2019		
	Malaysia RM'000	Overseas RM'000	Total RM'000	Malaysia RM'000	Overseas RM'000	Total RM'000
<b>Group</b>						
Unquoted investments	<b>214,419</b>	<b>102,285</b>	<b>316,704</b>	205,620	55,360	260,980
Share of post-acquisition results and reserves	<b>(37,260)</b>	<b>(2,733)</b>	<b>(39,993)</b>	(52,448)	(531)	(52,979)
	<b>177,159</b>	<b>99,552</b>	<b>276,711</b>	153,172	54,829	208,001
Accumulated impairment losses	-	<b>(749)</b>	<b>(749)</b>	-	(749)	(749)
Currency translation differences	-	<b>(1,327)</b>	<b>(1,327)</b>	-	105	105
Total	<b>177,159</b>	<b>97,476</b>	<b>274,635</b>	153,172	54,185	207,357

The Group's equity interest in the associates, their respective principal activities and countries of incorporation are listed in Note 45 to the financial statements.

Notes to the Financial Statements For the financial year ended 31 December 2020

**30. ASSOCIATES (CONTINUED)**

(a) The summarised financial information of a material associate of the Group for the financial year ended 31 December are as follows:

(i) The summarised statement of comprehensive income of a material associate of the Group for the financial year ended 31 December are as follows:

	Sacofa	
	2020 RM'000	2019 RM'000
Revenue	235,433	244,246
Profit for the financial year	96,793	15,926
Group's share of profit/(loss) for the financial year	20,998	2,408
Dividend received from associate	4,877	-

The Group's share of loss of other immaterial associates is RM3.1 million (2019: RM3.0 million).

(ii) The summarised statement of financial position of a material associate of the Group for the financial year ended 31 December are as follows:

	Sacofa	
	2020 RM'000	2019 RM'000
Non-current assets	97,806	88,855
Current assets	59,541	56,065
Current liabilities	(9,347)	(14,262)
Non-current liabilities	(15,562)	(14,341)
	132,438	116,317

(b) The details of carrying amount of the associates of the Group are as follows:

	Group	
	2020 RM'000	2019 RM'000
Group's share of net assets	274,621	207,343
Goodwill	14	14
At 31 December	274,635	207,357

**31. JOINT VENTURES**

	Group	
	2020 RM'000	2019 RM'000
Unquoted investments	40,358	29,190
Share of post-acquisition reserves	(6,621)	(7,481)
Total	33,737	21,709

The summarised statements of comprehensive income for the financial year ended 31 December are as follows:

	Group	
	2020 RM'000	2019 RM'000
Revenue	136,778	128,750
Profit/(Loss) for the financial year	4,009	(14,095)
Group's share of profit/(loss) for the financial year	860	(2,819)

There is no individually material joint venture for the financial year ended 31 December 2020 and 31 December 2019.

The Group's equity interests in the joint ventures, their respective principal activities and countries of incorporation are listed in Note 46 to the financial statements.

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### 32. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

Financial assets at FVTOCI comprise the following investments:

	Group	
	2020 RM'000	2019 RM'000
Unquoted securities:		
- Pegasus 7	216,854	295,484
- Others	4,124	5,863
<b>Total</b>	<b>220,978</b>	<b>301,347</b>

The Group has irrevocably elected non-trading equity securities above at initial recognition to present its fair value changes in OCI. The Group considers this classification to be more relevant as these instruments are strategic investments of the Group and not held for trading purpose.

### 33. INVENTORIES

	Group	
	2020 RM'000	2019 RM'000
Trading inventories	207,228	206,005
Allowance for inventory obsolescence	(65,565)	(51,677)
<b>Total</b>	<b>141,663</b>	<b>154,328</b>

Inventories comprise of SIM cards, handsets and other consumables.

### 34. AMOUNTS DUE FROM/TO SUBSIDIARIES

The carrying amount and currencies profiles of the amounts due from/to subsidiaries are as follows:

	2020			2019		
	Denominated currency			Denominated currency		
	RM RM'000	USD RM'000	Total RM'000	RM RM'000	USD RM'000	Total RM'000
Amounts due from subsidiaries:						
- Non-current <sup>1</sup>	2,640,378	77,378	2,717,756	-	77,266	77,266
- Current <sup>1</sup>	328,124	115,109	443,233	14,835	161,035	175,870
	<b>2,968,502</b>	<b>192,487</b>	<b>3,160,989</b>	14,835	238,301	253,136
Amounts due to subsidiaries:						
- Current <sup>2</sup>	330,263	7,982,262	8,312,525	801,830	4,889,313	5,691,143
	<b>330,263</b>	<b>7,982,262</b>	<b>8,312,525</b>	801,830	4,889,313	5,691,143

<sup>1</sup> Includes amounts due from subsidiaries of RM2,515.1 million (2019: RM68.2 million) which bear interest ranging from 3.30% to 8.00% p.a. (2019: 6.00% p.a.).

<sup>2</sup> Includes an amount due to a subsidiary of RM352.1 million (2019: RM786.3 million) which bears an interest at 3.05% p.a. (2019: 3.05% p.a.).

Except as disclosed otherwise above, amounts due from/to subsidiaries are unsecured, interest free and repayable on demand.

**Notes to the Financial Statements** For the financial year ended 31 December 2020

**34. AMOUNTS DUE FROM/TO SUBSIDIARIES (CONTINUED)**

Maximum exposure to credit risk

Generally, the Company considers the amounts due from subsidiaries to have low credit risk as the subsidiaries have strong capacity to meet their contractual cash flow obligations in the near term and adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the subsidiaries to fulfil its contractual cash flow obligations.

Details of the measurement of ECL is shown below:

Category	Company's definition of categories	Basis for recognising the ECL
Performing	Subsidiaries have a low risk of default and a strong capacity to meet contractual cash flows.	Twelve (12) month ECL
Underperforming	Subsidiaries for which there is a significant increase in credit risk due to actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the subsidiary's ability to meet its obligations.	Lifetime ECL
Non-performing	Subsidiaries for which there are evidence indicating the assets are credit impaired.	Lifetime ECL

Based on the above, loss allowance is measured on either twelve (12) months ECL or lifetime ECL using a PD x LGD x EAD methodology as follows:

- PD ("probability of default") - the likelihood that the subsidiary would not be able to repay during the contractual period;
- LGD ("loss given default") - the percentage of contractual cash flows that will not be collected if default happens; and
- EAD ("exposure at default") - the outstanding amount that is exposed to default risk.

In deriving at the PD and LGD, the Company considers the historical collection trend and expected future cash flows generated by individual subsidiaries. The Company also identified other relevant factors in relation to the geographical area that the subsidiaries operate in and adjust the loss rates based on the expected changes in these factors. Loss allowance is measured at a probability-weighted amount that reflects the possibility that a credit loss occurs and the probability that no credit loss occurs.

During the financial year, the Company has made a loss allowance for amounts due from subsidiaries of RM12.3 million (2019: nil).

The following table contains an analysis of the credit risk exposure of amounts due from subsidiaries for which loss allowance is recognised. The gross carrying amount of amounts due from subsidiaries also represent the maximum exposure to credit risk on these assets.

	Expected credit loss rate	Basis for recognition of expected credit loss provision RM'000	Estimated gross carrying amount at default RM'000	Loss allowance RM'000	Carrying amount (net of impairment provision) RM'000
<b>2020</b>					
<b>Company</b>					
Performing	0.0%	12 month ECL	2,980,711	-	2,980,711
Underperforming	5.3%	Lifetime ECL	190,453	(10,175)	180,278
Non-performing	100.0%	Lifetime ECL	2,108	(2,108)	-
			<b>3,173,272</b>	<b>(12,283)</b>	<b>3,160,989</b>

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### 34. AMOUNTS DUE FROM/TO SUBSIDIARIES (CONTINUED)

The movements in the amounts due to subsidiaries are as follows:

	Note	Company	
		2020 RM'000	2019 RM'000
At 1 January		<b>5,691,143</b>	5,375,516
Advances from subsidiaries	(a)	<b>4,902,427</b>	1,747,301
Repayments:			
- Cash		<b>(1,767,596)</b>	(337,067)
- Offset with dividend receivable from subsidiaries		<b>(479,946)</b>	(520,986)
Interest expense	10	<b>21,766</b>	24,578
Novation of preference shares to a subsidiary	5(b)(ii)	-	(537,489)
Others	(b)	<b>84,837</b>	(13,138)
Foreign exchange gains		<b>(140,106)</b>	(47,572)
At 31 December		<b>8,312,525</b>	5,691,143

- (a) Includes advances from subsidiaries of the Company for financing purposes. During the financial year, the Company had received advances from a subsidiary arising from the issuance of Series One Notes as disclosed in Note 16(e) to the financial statements.
- (b) Includes an amount of RM94.5 million transferred to amount due from subsidiary which was subsequently converted to quasi-investment (2019: nil).

### 35. TRADE AND OTHER RECEIVABLES

	Note	2020			2019		
		Non-current RM'000	Current RM'000	Total RM'000	Non-current RM'000	Current RM'000	Total RM'000 Restated <sup>1</sup>
<b>Group</b>							
Finance lease receivables	(a)	<b>49,990</b>	<b>23,437</b>	<b>73,427</b>	65,669	27,906	93,575
Accrued lease receivables	(b)	<b>106,895</b>	-	<b>106,895</b>	88,396	-	88,396
Prepayment	(c)	<b>437,520</b>	<b>1,342,388</b>	<b>1,779,908</b>	434,808	1,098,672	1,533,480
Contract assets	(d)	<b>54,483</b>	<b>321,036</b>	<b>375,519</b>	48,354	265,256	313,610
Trade receivables	(e)	<b>77,420</b>	<b>2,367,260</b>	<b>2,444,680</b>	38,000	2,684,469	2,722,469
Deposits <sup>2</sup>		<b>554,006</b>	<b>223,193</b>	<b>777,199</b>	-	409,431	409,431
Other receivables		<b>142,938</b>	<b>979,052</b>	<b>1,121,990</b>	142,715	1,004,888	1,147,603
USP receivables		-	<b>239,352</b>	<b>239,352</b>	-	368,554	368,554
Advances		<b>102,976</b>	<b>169,698</b>	<b>272,674</b>	-	122,164	122,164
Provision for impairment:	(f)						
- Accrued lease receivables		<b>(8,549)</b>	-	<b>(8,549)</b>	(2,128)	-	(2,128)
- Contract assets	(d)	<b>(18,820)</b>	<b>(54,073)</b>	<b>(72,893)</b>	(13,166)	(38,785)	(51,951)
- Trade receivables		<b>(14,706)</b>	<b>(732,751)</b>	<b>(747,457)</b>	(7,846)	(694,919)	(702,765)
- Deposits		<b>(30,095)</b>	<b>(83,357)</b>	<b>(113,452)</b>	-	(81,317)	(81,317)
- Other receivables		<b>(138,163)</b>	<b>(432,840)</b>	<b>(571,003)</b>	(138,163)	(444,346)	(582,509)
		<b>1,315,895</b>	<b>4,362,395</b>	<b>5,678,290</b>	656,639	4,721,973	5,378,612

<sup>1</sup> Restated to conform with current year presentation.

<sup>2</sup> Refers to deposits for rental and utilities as well as deposits for ongoing legal, regulatory and taxation claim and disputes which includes RM312.0 million as disclosed in Note 50(b) to the financial statements.

Notes to the Financial Statements For the financial year ended 31 December 2020

**35. TRADE AND OTHER RECEIVABLES (CONTINUED)**

	2020			2019		
	Non-current RM'000	Current RM'000	Total RM'000	Non-current RM'000	Current RM'000	Total RM'000
<b>Company</b>						
Prepayment	-	1,361	1,361	-	1,485	1,485
Deposits	-	2,236	2,236	-	2,272	2,272
Other receivables	2,000	788	2,788	2,000	5,578	7,578
Advances	-	198	198	-	2,553	2,553
Provision for impairment of other receivables	-	-	-	-	(2,108)	(2,108)
	<b>2,000</b>	<b>4,583</b>	<b>6,583</b>	2,000	9,780	11,780

- (a) Finance lease receivables are receivables related to the lease of fiber optic cable and telecommunication infrastructures and equipment of subsidiaries.

The movements in finance lease receivables are as follows:

	Group	
	2020 RM'000	2019 RM'000 Restated <sup>1</sup>
At 1 January	93,575	74,330
New leases entered	-	29,063
Lease payments received	(19,412)	(16,217)
Interest on leases	10	8,045
Write-off	(1,630)	-
Currency translation differences	(7,151)	2,339
At 31 December	<b>73,427</b>	93,575

<sup>1</sup> Restated to conform with current year presentation.

Details of finance lease receivables according to maturity schedule are as follows:

	Group	
	2020 RM'000	2019 RM'000
Within 1 year	33,152	35,727
In the 2nd year	22,324	23,404
In the 3rd year	22,324	23,404
In the 4th year	7,283	23,404
In the 5th year	-	8,123
	<b>85,083</b>	114,062
Unearned finance lease income	(11,656)	(20,487)
	<b>73,427</b>	93,575

- (b) Accrued lease receivables are related to the effect of fixed escalation clauses that is spread on a straight-line basis over the lease term.
- (c) Long term prepayment mainly consists of prepayment for transmission of a subsidiary.

**35. TRADE AND OTHER RECEIVABLES (CONTINUED)**

(d) The movements in contract assets are as follows:

	Group	
	2020 RM'000	2019 RM'000 Restated <sup>1</sup>
At 1 January	261,659	245,128
Transfer to trade receivables	(636,958)	(256,557)
Increase as a result of increased subscriptions	702,655	291,508
Write-off	(1,913)	-
Provision for impairment	(20,932)	(18,420)
Currency translation differences	(1,885)	-
At 31 December	<b>302,626</b>	261,659

<sup>1</sup> Restated to conform with current year presentation.

(e) The Group's trade receivables include receivables on deferred payment terms which allow customers to purchase devices with twenty-four (24) monthly installment payments.

(f) The movements in provision for impairment of certain component of trade and other receivables are as follows:

	Group	
	2020 RM'000	2019 RM'000
<b>Accrued lease receivables</b>		
At 1 January	2,128	-
Provision for impairment	6,800	2,217
Currency translation differences	(379)	(89)
At 31 December	<b>8,549</b>	2,128
<b>Contract assets</b>		
At 1 January	51,951	33,531
Provision for impairment	20,932	18,420
Write-off	10	-
At 31 December	<b>72,893</b>	51,951
<b>Trade receivables</b>		
At 1 January	702,765	568,127
Provision for impairment	250,133	297,552
Reversal of provision for impairment	(432)	-
Write-off	(190,960)	(137,405)
Currency translation differences	(14,049)	(25,509)
At 31 December	<b>747,457</b>	702,765



Notes to the Financial Statements For the financial year ended 31 December 2020

**35. TRADE AND OTHER RECEIVABLES (CONTINUED)**

(f) The movements in provision for impairment of certain component of trade and other receivables are as follows: (continued)

	Group		Company	
	2020 RM'000	2019 RM'000 Restated <sup>1</sup>	2020 RM'000	2019 RM'000
Deposits and other receivables				
At 1 January	663,826	586,114	2,108	2,108
Provision for impairment	21,298	37,248	-	-
Write-off	-	-	(2,108)	-
Currency translation differences	(669)	40,464	-	-
At 31 December	684,455	663,826	-	2,108

<sup>1</sup> Restated to conform with current year presentation.

(g) The carrying amounts of trade and other receivables approximate their fair value. Credit terms of trade receivables for the Group range from five (5) to ninety (90) days (2019: five (5) to ninety (90) days).

(h) Measurement of ECL

(i) Simplified approach - accrued lease receivables, finance lease receivables, trade receivables and contract assets within the scope of MFRS 15

The expected loss rates are based on the payment profiles of sales over a period of twenty-four (24) months before reporting date and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. The Group has identified the GDP and Consumer Price Index ("CPI") to be the most relevant factor, and accordingly adjusts the historical loss rates based on expected changes in these factors. There is no significant change to estimation techniques or assumptions used.

(ii) General 3-stage approach for all other financial instruments

The Group and the Company use three categories for all other financial instruments which reflect their credit risk and how the loss allowance is determined for each of those categories. A summary of the assumptions underpinning the Group's and the Company's ECL model is as follows:

Category	Group's definition of categories	Basis of recognising ECL
Performing	Debtors have a low risk of default and a strong capacity to meet contractual cash flows	Twelve (12) month ECL
Underperforming	Debtors for which there is a significant increase in credit risk or significant increase in credit risk is presumed if interest and/or principal repayments are thirty (30) days past due	Lifetime ECL
Non-performing	Interest and/or principal repayments are ninety (90) days past due or there is evidence indicating the asset is credit-impaired	Lifetime ECL

Based on the above, loss allowance is measured on either twelve (12) month ECL or lifetime ECL using a PD x LGD x EAD methodology as follows:

- PD - the likelihood that the debtor would not be able to repay during the contractual period;
- LGD - the percentage of contractual cash flows that will not be collected if default happens; and
- EAD - the outstanding amount that is exposed to default risk.

In deriving the PD and LGD, the Group and the Company consider historical data by each receivable by categories and adjusts for forward-looking macroeconomic data. The Group and the Company have identified GDP to be the most relevant factor, and accordingly adjusts the historical loss rates based on expected changes in these factors. Loss allowance is measured at a probability-weighted amount that reflects the possibility that a credit loss occurs and the possibility that no credit loss occurs. There is no significant change to estimation techniques or assumptions used.

# Audited Financial Statements

## Notes to the Financial Statements

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For the financial year ended 31 December 2020

### 35. TRADE AND OTHER RECEIVABLES (CONTINUED)

(i) Maximum exposure to credit risk

(i) Trade receivables and contract assets within the scope of MFRS 15 - simplified approach (collective assessment)

The gross carrying amount of receivables below also represent the maximum exposure to credit risk to the Group are as follows:

	Current	Past due			Total
	RM'000	1-3 months RM'000	4-6 months RM'000	Over 6 months RM'000	RM'000
<b>2020</b>					
Expected loss rate	<b>0.4%-20.9%</b>	<b>1.8%-63.6%</b>	<b>6.0%-99.2%</b>	<b>82.8%-100%</b>	
Gross trade receivables	<b>795,495</b>	<b>242,480</b>	<b>506,132</b>	<b>366,397</b>	<b>1,910,504</b>
Provision for impairment	<b>(126,094)</b>	<b>(29,023)</b>	<b>(211,785)</b>	<b>(265,620)</b>	<b>(632,522)</b>
Net trade receivables	<b>669,401</b>	<b>213,457</b>	<b>294,347</b>	<b>100,777</b>	<b>1,277,982</b>
Gross contract assets	<b>325,983</b>	-	-	-	<b>325,983</b>
Provision for impairment	<b>(72,893)</b>	-	-	-	<b>(72,893)</b>
Net contract assets	<b>253,090</b>	-	-	-	<b>253,090</b>
<b>2019</b>					
<b>(Restated<sup>1</sup>)</b>					
Expected loss rate	0.0%-22.3%	2.0%-45.9%	5.0%-65.0%	72.0%-88.0%	
Gross trade receivables	1,175,184	405,353	443,120	274,028	2,297,685
Provision for impairment	(118,012)	(60,734)	(250,194)	(227,178)	(656,118)
Net trade receivables	1,057,172	344,619	192,926	46,850	1,641,567
Gross contract assets	284,799	-	-	-	284,799
Provision for impairment	(51,951)	-	-	-	(51,951)
Net contract assets	232,848	-	-	-	232,848

<sup>1</sup> Restated to conform with current year presentation.

**Notes to the Financial Statements** For the financial year ended 31 December 2020

**35. TRADE AND OTHER RECEIVABLES (CONTINUED)**

(i) Maximum exposure to credit risk (continued)

(ii) Accrued lease receivables, finance lease receivables, trade receivables and contract assets within the scope of MFRS 15 - simplified approach (individual assessment)

The gross carrying amount of accrued lease receivables, finance lease receivables, trade receivables and contract assets within the scope of MFRS 15 (with individually significant balances which are separately assessed for ECL measurement) represent maximum exposure to credit risk to the Group are as follows:

	Group	
	2020 RM'000	2019 RM'000 Restated <sup>1</sup>
<b>Accrued lease receivables</b>		
Current (not past due)	<b>98,346</b>	86,268
Credit impaired - individually	<b>8,549</b>	2,128
Gross accrued lease receivables	<b>106,895</b>	88,396
Provision for impairment:		
Credit impaired - individually	<b>(8,549)</b>	(2,128)
	<b>98,346</b>	86,268
Finance lease receivables (not past due)	<b>73,427</b>	93,575
<b>Trade receivables</b>		
Current (not past due)	<b>119,141</b>	123,661
Up to 3 months past due	<b>73,457</b>	90,049
3 to 6 months past due	<b>21,289</b>	33,337
More than 6 months past due	<b>18,789</b>	25,006
Credit impaired - individually	<b>208,808</b>	106,888
Gross trade receivables	<b>441,484</b>	378,941
Provision for impairment:		
Credit impaired - individually	<b>(103,586)</b>	(36,144)
	<b>337,898</b>	342,797
Contract assets (not past due)	<b>49,536</b>	28,811

<sup>1</sup> Restated to conform with current year presentation.

**35. TRADE AND OTHER RECEIVABLES (CONTINUED)**

(i) Maximum exposure to credit risk (continued)

(iii) Trade receivables - 3-stage approach (individual assessment)

The gross carrying amount of trade receivables arising from loan receivables (with individually significant balances which are separately assessed for ECL measurement) represent maximum exposure to credit risk to the Group and the Company are as follows:

	Expected credit loss rate	Basis for recognition of expected credit loss provision RM'000	Estimated gross carrying amount at default RM'000	Loss allowance RM'000	Carrying amount (net of impairment provision) RM'000
<b>2020</b>					
<b>Group</b>					
Performing	1.5%	12 month ECL	77,440	(1,196)	76,244
Underperforming	18.5%	Lifetime ECL	4,422	(817)	3,605
Non-performing	86.2%	Lifetime ECL	10,830	(9,336)	1,494
			<b>92,692</b>	<b>(11,349)</b>	<b>81,343</b>
<b>2019</b>					
<b>Group (Restated<sup>1</sup>)</b>					
Performing	1.9%	12 month ECL	28,006	(529)	27,477
Underperforming	29.9%	Lifetime ECL	3,209	(961)	2,248
Non-performing	61.6%	Lifetime ECL	14,628	(9,013)	5,615
			<b>45,843</b>	<b>(10,503)</b>	<b>35,340</b>

<sup>1</sup> Restated to conform with current year presentation.

(iv) Deposits, USP receivables and other receivables - 3-stage approach (individual assessment)

The gross carrying amount of deposits, USP receivables and other receivables (excluding non-financial assets) (with individually significant balances which are separately assessed for ECL measurement) represent maximum exposure to credit risk to the Group and the Company are as follows:

	Expected credit loss rate	Basis for recognition of expected credit loss provision RM'000	Estimated gross carrying amount at default RM'000	Loss allowance RM'000	Carrying amount (net of impairment provision) RM'000
<b>2020</b>					
<b>Group</b>					
Performing	1.6%	12 month ECL	689,411	(11,099)	678,312
Underperforming	47.9%	Lifetime ECL	296,256	(142,000)	154,256
Non-performing	99.8%	Lifetime ECL	532,434	(531,356)	1,078
			<b>1,518,101</b>	<b>(684,455)</b>	<b>833,646</b>
<b>Company</b>					
Performing	0.0%	12 month ECL	5,024	-	5,024

Notes to the Financial Statements For the financial year ended 31 December 2020

**35. TRADE AND OTHER RECEIVABLES (CONTINUED)**

(i) Maximum exposure to credit risk (continued)

(iv) Deposits, USP receivables and other receivables - 3-stage approach (individual assessment) (continued)

The gross carrying amount of deposits, USP receivables and other receivables (excluding non-financial assets) (with individually significant balances which are separately assessed for ECL measurement) represent maximum exposure to credit risk to the Group and the Company are as follows: (continued)

	Expected credit loss rate	Basis for recognition of expected credit loss provision RM'000	Estimated gross carrying amount at default RM'000	Loss allowance RM'000	Carrying amount (net of impairment provision) RM'000
2019					
Group (Restated <sup>1</sup> )					
Performing	0.0%	12 month ECL	1,107,858	-	1,107,858
Underperforming	44.7%	Lifetime ECL	278,231	(124,327)	153,904
Non-performing	100.0%	Lifetime ECL	539,499	(539,499)	-
			<u>1,925,588</u>	<u>(663,826)</u>	<u>1,261,762</u>
Company					
Performing	0.0%	12 month ECL	7,742	-	7,742
Non-performing	100.0%	Lifetime ECL	2,108	(2,108)	-
			<u>9,850</u>	<u>(2,108)</u>	<u>7,742</u>

<sup>1</sup> Restated to conform with current year presentation.

In respect to other receivables that are performing, the risk of default is immaterial if debtors have a strong capacity to meet their contractual cash flow obligations in the near term and adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the debtors to fulfill their contractual cash flow obligations.

## Notes to the Financial Statements For the financial year ended 31 December 2020

## 35. TRADE AND OTHER RECEIVABLES (CONTINUED)

The currencies profiles of trade and other receivables are as follows:

	2020												2019												
	Functional currency						Functional currency						Functional currency												
	RM RM'000	IDR RM'000	SLR RM'000	BDT RM'000	NPR RM'000	USD RM'000	Others RM'000	Total RM'000	RM RM'000	IDR RM'000	SLR RM'000	BDT RM'000	NPR RM'000	USD RM'000	Others RM'000	Total RM'000	RM RM'000	IDR RM'000	SLR RM'000	BDT RM'000	NPR RM'000	USD RM'000	Others RM'000	Total RM'000	
<b>Group</b>																									
RM	1,887,732	-	-	-	-	-	-	1,887,732	2,096,930	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2,096,930
USD	313,175	56,897	74,071	452	46,891	121,572	-	613,058	210,765	45,126	2,772	90,588	120,943	-	-	-	-	-	-	-	-	-	-	-	561,741
IDR	-	1,356,439	-	-	-	-	-	1,356,439	-	1,133,246	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,133,246
SLR	-	-	333,331	-	-	-	-	333,331	-	-	380,660	-	-	-	-	-	-	-	-	-	-	-	-	-	380,660
BDT	-	-	-	729,907	-	-	-	729,907	-	-	-	673,256	-	-	-	-	-	-	-	-	-	-	-	-	673,256
NPR	-	-	-	-	495,266	-	-	495,266	-	-	-	-	202,968	-	-	-	-	-	-	-	-	-	-	-	202,968
MMK	-	-	-	-	-	-	138,656	138,656	-	-	-	-	-	-	-	-	-	-	-	-	-	-	174,824	174,824	
PKR	-	-	-	-	-	-	100,093	100,093	-	-	-	-	-	-	-	-	-	-	-	-	-	-	108,087	108,087	
Others	1,206	-	-	-	87	-	22,515	23,808	22,709	15	-	-	-	-	-	-	-	-	-	-	-	24,176	-	46,900	
<b>Total</b>	<b>2,202,113</b>	<b>1,413,336</b>	<b>407,402</b>	<b>730,359</b>	<b>542,244</b>	<b>121,572</b>	<b>261,264</b>	<b>5,678,290</b>	<b>2,330,404</b>	<b>1,178,387</b>	<b>472,207</b>	<b>676,028</b>	<b>293,556</b>	<b>120,943</b>	<b>307,087</b>	<b>5,378,612</b>									
<b>Company</b>																									
RM	5,811	-	-	-	-	-	-	5,811	9,223	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	9,223
USD	485	-	-	-	-	-	-	485	2,557	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2,557
Others	287	-	-	-	-	-	-	287	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>6,583</b>	-	-	-	-	-	-	<b>6,583</b>	<b>11,780</b>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	<b>11,780</b>

<sup>1</sup> Restated to conform with current year presentation.

## Notes to the Financial Statements For the financial year ended 31 December 2020

### 36. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

Included in the financial assets at fair value through profit or loss of the Group are trust funds that are highly liquid money market instruments with licensed financial institutions in Malaysia which are redeemable with one (1) day notice without exit penalty or redemption charges amounting to RM138.1 million (2019: RM60.4 million). The redemption value is based on the net asset value of the funds, which is subject to insignificant risk of changes in value. These funds are denominated in RM and measured using level one (1) valuation technique.

### 37. DEPOSITS, CASH AND BANK BALANCES

	Note	Group		Company	
		2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Deposits with licensed banks		<b>1,666,693</b>	953,773	<b>383,420</b>	102,750
Deposits under Islamic principles		<b>1,763,254</b>	482,415	<b>538,062</b>	-
Total deposits		<b>3,429,947</b>	1,436,188	<b>921,482</b>	102,750
Cash and bank balances		<b>3,764,307</b>	2,794,911	<b>310,390</b>	96,490
Total deposits, cash and bank balances		<b>7,194,254</b>	4,231,099	<b>1,231,872</b>	199,240

Represented by:

Cash and cash equivalents in banks		<b>6,700,654</b>	3,089,171	<b>1,231,872</b>	199,240
Deposits pledged	16(a)	<b>92,869</b>	101,188	-	-
Restricted cash		<b>99,477</b>	137,684	-	-
Deposits maturing more than three (3) months		<b>301,254</b>	903,056	-	-
Total deposits, cash and bank balances		<b>7,194,254</b>	4,231,099	<b>1,231,872</b>	199,240

The deposits are placed mainly with a number of creditworthy financial institutions. There is no major concentration of deposits in any single financial institution. Maturity range of deposits are as follows:

(In days)	Group		Company	
	From	To	From	To
Financial year ended 31 December 2020	<b>Overnight</b>	<b>360</b>	<b>Overnight</b>	<b>91</b>
Financial year ended 31 December 2019	Overnight	365	Overnight	16

The effective interest rates on deposits for the Group and the Company range from 0.25% to 8.00% (2019: 1.65% to 9.25%) per annum.

The Group and the Company placed its cash and bank balances with licensed financial institutions with credit rating range from P1 to B3 (2019: from P1 to B3) in managing its credit exposure.

37. DEPOSITS, CASH AND BANK BALANCES (CONTINUED)

The currencies profiles of deposits, cash and bank balances are as follows:

	2019															
	2020						2019									
	Functional currency						Functional currency									
RM RM'000	IDR RM'000	SLR RM'000	BDT RM'000	NPR RM'000	USD RM'000	Others RM'000	Total RM'000	RM RM'000	IDR RM'000	SLR RM'000	BDT RM'000	NPR RM'000	USD RM'000	Others RM'000	Total RM'000	
<b>Group</b>																
RM	2,360,906	-	-	-	-	-	2,360,906	1,359,081	-	-	-	-	-	-	-	1,359,081
USD	1,549,646	23,440	148,294	191,084	206,511	485,028	2,764,089	184,727	124,091	39,150	7,971	433,352	344,174	59,813	1,193,278	
IDR	-	899,191	-	-	-	-	899,191	-	360,252	-	-	-	-	-	360,252	
SLR	-	-	215,606	-	-	-	215,606	-	-	137,351	-	-	-	-	137,351	
BDT	-	-	-	640,922	-	-	640,922	-	-	-	682,819	-	-	-	682,819	
NPR	-	-	-	-	199,650	-	199,650	-	-	-	-	383,468	-	-	383,468	
MMK	-	-	-	-	-	37,387	37,387	-	-	-	-	-	-	6,741	6,741	
PKR	-	-	-	-	-	54,677	54,677	-	-	-	-	-	-	7,718	7,718	
Others	229	-	-	-	-	21,597	21,826	100	-	-	-	-	71,792	28,499	100,391	
<b>Total</b>	<b>3,910,781</b>	<b>922,631</b>	<b>363,900</b>	<b>832,006</b>	<b>406,161</b>	<b>485,028</b>	<b>7,194,254</b>	<b>1,543,908</b>	<b>484,343</b>	<b>176,501</b>	<b>690,790</b>	<b>816,820</b>	<b>415,966</b>	<b>102,771</b>	<b>4,231,099</b>	
<b>Company</b>																
RM	268,044	-	-	-	-	-	268,044	72,597	-	-	-	-	-	-	72,597	
USD	963,751	-	-	-	-	-	963,751	126,643	-	-	-	-	-	-	126,643	
Others	77	-	-	-	-	-	77	-	-	-	-	-	-	-	-	
<b>Total</b>	<b>1,231,872</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,231,872</b>	<b>199,240</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>199,240</b>	

<sup>1</sup> Restated to conform with current year presentation.



**Notes to the Financial Statements** For the financial year ended 31 December 2020

**38. CASH FLOWS FROM/(USED IN) OPERATING, INVESTING AND FINANCING ACTIVITIES**

	Group		Company	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Receipt from customers and others	<b>24,167,782</b>	24,875,636	<b>20,000</b>	-
Payments to suppliers, employees and others	<b>(15,053,690)</b>	(13,413,645)	<b>(234,915)</b>	(283,305)
Payment of finance costs	<b>(1,400,405)</b>	(1,689,589)	<b>(22,530)</b>	(33,915)
Payment of income taxes and zakat (net of refunds)	<b>(576,986)</b>	(1,233,788)	-	-
<b>Total cash flows from/(used in) operating activities</b>	<b>7,136,701</b>	8,538,614	<b>(237,445)</b>	(317,220)
Proceeds from disposal of PPE	<b>64,877</b>	28,485	<b>13</b>	-
Purchase of PPE	<b>(4,583,843)</b>	(6,799,221)	<b>(13,295)</b>	(4,070)
Acquisition of intangible assets	<b>(596,723)</b>	(429,628)	-	-
Investment in deposits maturing more than three (3) months	<b>601,802</b>	133,618	-	100,000
Investment in subsidiaries (net of cash acquired)	-	21,451	-	-
Investment in associates	<b>(6,054)</b>	(8,570)	-	-
Investment in joint ventures	<b>(11,169)</b>	-	-	-
Additional investment in associates	<b>(10,743)</b>	(6,094)	-	-
Disposal of associates	-	1,649,256	-	-
Interest received	<b>192,101</b>	230,232	<b>5,414</b>	14,165
Purchase of other investments	<b>(1,953)</b>	(33,030)	-	-
Disposal of other investments	<b>150,582</b>	97,500	-	-
Net proceeds from sale of towers	<b>580,790</b>	-	-	-
Disposal of rights on right issue of a financial asset at FVTOCI	-	96,149	-	-
Dividends received from an associate and other investment	<b>4,884</b>	-	-	-
Dividends received from subsidiaries	-	-	<b>331,610</b>	491,008
(Advances to)/Repayments from employees	<b>(647)</b>	241	-	-
Payments for ROU assets	<b>(22,495)</b>	(41,336)	-	-
Settlement of derivative financial instrument	-	(38,712)	-	-
Rights issue by a subsidiary	-	-	<b>(262,227)</b>	-
Advances to subsidiaries	-	-	<b>(2,596,698)</b>	(310,204)
Repayments from subsidiaries	-	-	<b>181,710</b>	230,336
<b>Total cash flows (used in)/from investing activities</b>	<b>(3,638,591)</b>	(5,099,659)	<b>(2,353,473)</b>	521,235

# Audited Financial Statements

## Notes to the Financial Statements

Governance & Audited Financial Statements 2020

For the financial year ended 31 December 2020

### 38. CASH FLOWS FROM/(USED IN) OPERATING, INVESTING AND FINANCING ACTIVITIES (CONTINUED)

	Group		Company	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Proceeds from borrowings	11,295,628	3,513,881	3,456,784	209,000
Proceeds from Sukuk	2,091,250	188,800	-	-
Repayments of borrowings	(8,411,387)	(4,448,260)	(2,326,700)	(1,447,100)
Repayments of Sukuk	(3,582,091)	(1,606,684)	-	-
Sale and leaseback of towers	561,908	-	-	-
Additional investment in subsidiaries	-	(90,704)	-	-
Additional investment in a subsidiary by NCI	7,897	82,444	-	-
Capital injection in a subsidiary by NCI	294,000	-	-	-
Proceed from IPO of a subsidiary	184,092	-	-	-
Proceed from rights issue of a subsidiary	9,596	-	-	-
Advances from subsidiaries	-	-	4,902,427	1,747,301
Repayments of advances from subsidiaries	-	-	(1,767,596)	(337,067)
Repayments of lease liabilities	(1,328,392)	(1,207,992)	(3,519)	(1,971)
Proceeds from issuance of shares under Axiata Share Scheme	-	16,389	-	16,389
Share buyback of a subsidiary	(40,469)	-	-	-
Dividends paid to NCI	(256,739)	(75,386)	-	-
Dividends paid to shareholders	(595,993)	(538,283)	(595,993)	(538,283)
Total cash flows from/(used in) financing activities	229,300	(4,165,795)	3,665,403	(351,731)

### 39. ASSETS/LIABILITIES CLASSIFIED AS HELD-FOR-SALE

	Note	Group	
		2020 RM'000	2019 RM'000
<b>Assets classified as held-for-sale</b>			
Financial assets at FVTOCI	(a)	-	106,774
PPE	27, (b), (c)	736	20,254
ROU assets	28, (b), (c)	29,857	150,615
		<b>30,593</b>	<b>277,643</b>
<b>Liabilities classified as held-for-sale</b>			
Provision for asset retirement	22, (b), (c)	3,185	19,017
Lease liabilities	24, (b), (c)	13,971	-
		<b>17,156</b>	<b>19,017</b>

#### (a) Investment in Vodafone Idea Limited ("Vodafone Idea")

Following the intention of the Group to dispose its remaining equity interest in Vodafone Idea, the Group classified its investment in Vodafone Idea as held-for-sale in the previous financial year.

The Group completed the disposal by 13 March 2020 with a total consideration of INR1,346.8 million (RM77.3 million).

The cumulative loss recognised in FVTOCI reserve in relation to the disposal above was RM841.3 million.

#### (b) Sale of indoor telecommunication infrastructure assets by XL

Following XL's intention to sell some of its indoor telecommunication infrastructure assets ("picocells"), certain assets and liability balances in relation to XL's picocells were classified as held-for-sale as at reporting date. XL had partially completed the sale for 143 picocells during the financial year. The expected sale completion of the remaining picocells within a period of twelve (12) months from the financial reporting date was assessed to be highly probable.

#### (c) Sale and leaseback of telecommunication towers by XL

In the previous financial year, certain assets and liability balances were classified as held-for-sale following the announcement made by XL to enter into a transaction to sell 2,782 telecommunication towers and leaseback some of such assets.

XL had completed the sale and leaseback transactions during the financial year as disclosed in Note 9 to the financial statements.

**Notes to the Financial Statements** For the financial year ended 31 December 2020

**40. CONTINGENCIES AND COMMITMENTS**

(a) Capital commitments

	Group	
	2020 RM'000	2019 RM'000
<b>PPE</b>		
Commitments in respect of expenditure approved and contracted for	<b>1,851,862</b>	2,541,573

(b) 3G annual fees commitment

XL has committed to pay annual fees within ten (10) years, as long as XL holds the 3G license. The amount of annual payment is based on the scheme of payment set out in Regulation No. 07/PER/M.KOMINFO/2/2006 of the Minister of Communication & Information and Decree No.323/KEP/M.KOMINFO/09/2010 of the Minister of Communication & Information. No penalty will be imposed in the event that XL returns the license.

(c) Operating lease - The Group as a lessor

The Group leases out its telecommunication towers, sites and network equipment. The Group classified these leases as operating leases, because they do not transfer substantially all of the risks and rewards incidental to the ownership of the assets. The following tables sets out the maturity schedule of undiscounted lease payments to be received after the reporting date.

	Group	
	2020 RM'000	2019 RM'000
Within 1 year	<b>508,118</b>	514,562
In the 2nd year	<b>491,626</b>	491,194
In the 3rd year	<b>462,233</b>	441,559
In the 4th year	<b>462,144</b>	430,523
In the 5th year	<b>438,551</b>	411,484
Later than 5 years	<b>1,551,951</b>	1,859,047
Total undiscounted lease payments to be received	<b>3,914,623</b>	4,148,369

(d) Lists of contingent liabilities of subsidiaries of the Group as at 31 December are as follows:

Description	Potential exposure	
	2020 RM'million	2019 RM'million

1. <b>Celcom Malaysia Berhad (now known as Celcom Axiata Berhad) ("Celcom") &amp; Technology Resources Industries Berhad (now known as Celcom Resources Berhad) ("Celcom Resources") vs Tan Sri Dato' Tajudin Ramli ("TSDTR") &amp; 6 others (Conspiracy Suit)</b>	<b>7,215.0</b>	7,215.0
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In 2008, Celcom and Celcom Resources initiated a claim against five (5) of its former directors, Dete Asia Holding GmbH ("Dete Asia"), and Beringin Murni Sdn Bhd ("Defendants") for conspiring with each other to injure Celcom and Celcom Resources by causing and/or committing them to enter into various agreements in relation to certain rights issue shares in Celcom Resources. Celcom and Celcom Resources are seeking damages for conspiracy against the Defendants.

Two (2) of the Defendants, TSDTR and Dato' Bistamam Ramli filed a counterclaim against Celcom and Celcom Resources for damages for breach of an alleged global settlement involving, inter-alia, the present action and also for conspiracy and misrepresentation in inducing TSDTR to withdraw a counterclaim in another suit. Full trial of the case commenced on 22 January 2018 and is still on-going at the High Court level.

The Board of Directors, based on the external legal advice received, are of the view that it has good prospects of successfully defending the counterclaim.

**40. CONTINGENCIES AND COMMITMENTS (CONTINUED)**

(d) Lists of contingent liabilities of subsidiaries of the Group as at 31 December are as follows: (continued)

Description	Potential exposure	
	2020 RM'million	2019 RM'million
<b>2. Celcom &amp; Celcom Resources vs TSDTR &amp; 8 others (Indemnity Suit)</b>	<b>7,215.0</b>	7,215.0

In 2006, Celcom and Celcom Resources initiated a claim against nine (9) of its former directors ("Defendants") seeking, inter-alia, for indemnity in respect of the sums paid out to Dete Asia under the Award dated 2 August 2005 handed down by the Tribunal of the International Court of Arbitration of the International Chamber of Commerce in Paris and damages for breach of their fiduciary duties. Two (2) of the Defendants, TSDTR and Dato' Bistamam Ramli filed a counterclaim against Celcom and Celcom Resources for damages for breach of an alleged global settlement involving, inter-alia, the present action and also for conspiracy and misrepresentation in inducing TSDTR to withdraw a counterclaim in another suit. Full trial of the case commenced on 22 January 2018 and is still on-going at the High Court level.

The Board of Directors, based on the external legal advice received, are of the view that it has good prospects of successfully defending the counterclaim during the trial.

<b>3. Robi vs Large Taxpayer Unit ("LTU-VAT") of the National Board of Revenue of Bangladesh ("NBR") (SIM Replacement Tax)</b>	<b>196.8</b>	199.7
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**Robi SIM Replacement Dispute March 2007 - June 2011**

On 17 May 2015, the LTU-VAT of the NBR issued a revised demand letter for BDT4,145.5 million (RM196.8 million) (from the earlier show cause letter dated 23 February 2012 for BDT6,549.9 million (RM311.0 million)) ("2007 to 2011 Revised Claim") to Robi alleging that Robi had evaded payment of supplementary duty and VAT levied on the issuance of a certain number of SIM cards to new customers of Robi for the duration from March 2007 to June 2011 when such SIM cards were issued as replacement cards to existing subscribers of Robi.

In August 2015, Robi filed an appeal against the 2007 to 2011 Revised Claim to the Customs, Excise and VAT Appellate Tribunal. Robi deposited 10% of the sum set out in the 2007 to 2011 Revised Claim with the LTU-VAT of the NBR based on provisions of the Value Added Tax Act 1991, as disclosed in Note 35 to the financial statements.

This appeal was first heard on 28 September 2016 by the Customs, Excise and VAT Appellate Tribunal and later reheard on 11 April 2017 by a reconstituted bench of the Customs, Excise and VAT Appellate Tribunal. The Customs, Excise and VAT Appellate Tribunal dismissed Robi's appeal.

In September 2017, Robi filed an appeal to the High Court of Bangladesh against the Customs, Excise and VAT Appellate Tribunal's decision ("VAT Appeal").

On 23 November 2020, the VAT Appeal pending in the High Court of Bangladesh was fixed for hearing whereupon the High Court of Bangladesh ordered parties to file the remaining paper books and fixed VAT Appeal for continued hearing from 20 January 2021 onwards, with no further developments to date.

The Board of Directors, based on the external legal advice received, are of the view that it has good prospects of succeeding on the claim.

## Notes to the Financial Statements For the financial year ended 31 December 2020

### 40. CONTINGENCIES AND COMMITMENTS (CONTINUED)

(d) Lists of contingent liabilities of subsidiaries of the Group as at 31 December are as follows: (continued)

Description	Potential exposure	
	2020 RM'million	2019 RM'million
<p><b>4. Robi vs LTU-VAT of the NBR (SIM Replacement Tax)</b></p> <p><b>Robi SIM Replacement Dispute July 2012 to June 2015</b></p> <p>On 20 November 2017, the LTU-VAT of the NBR issued a demand letter for BDT2,852.0 million (RM135.4 million) ("2012 to 2015 Claim") to Robi alleging that Robi had evaded payment of supplementary duty and VAT levied on the issuance of certain number of SIM cards to new customers of Robi for the duration from July 2012 to June 2015 when such SIM cards were issued as replacement cards to existing subscribers of Robi.</p> <p>On 18 February 2018, Robi filed an appeal against the 2012 to 2015 Claim to the Customs, Excise and VAT Appellate Tribunal on the basis that replacement cards do not establish new connections and do not change existing subscribers' numbers. Robi deposited 10% of the sum set out in the respective demand notices with the LTU-VAT of the NBR based on provisions of the Value Added Tax Act 1991, as disclosed in Note 35 to the financial statements. This appeal was dismissed by the Customs, Excise and VAT Appellate Tribunal.</p> <p>Robi has filed an appeal to the High Court of Bangladesh against the Customs, Excise and VAT Appellate Tribunal's decision ("VAT Appeal").</p> <p>On 23 November 2020, the VAT Appeal pending in the High Court of Bangladesh was fixed for hearing whereupon the High Court of Bangladesh ordered parties to file the remaining paper books.</p> <p>On 3 December 2020, the High Court of Bangladesh took the view that Robi will need to file a Revision Application for the VAT Appeal under the new Value Added Tax and Supplementary Duty Act 2012 which became effective on 1 July 2019. Pursuant thereto, Robi will have to deposit a further 10% of the sum set out in the respective demand notice with the LTU-VAT of the NBR.</p> <p>Robi has filed written arguments against such view on the basis that the new Value Added Tax and Supplementary Duty Act 2012 is not applicable. This legal point was heard on 2 March 2021 in which the High Court of Bangladesh dismissed Robi's argument and advised Robi to file a Revision Application under the new Value Added Tax and Supplementary Duty Act 2012. Subsequently on 23 March 2021, Robi filed a Civil Miscellaneous Petition for Leave to Appeal ("CMP") before the Appellate Division of the Supreme Court of Bangladesh contending the dismissal. The CMP is now pending before the Appellate Division of the Supreme Court of Bangladesh.</p> <p>The Board of Directors, based on the external legal advice received, are of the view that it has good prospects of succeeding on the claim.</p>	<b>135.4</b>	137.4
<p><b>5. Robi's tax position</b></p> <p>Robi has claimed for SIM tax subsidy as a deductible expense in its tax provision computations for the FY 2005 to 2016 (2019: FY 2005 to 2015). The NBR has challenged this claim and regarded the SIM tax subsidy as non-deductible, on grounds that the subsidies are collectible from the customers and hence is not a 'business expense'.</p> <p>Robi deposited between 10% to 25% of the tax liability with the NBR at different stages of appeal based on provisions of the Income Tax Ordinance 1984.</p> <p>Based on the external legal advice received, the Board of Directors are of the view that Robi has good prospects of succeeding on the claim.</p> <p>In addition, there are Airtel cases amounting to BDT773.7 million (RM36.7 million) which are indemnified by a third party arising from the business combination.</p>	<b>282.4</b>	289.8

**40. CONTINGENCIES AND COMMITMENTS (CONTINUED)**

(d) Lists of contingent liabilities of subsidiaries of the Group as at 31 December are as follows: (continued)

Description	Potential exposure	
	2020 RM'million	2019 RM'million
<b>6. Robi vs LTU-VAT of the NBR (VAT Audit)</b>	-	445.5

On 6 February 2018, LTU-VAT of the NBR issued five (5) show cause cum demand notices to Robi for a total amount of BDT9,245.0 million (RM438.9 million), under section 55(3) of the Value Added Tax Act 1991 ("Original Demand"). Robi filed writ petitions on 3 May 2018 to challenge the Original Demand. The NBR referred the matter to the Directorate General of Audit Intelligence and Investigation ("DGAI") to re-examine the claims and as such, Robi is not pursuing the writ petitions. The details are as follows:

- (i) The first show cause cum demand notice for BDT7,118.2 million (RM338.0 million) was issued based on the credit balance of VAT payable General Ledger ("GL") and VAT Return and VAT payable for the period from 2013 to 2016. While conducting its audit, LTU-VAT of the NBR asked for month-on-month movement of output and withholding GL from Systems, Applications and Products i.e. SAP (opening, debit balance during the month, credit balance during the month and closing balance). Robi had submitted the required documents. The LTU-VAT of the NBR just considered the total credit balance of SAP GL as payable and compared it with VAT return without considering the documents or explanation submitted by Robi.
- (ii) The second show cause cum demand notice for BDT910.5 million (RM43.2 million) alleges unpaid VAT on merger and spectrum fee. LTU-VAT of the NBR has collected merger fee/spectrum information from Bangladesh Telecommunication Regulatory Commission ("BTRC") in relation to merger directly, thereafter arbitrarily calculated VAT without considering Robi's documents and information regarding actual payment to BTRC. This issue has already been covered in item (i) nevertheless LTU-VAT of the NBR still arbitrarily made the same claim separately.
- (iii) The third show cause cum demand notice for BDT16.5 million (RM0.8 million) is to claim that VAT is payable on interconnection charge from Bangladesh Telecommunications Limited ("BTCL") for 2012. The output VAT for BTCL service to customer is centrally collected by LTU-VAT of the NBR and that BTCL cannot adjust input VAT on interconnection charge payable to Robi. Therefore, BTCL did not pay the VAT to Robi. This issue has already been covered in item (i) nonetheless LTU-VAT of the NBR still arbitrarily made the same claim separately.
- (iv) The fourth show cause cum demand notice for BDT35.7 million (RM1.7 million) is to claim that VAT is payable on interconnection charge from BTCL for 2013 to 2016 (the issue is same as item (iii) of this case but relating to different period (2013-2016)).
- (v) The fifth show cause cum demand notice for BDT1,164.1 million (RM55.3 million) is for VAT rebate cancellation on imported telecom items. LTU-VAT of the NBR directly collected imports information from customs authority, then cancelled few imported items such as battery, switch, cable, router, system, etc. on arbitrary basis. These are the integral parts of machineries and spare parts.

Pursuant to re-examinations of the above by the DGAI, the LTU-VAT of the NBR issued four (4) new show cause notices dated 22 March 2020 to Robi on the cumulative amount of BDT7,459.5 million (RM354.2 million) for the period of January 2013 to December 2016 ("Revised Show Cause Notices"). Robi has filed writ petitions on 27 June 2020 to the High Court of Bangladesh to challenge the Revised Show Cause Notices.

**Notes to the Financial Statements** For the financial year ended 31 December 2020

**40. CONTINGENCIES AND COMMITMENTS (CONTINUED)**

(d) Lists of contingent liabilities of subsidiaries of the Group as at 31 December are as follows: (continued)

Description	Potential exposure	
	2020 RM'million	2019 RM'million

**6. Robi vs LTU-VAT of the NBR (VAT Audit) (continued)**

The details are as follows:

- (i) The first show cause notice is on BDT3,676.0 million (RM174.5 million) in relation to VAT deducted at source on grounds of (i) withholding VAT on sale of handsets; (ii) withholding VAT on dealer's commission; (iii) withholding VAT not paid on revenue sharing on the basis of audited financial statements; (iv) less withholding VAT paid on the basis of audited accounts etc.
- (ii) The second show cause notice is on BDT394.3 million (RM18.7 million) in relation to VAT of BDT368.6 million (RM17.5 million) and supplementary duty payment of BDT25.7 million (RM1.2 million) based on Robi's audited financial statements.
- (iii) The third show cause notice is on BDT1,308.1 million (RM62.1 million) in relation to VAT on revenue sharing.
- (iv) The fourth show cause notice is on BDT2,081.2 million (RM98.8 million) in relation to VAT rebate cancellation.

The NBR, exercising power under section 43 of the Value Added Tax Act 1991; examined the Original Demand of LTU-VAT of NBR on two occasions (by forming two review committees). The invocation of section 43 of the Value Added Tax Act 1991 rendered the Original Demand under section 55(3) of the Value Added Tax Act 1991 dated 6 February 2018 ineffective and unenforceable based on the external legal advice received.

With regard to the Revised Show Cause Notices, all four (4) Revised Show Cause Notices have not matured to demand notices under section 55(3) of the Value Added Tax Act 1991. Based on the external legal advice received, the Board of Directors are of the view that the Revised Show Cause Notices have yet to become enforceable. Hence, as at 31 December 2020 a contingent liability was not required.

**7. Robi vs Bangladesh Telecommunication Regulatory Commission ("BTRC")**

**411.7**

417.9

The BTRC conducted an information system audit on Robi for the years between 1997 to 2014 and issued a claim of BDT8,672.0 million (RM411.7 million) against Robi on 31 July 2018 ("Information System Audit Claim"). This Information System Audit Claim was disputed by Robi and a Notice of Arbitration was served on BTRC on 20 May 2019.

On 13 June 2019, notwithstanding Robi's Notice of Arbitration, the BTRC directed Robi to make payment for the Information System Audit Claim within 10 days. Challenging the demand, Robi filed a suit on 25 August 2019 before the Joint District Judge, Dhaka seeking a declaration and permanent injunction against BTRC's Information System Audit Claim. The District Court admitted the suit.

Additionally, Robi filed an application seeking an ad interim relief in relation to (i) temporary injunction restraining BTRC from demanding payment of the Information System Audit Claim; (ii) temporary injunction restraining BTRC from causing any interference with the operation of Robi's mobile telecommunication services; and (iii) direction from the court to the effect that BTRC shall issue all relevant No Objection Certificate(s) for the importation of telecommunication equipment and software, and grant all relevant approvals for tariff, service, package, etc. as and when required by Robi from time to time.

The abovementioned application for ad interim relief was dismissed on 1 September 2019 by the Joint District Judge, Dhaka. Robi preferred an appeal before the High Court of Bangladesh in respect of the rejection of temporary injunction application on 5 September 2019.

On 5 January 2020, the High Court of Bangladesh issued an injunction upon BTRC on condition that Robi deposit BDT1,380.0 million (RM69.0 million) in five instalments. Robi has deposited these five (5) equal instalments up to 31 May 2020, as disclosed in Note 35 to the financial statements. This matter is currently pending for hearing before the Joint District Judge, Dhaka.

Based on the external legal advice received, the Board of Directors are of the view that Robi has good prospects of succeeding on the claim.

**40. CONTINGENCIES AND COMMITMENTS (CONTINUED)**

(d) Lists of contingent liabilities of subsidiaries of the Group as at 31 December are as follows: (continued)

Description	Potential exposure	
	2020 RM'million	2019 RM'million
<b>8. Robi vs LTU-VAT of the NBR (VAT rebate cancellation)</b>	<b>133.2</b>	135.3
<p>For the period of 2010 to 2016, Robi claimed rebate for input VAT payable on certain goods and services related to capital machineries (i.e. antenna, cable, media gateway switch, battery, modem, telephone and telegraphic switch, power system, optical multi service systems, universal service router, printed service board, racks, etc.). The LTU-VAT of the NBR issued five (5) show cause cum demand notices to Robi to cancel such rebate for input VAT and demanded for a total amount of BDT2,805.5 million (RM133.2 million).</p> <p>(i) The demand notice for the period of July 2013 to June 2014 is for BDT596.8 million (RM28.3 million).</p> <p>(ii) The demand notice for the period of July 2014 to January 2016 is for BDT993.2 million (RM47.2 million).</p> <p>(iii) The demand notice for the period of February 2016 to April 2016 for BDT41.0 million (RM1.9 million).</p> <p>(iv) The demand notice for the period of May 2016 to December 2016 is for BDT707.7 million (RM33.6 million).</p> <p>(v) The demand notice for the financial years of 2010 to 2012 is for BDT466.9 million (RM22.2 million). On 11 March 2018, Robi filed an appeal to the Customs, Excise and VAT Appellate Tribunal.</p> <p>Pursuant to each demand notice in items (i) to (v), Robi deposited 10% of the sum set out in the respective demand notices with the LTU-VAT of the NBR based on the provisions of the Value Added Tax Act 1991, as disclosed in Note 35 to the financial statements.</p> <p>For items (i) to (iv), Robi filed four (4) separate VAT appeals to the High Court of Bangladesh on 21 January 2019 to challenge the said demand notices. For item (v), the earlier appeal to the Customs, Excise and VAT Appellate Tribunal was dismissed and Robi thereafter filed a VAT appeal to the High Court of Bangladesh on 1 June 2020 to challenge the said demand notice. All VAT appeals are currently pending for hearing before the High Court of Bangladesh.</p> <p>The Board of Directors, based on the external legal advice received, are of the view that it has good prospects of succeeding on the claim.</p> <p>In addition, there are Airtel cases amounting to BDT442.8 million (RM21.0 million) which are indemnified by a third party arising from the business combination.</p>		
<b>Total exposure</b>	<b>15,589.5</b>	16,055.6

The Company does not have any contingent liability as at 31 December 2020 and 31 December 2019.

(e) Fund commitment

The Group has committed to invest in Axiata Digital Innovation Fund Sdn Bhd for a total amount of RM50.0 million over a period of eight (8) years. As of 31 December 2020, the amount yet to be invested is RM1.6 million (2019: RM10.4 million).



## Notes to the Financial Statements For the financial year ended 31 December 2020

### 41. SIGNIFICANT NON-CASH TRANSACTIONS

	Note	Group	
		2020 RM'000	2019 RM'000
DRS	48	-	326,673
Disposal of digital venture investments	5(b)(ii)	-	575,823
Disposal of data center	(a)	-	38,388
Disposal of SmartLuy	5(a)(i)	<b>12,108</b>	-

(a) On 27 June 2019, XL entered into an agreement with PDG in which PDG and XL agreed on the following:

- A new company named PDGDC was established on 1 July 2019; and
- In November and December 2019, XL had disposed of PPE with net book value of IDR106.0 billion (RM31.3 million) and ROU assets with net book value of IDR66.5 billion (RM19.6 million) to PDGDC for a total consideration of IDR407.2 billion (RM120.1 million) via equity interest in PDGDC of IDR130.1 billion (RM38.4 million) and cash. XL has partially leased back such assets for a period of ten (10) years and the lease period can be extended for another five (5) years.

### 42. SEGMENTAL REPORTING

By business segments and geographical locations of the key operating companies of the Group

Management has determined the operating segments to be based on the management reports reviewed by the Board of Directors (CODM).

The business segments of the Group represent the core businesses and geographical locations of the key operating companies based on the operating results regularly reviewed by the Board of Directors. The business segments of the Group are as follows:

(i) Mobile segment

The mobile business of the Group is segmented based on the countries in which the key operating companies operate, as shown in Note 44 to the financial statements. The reportable segments are principally engaged in the provision of mobile services and other services such as provision of interconnect services, pay television transmission services and provision of other data services.

(ii) Infrastructure segment

The infrastructure segment is principally engaged in the provision of telecommunication infrastructure and related services. Although the infrastructure segment operates in different geographical locations, resource allocation decisions and business performance management for this segment are viewed as a single business unit by the Board of Directors. This is consistent with the current practice of internal reporting. As such, the geographical information on infrastructure segment is not presented.

(iii) Others

Others comprise of investment holding entities, financing entities and other operating companies providing other services including digital services in Malaysia and other countries that contributed less than 10% of consolidated revenue.

The Board of Directors assess the performance of the operating segment, before its respective tax charge or tax credits, mainly based on the measure of EBITDA. EBITDA is derived after revenue less domestic interconnect, international outpayment and other direct costs, marketing, advertising and promotion, other operating costs, staff costs and impairment on receivables-net. Segment assets and segment liabilities are not used in decisions about allocation of resources and in assessing the performance of the operating segments.

The COVID-19 pandemic has impacted the Group's revenue performance during the financial year ended 31 December 2020 due to lockdown or movement restriction measures across the Group's footprint markets. Overall, operating companies that operate in countries with more stringent lockdown measures being Malaysia and Nepal, experienced a decline in revenue during the lockdown period.

In addition, the Group's revenue was also affected by government regulations and initiatives during the lockdown period, such as foregone revenue due to free data and bonus recharge in countries such as Malaysia, Indonesia, Bangladesh, Sri Lanka, Nepal and Cambodia. The foregone revenue did not have a significant impact to the Group during the financial year.

# Audited Financial Statements

## Notes to the Financial Statements

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For the financial year ended 31 December 2020

### 42. SEGMENTAL REPORTING (CONTINUED)

	-----Mobile segment-----					Infrastructure segment		Consolidation adjustments/eliminations		Total
	Malaysia RM'000	Indonesia RM'000	Bangladesh RM'000	Sri Lanka RM'000	Nepal RM'000	Cambodia RM'000	Others RM'000	RM'000	RM'000	
<b>Financial year ended 31 December 2020</b>										
Revenue:										
Total revenue	6,218,831	7,514,215	3,744,616	2,721,085	1,479,397	1,372,696	1,881,176	785,951	-	25,717,967
Inter-segment <sup>1</sup>	(44,784)	(24,022)	(32,713)	(21,339)	(2,872)	(10,856)	(1,119,989)	(258,221)	-	(1,514,796)
External revenue	6,174,047	7,490,193	3,711,903	2,699,746	1,476,525	1,361,840	761,187	527,730	-	24,203,171
Results:										
EBITDA <sup>2</sup>	2,589,948	3,776,653	1,580,705	1,153,679	850,210	751,947	1,087,192	(553,282)	(580,177)	10,656,875
Finance income	59,739	52,933	3,460	7,556	5,840	8,196	49,855	37,579	(47,975)	177,183
Finance expense	(380,497)	(761,506)	(245,477)	(54,194)	(94,879)	(27,952)	(106,552)	(358,019)	336,009	(1,693,067)
Depreciation of PPE	(1,051,920)	(2,468,198)	(708,144)	(522,623)	(305,086)	(256,740)	(383,501)	(14,087)	5,581	(5,704,718)
Depreciation of ROU assets	(394,689)	(1,106,964)	(139,138)	(42,827)	(19,843)	(54,453)	(226,461)	(14,916)	410,219	(1,589,072)
Amortisation of intangible assets	(61,850)	(6,312)	(218,011)	(78,526)	(131,076)	(13,276)	(32,467)	(31,856)	(236,579)	(809,953)
Joint ventures:										
- share of results (net of tax)	860	-	-	-	-	-	-	-	-	860
Associates:										
- share of results (net of tax)	20,998	(176)	-	(96)	-	(4,720)	-	1,856	-	17,862
Impairment of PPE, net of reversal	-	102	(7,992)	1,116	-	-	(24,901)	(2,839)	-	(34,514)
Other income/(expense)	83,090	543,990	(68,623)	(152,486)	(107,694)	(40,276)	(44,894)	(65,717)	2,271	149,661
Taxation	(167,360)	57,609	(119,884)	(40,446)	(100,089)	(68,446)	(162,877)	(13,445)	67,866	(547,072)
Segment profit/(loss) for the financial year	698,319	88,131	76,896	271,153	97,383	294,280	155,394	(1,014,726)	(42,785)	624,045

<sup>1</sup> Inter-segment revenue has been eliminated at the respective segment revenue. The inter-segment revenue was entered into in the normal course of business and at prices available to third parties or at negotiated terms.

<sup>2</sup> EBITDA consolidation adjustments/elimination mainly due to inter-segment elimination for leases under MFRS 16.

Notes to the Financial Statements For the financial year ended 31 December 2020

42. SEGMENTAL REPORTING (CONTINUED)

	Mobile segment					Infrastructure segment		Consolidation adjustments/eliminations		Total
	Malaysia RM'000	Indonesia RM'000	Bangladesh RM'000	Sri Lanka RM'000	Nepal RM'000	Cambodia RM'000	Infrastructure segment RM'000	Others RM'000	RM'000	
<b>Financial year ended 31 December 2019</b>										
Revenue:										
Total revenue	6,706,135	7,363,860	3,672,883	2,708,642	1,979,427	1,306,241	1,809,225	616,474	-	26,162,887
Inter-segment <sup>1</sup>	(54,765)	(102,492)	(20,157)	(9,651)	(4,952)	(23,796)	(1,146,168)	(217,594)	-	(1,579,575)
External revenue	6,651,370	7,261,368	3,652,726	2,698,991	1,974,475	1,282,445	663,057	398,880	-	24,583,312
Results:										
EBITDA <sup>2</sup>	2,618,458	3,721,054	1,404,249	1,082,800	1,193,287	695,179	1,112,584	(670,471)	(537,990)	10,619,150
Finance income	88,493	32,550	4,044	6,331	38,503	7,038	56,819	29,038	(32,348)	230,468
Finance expense	(416,296)	(809,214)	(251,599)	(78,938)	(29,733)	(29,945)	(106,716)	(339,559)	323,527	(1,738,473)
Depreciation of PPE	(838,903)	(1,671,212)	(614,759)	(546,098)	(273,691)	(220,461)	(382,866)	(13,919)	22,274	(4,539,635)
Depreciation of ROU	(407,834)	(1,148,453)	(140,464)	(40,715)	(16,859)	(52,721)	(215,647)	(9,677)	405,881	(1,626,489)
Amortisation of intangible assets	(61,850)	(9,599)	(233,562)	(30,386)	(131,056)	(11,141)	(31,861)	(19,416)	(255,351)	(784,222)
Joint ventures:										
- share of results (net of tax)	(2,819)	-	-	-	-	-	-	-	-	(2,819)
Associates:										
- share of results (net of tax)	(1,386)	305	-	(6)	-	3,128	-	(2,688)	-	(647)
Impairment of PPE (net of reversal)	-	(2,274)	(5,990)	1,619	-	-	(2,761)	-	-	(9,406)
Other income/(expense) <sup>3 and 4</sup>	73,987	136,261	(68,358)	(100,580)	8,213	(11,097)	(19,498)	615,135	(2,250)	631,813
Taxation <sup>3</sup>	(262,790)	(105,722)	(85,259)	(45,333)	(231,096)	(71,765)	(158,184)	(31,350)	26,855	(964,644)
Segment profit/(loss) for the financial year	789,060	143,696	8,302	248,694	557,568	308,215	251,870	(442,907)	(49,402)	1,815,096

<sup>3</sup> Restated in conjunction with the reclassification as disclosed in Note 49 to the financial statements.

<sup>4</sup> Included in other income/(expense) are gain on disposal of digital venture investments of RM367.1 million, gain on disposal of an associate of RM113.4 million and disposal of Idea rights of RM96.1 million.

42. SEGMENTAL REPORTING (CONTINUED)

By geographical location

In presenting information for geographical segments of the Group, total non-current assets are determined based on where the assets of core businesses and geographical locations of the key operating companies. Non-current assets exclude financial instruments defined under MFRS 9 and deferred tax assets.

	----- Mobile segment -----						Infrastructure segment <sup>1</sup>			Total
	Malaysia RM'000	Indonesia RM'000	Bangladesh RM'000	Sri Lanka RM'000	Nepal RM'000	Cambodia RM'000	RM'000	RM'000	Others RM'000	
<b>As at 31 December 2020</b>										
Total non-current assets	11,258,347	20,263,044	7,212,509	3,237,513	7,139,866	1,695,377	4,185,552	292,582	55,284,790	
	11,525,811	21,561,883	6,044,234	3,295,053	7,740,892	1,686,579	4,178,411	230,666	56,263,529	
<b>As at 31 December 2019</b>										
Total non-current assets	893,283	1,153,491	1,237,436	531,484	369,858	4,185,552	558,306	417,010	4,178,411	
	892,679	1,029,257	1,281,159	558,306	417,010	4,178,411	558,306	417,010	4,178,411	

<sup>1</sup> Geographical locations of infrastructure segment non-current assets are as follows:

	Malaysia RM'000	Bangladesh RM'000	Myanmar RM'000	Pakistan RM'000	Others <sup>2</sup> RM'000	Total RM'000
<b>2020</b>	893,283	1,153,491	1,237,436	531,484	369,858	4,185,552
<b>2019</b>	892,679	1,029,257	1,281,159	558,306	417,010	4,178,411

<sup>2</sup> Others include other geographical locations within the infrastructure segment that are not individually material.

## Notes to the Financial Statements For the financial year ended 31 December 2020

### 43. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

- (a) Market risks consist of:
- (i) price risk – risk that the value of a financial instrument will fluctuate as a result of changes in market prices, whether those changes are caused by factors specific to the individual instrument or its issuer or factors affecting all instrument traded in the market.
  - (ii) foreign currency exchange risk – risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates.
  - (iii) fair value interest rate risk – risk that the value of a financial instrument will fluctuate due to changes in market interest rates.
  - (iv) cash flow interest rate risk – risk that future cash flows associated with a financial instrument will fluctuate. In the case of a floating rate debt instrument, such fluctuations result in a change in the effective interest rate of the financial instrument, usually without a corresponding change in its fair value.
- (b) Credit risk – risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss.
- (c) Liquidity risk (funding risk) – risk that an entity will encounter difficulty in raising funds to meet commitments associated with financial instruments.

The Group's and the Company's overall financial risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Group and the Company. Financial risk management is carried out through risk reviews, internal control systems, insurance programmes and adherence to the Group's and the Company's financial risk management policies. The Board of Directors regularly reviews these risks and approves the treasury policies, which covers the management of these risks. Hedging transactions are determined in the light of commercial commitments. Derivative financial instruments are used to hedge underlying commercial exposures.

(a) Market risks

(i) Price risk

The Group is exposed to equity securities price risk mainly due to investments held by the Group classified on the consolidated statement of financial position as FVTOCI asset, which is fair valued under level three (3) fair value estimation.

(ii) Foreign currency exchange risk

**Group**

The foreign exchange risk of the Group predominantly arises from borrowings denominated in foreign currencies. The main currency exposure from borrowings denominated in foreign currency is USD. The Group has cross currency swaps that is primarily used to hedge selected foreign currency borrowings to reduce the foreign currency exposures on these borrowings as disclosed in Note 18 to the financial statements.

Based on the borrowings position as at 31 December 2020, if USD were to strengthen/weaken by 5% against BDT, SLR and RM with all other variables held constant, this will result in foreign exchange losses/gains to the profit or loss of RM410.2 million (2019: RM183.5 million) on translation of USD denominated non-hedged borrowings.

The exposure to other foreign currency risk of the Group is not material and hence, sensitivity analysis is not presented.

**Company**

The foreign exchange risk of the Company predominantly arises from non-hedged borrowings denominated in USD.

As at 31 December 2020, if USD were to strengthen/weaken by 5% against RM with all other variables held constant, this will result in foreign exchange losses/gains to the profit or loss of RM30.3 million (2019: RM10.3 million) on translation of USD denominated non-hedged borrowings.

(iii) Cash flow and fair value interest rate risk

The Group and the Company have deposits, cash and bank balances including deposits placed with creditworthy licensed banks and financial institutions. The Group and the Company manage its interest rate risk by actively monitoring the yield curve trend and interest rate movement for the various deposits, cash and bank balances.

The Group's borrowings comprise borrowings from financial institutions, Sukuk and Notes. The Group's interest rate risk objective is to manage an acceptable level of rate fluctuation on the interest expense. In order to achieve this objective, the Group targets a composition of fixed and floating borrowings based on assessment of its existing exposure and desirable interest rate profile. To obtain this composition, the Group uses hedging instruments such as CCIRS as disclosed in Note 18(c) to the financial statements.

### 43. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(a) Market risks (continued)

(iii) Cash flow and fair value interest rate risk (continued)

**Group**

As at 31 December 2020, if interest rate on floating interest rates of non-hedged borrowings had been lower/higher by 5% with all other variables held constant, this will result in a lower/higher finance cost of the Group amounting to RM11.8 million (2019: RM14.6 million).

**Company**

As at 31 December 2020, if interest rate on floating interest rates of non-hedged borrowings had been lower/higher by 5% with all other variables held constant, this will result in a lower/higher finance cost of the Company amounting to RM1.1 million (2019: RM0.3 million).

(b) Credit risk

Credit risk arises from trade receivables, cash and cash equivalents and financial instruments used in hedging activities.

The Group has no significant concentration of credit risk due to its diverse customer base. Credit risk is managed through the application of credit assessment and approval, credit limit and monitoring procedures. Where appropriate, the Group obtains deposits or bank guarantees from customers.

The Group and the Company place its cash and cash equivalents with a number of creditworthy financial institutions. The Group's and the Company's policy limit the concentration of financial exposure to any single financial institution.

All hedging instruments are executed with creditworthy financial institutions with a view to limit the credit risk exposure of the Group and the Company. The Group and the Company, however, are exposed to credit-related losses in the event of non-performance by counterparties to financial derivative instruments, but do not expect any counterparties to fail to meet their obligations.

The maximum credit risk exposure of the financial assets of the Group and the Company are approximately their carrying amounts as at the end of the reporting period.

The carrying amount and expected credit losses for trade receivables and amount due from subsidiaries are shown in Note 34 and Note 35 to the financial statements, respectively.

(c) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient liquid funds to meet its financial obligations.

In the management of liquidity risk, the Group and the Company monitor and maintain a level of cash and cash equivalents deemed adequate by management to finance the Group's and the Company's operations and to mitigate the effects of fluctuations in cash flows. Due to the dynamic nature of the underlying business, the Group and the Company aim at maintaining flexibility in funding by keeping both committed and uncommitted credit lines available.

Surplus cash of the Group and the Company are invested in profit bearing current accounts, money market deposits and other instruments with appropriate maturities and sufficient liquidity levels to provide sufficient headroom and to enable the Group and the Company to discharge liabilities in the normal course of business.

As at 31 December 2020, the Group's current liabilities exceeded its current assets by RM5,429.4 million (2019: RM14,811.8 million). The Company and its subsidiaries have undrawn facilities amounting to RM3,336.0 million available to meet liquidity requirements. Additionally, as disclosed in Note 16, certain subsidiaries of the Group have outstanding undrawn amounts under the Multi-currency Sukuk, Sukuk Murabahah and EMTN Programme amounting to USD500.0 million (RM2,018.0 million), RM2,700.0 million and USD500.0 million (RM2,018.0 million) respectively. The Group is confident that it will be able to successfully issue the outstanding amounts, if needed, in the next twelve (12) months from the date of the financial statements.

Where undrawn facilities are not available, subsidiaries' twelve (12) month cash flow forecasts have been prepared taking into account expected revenue growth, past performance and one-off transactions. Based on these cash flow forecasts and available undrawn facilities, the Group is able to generate sufficient cash flows for the next twelve (12) months from the date of the financial statements to meet operational and financing needs as and when they fall due.

As at 31 December 2020, the Company's current liabilities exceeded its current assets by RM7,171.4 million (2019: RM5,627.0 million). The Company has undrawn facilities amounting to RM1,209.0 million to meet its liquidity requirements. Total current liabilities of the Company includes RM7,022.5 million owed to wholly owned special purpose subsidiaries for financing. These amounts have no terms of repayment and are non-interest bearing. Settlements of amounts due to subsidiaries are managed via the Company's central treasury function. The amounts are expected to be repaid in line with the maturity of the respective external borrowings on 19 August 2030 and 19 August 2050 as disclosed in Note 16(c)(i) and Note 16(e) to the financial statements respectively.

As at 31 December 2020, the Group and the Company has sufficient liquidity and available facilities to meet its obligations as and when they fall due within twelve (12) months from the date of the financial statements.

**Notes to the Financial Statements** For the financial year ended 31 December 2020

**43. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)**

(c) Liquidity risk (continued)

The tables below analyse the Group's and the Company's financial liabilities into relevant maturity groupings based on the remaining period at the end of the reporting period to the contractual maturity date. As amounts included in the tables are contractual undiscounted cash flows, these amounts may not be reconciled to the amounts disclosed on the statement of financial position for trade and other payables, lease liabilities, borrowings and derivative financial instruments.

	2020					
	Trade and other payables RM'000	Lease liabilities RM'000	Borrowings RM'000	Gross settled CCIRS (Inflow) RM'000	Gross settled CCIRS Outflow RM'000	Total RM'000
<b>Group</b>						
Below 1 year	7,842,458	2,331,871	2,829,593	(87,924)	128,325	13,044,323
1-2 years	198,687	1,745,608	1,844,691	(87,924)	128,325	3,829,387
2-3 years	-	1,505,606	3,042,564	(87,924)	128,325	4,588,571
3-4 years	-	1,391,752	1,337,032	(87,924)	128,325	2,769,185
4-5 years	-	1,213,587	1,063,899	(87,924)	128,325	2,317,887
5-10 years	-	3,666,775	7,203,030	(2,105,924)	2,130,433	10,894,314
10-15 years	-	383,732	618,315	-	-	1,002,047
15-40 years	-	180,040	5,890,946	-	-	6,070,986
Total contractual undiscounted cash flows	8,041,145	12,418,971	23,830,070	(2,545,544)	2,772,058	44,516,700
Total carrying amount	8,041,145	9,628,596	17,745,439	-	132,665	35,547,845

	2019						
	Trade and other payables RM'000 Restated <sup>1</sup>	Lease liabilities RM'000 Restated <sup>1</sup>	Borrowings RM'000	Gross settled CCIRS (Inflow) RM'000	Gross settled CCIRS Outflow RM'000	Put option over shares held by NCI RM'000	Total RM'000 Restated <sup>1</sup>
<b>Group</b>							
Below 1 year	7,964,811	2,067,721	7,469,097	(1,301,485)	1,338,511	2,104,550	19,643,205
1-2 years	22,671	1,621,886	1,871,885	(89,536)	128,325	-	3,555,231
2-3 years	-	1,376,171	2,875,718	(89,536)	128,325	-	4,290,678
3-4 years	-	1,125,888	2,469,383	(89,536)	128,325	-	3,634,060
4-5 years	-	942,514	1,104,769	(89,536)	128,325	-	2,086,072
5-10 years	-	3,800,363	3,345,991	(2,234,073)	2,258,759	-	7,171,040
10-15 years	-	451,466	-	-	-	-	451,466
15-40 years	-	256,720	-	-	-	-	256,720
Total contractual undiscounted cash flows	7,987,482	11,642,729	19,136,843	(3,893,702)	4,110,570	2,104,550	41,088,472
Total carrying amount	7,987,482	8,840,317	16,826,243	-	108,360	2,027,497	35,789,899

<sup>1</sup> Restated to conform with current year presentation.

**43. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)**

(c) Liquidity risk (continued)

The tables below analyse the Company's financial liabilities into relevant maturity groupings based on the remaining period at the end of the reporting period to the contractual maturity date. As amounts included in the tables are contractual undiscounted cash flows, these amounts may not be reconciled to the amounts disclosed on the statement of financial position for other payables, lease liabilities and borrowings.

	2020					
	Other payables RM'000	Amounts due to subsidiaries RM'000	Lease liabilities RM'000	Borrowings RM'000	Financial guarantee <sup>1</sup> RM'000	Total RM'000
<b>Company</b>						
Below 1 year	46,500	8,312,525	4,457	452,614	148,950	8,965,046
1-2 years	-	-	4,555	192,594	308,667	505,816
2-3 years	-	-	4,569	676,105	790,170	1,470,844
3-4 years	-	-	2,284	-	131,893	134,177
4-5 years	-	-	-	-	131,893	131,893
Over 5 years	-	-	-	-	7,527,196	7,527,196
Total contractual undiscounted cash flows	46,500	8,312,525	15,865	1,321,313	9,038,769	18,734,972
Total carrying amount	46,500	8,312,525	14,571	1,261,600	-	9,635,196

	2019					
	Other payables RM'000	Amounts due to subsidiaries RM'000	Lease liabilities RM'000	Borrowings RM'000	Financial guarantee <sup>1</sup> RM'000	Total RM'000
<b>Company</b>						
Below 1 year	47,882	5,691,143	4,311	206,851	1,301,172	7,251,359
1-2 years	-	-	4,457	-	33,216	37,673
2-3 years	-	-	4,555	-	274,712	279,267
3-4 years	-	-	4,569	-	748,269	752,838
4-5 years	-	-	2,665	-	-	2,665
Total contractual undiscounted cash flows	47,882	5,691,143	20,557	206,851	2,357,369	8,323,802
Total carrying amount	47,882	5,691,143	18,090	206,284	-	5,963,399

<sup>1</sup> Financial guarantee represents the maximum amount of a guarantee provided by the Company to its subsidiaries.



## Notes to the Financial Statements For the financial year ended 31 December 2020

### 43. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

#### (d) Capital risk management

The Group's and the Company's objective when managing capital is to safeguard the Group's and the Company's abilities to continue as a going concern while at the same time provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group and the Company may adjust the amount of dividends paid to shareholders, issue new shares or return capital to shareholders. The Group and the Company maintains a strong credit rating and optimal capital structure that will improve its capital efficiency whilst ensuring availability of funds in order to meet financial obligations, support business growth and maximise shareholder's value through a long-term sustainable dividend policy. The Group's credit rating remains unchanged at Baa2 by Moody's Investors Service (Moody's) and BBB+ by Standard & Poor's 500 (S&P) as at 31 December 2020.

Consistent with others in the industry, the Group monitors capital on the basis of the gearing ratios. This ratio is calculated as total debts over total equity. Total debts including non-current, current borrowings and lease liabilities as shown in the consolidated statement of financial position. Total equity is calculated as 'equity' in the consolidated statement of financial position.

	Note	2020 RM'000	2019 RM'000
Total borrowings	16	<b>17,745,439</b>	16,826,243
Lease liabilities	24	<b>9,628,596</b>	8,840,317
<b>Total debts</b>		<b>27,374,035</b>	25,666,560
Total equity		<b>23,879,430</b>	22,220,023
Gearing ratio		<b>1.15</b>	1.16

#### (e) Fair value estimation

The tables below analyse financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

- Quoted prices (unadjusted) in active markets for identified assets or liabilities (Level 1).
- Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (Level 2).
- Inputs for the asset or liability that are not based on observable market data (that is unobservable inputs) (Level 3).

The Group measures the financial instruments based on published price quotations (Level 1) and market approach valuation technique (Level 2) with inputs of valuation technique such as interest rates and yield curves observable at commonly quoted intervals; implied volatilities; and credit spreads that are observable direct or indirectly as at reporting date.

There is no transfer between Level 1 and Level 2 during the financial year.

**43. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)**

(e) Fair value estimation (continued)

The following tables represent the fair value level of the financial assets and liabilities that are measured at fair value as at reporting date.

	2020				2019			
	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
<b>Group</b>								
<b>Assets</b>								
Financial assets at FVTPL:								
- Trading securities	138,113	-	-	138,113	63,876	-	-	63,876
- Unquoted securities	-	-	4,467	4,467	-	-	-	-
- Non-hedging derivatives	-	8,343	-	8,343	-	8,343	-	8,343
- Derivatives used for hedging	-	-	-	-	-	16,160	-	16,160
Financial assets at FVTOCI <sup>1</sup> :								
- Equity securities	-	-	220,978	220,978	-	-	301,347	301,347
<b>Total assets</b>	<b>138,113</b>	<b>8,343</b>	<b>225,445</b>	<b>371,901</b>	<b>63,876</b>	<b>24,503</b>	<b>301,347</b>	<b>389,726</b>
<b>Liabilities</b>								
Financial liabilities at FVTPL:								
- Derivatives used for hedging	-	(132,665)	-	(132,665)	-	(124,520)	-	(124,520)
<b>Total liabilities</b>	<b>-</b>	<b>(132,665)</b>	<b>-</b>	<b>(132,665)</b>	<b>-</b>	<b>(124,520)</b>	<b>-</b>	<b>(124,520)</b>

<sup>1</sup> Fair value of these instruments are obtained from independent valuations.

(i) Financial instruments in Level 1

The fair value of financial instruments traded in active markets is based on quoted market prices at the reporting date. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis.

(ii) Financial instruments in Level 2

The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined by using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in Level 2.

If one or more of the significant inputs is not based on observable market data, the instrument is included in Level 3.

Specific valuation techniques used to value financial instruments include:

- Quoted market prices or dealer quotes for similar instruments;
- The fair value of cross currency interest rate swaps and interest rate swaps is calculated as the present value of the estimated future cash flows based on observable market curves; and
- The fair value of forward foreign exchange contracts is determined using forward exchange rates at the reporting date, with the resulting value discounted back to present value.

(iii) Financial instruments in Level 3

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques where the underlying assets' significant inputs are not available from observable market data.

**Notes to the Financial Statements** For the financial year ended 31 December 2020

**43. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)**

(f) Offsetting financial assets and financial liabilities

The following table presents the recognised financial instruments that are offset or subject to enforceable master netting arrangements and other similar agreements.

	Gross amounts RM'000	Gross amounts of recognised (financial liabilities)/ financial assets set off RM'000	Net amounts RM'000
<b>Group</b>			
<b>2020</b>			
Trade receivables	662,689	(225,068)	437,621
Trade payables	(2,462,367)	225,068	(2,237,299)
<b>2019</b>			
Trade receivables	934,423	(367,452)	566,971
Trade payables	(2,958,790)	367,452	(2,591,338)
<b>Company</b>			
<b>2020</b>			
Amount due from subsidiaries	5,921,266	(2,760,277)	3,160,989
Amount due to subsidiaries	(11,072,802)	2,760,277	(8,312,525)
<b>2019</b>			
Amount due from subsidiaries	2,626,411	(2,373,275)	253,136
Amount due to subsidiaries	(8,064,418)	2,373,275	(5,691,143)

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For the financial year ended 31 December 2020

### 44. LIST OF SUBSIDIARIES

The Group had the following subsidiaries as at 31 December 2020:

Name of company	Ownership interest directly held by the parent (%)	Ownership interest held by the Group (%)	Ownership interest held by NCI (%)	Principal activities	Country and place of incorporation
Axiata Investments (Labuan) Limited <sup>1</sup>	100.00	100.00	-	Investment holding	Federal Territory Labuan, Malaysia
Axiata Investments 1 (India) Limited <sup>2</sup>	100.00	100.00	-	Investment holding	Mauritius
Axiata Investments (Cambodia) Limited <sup>1</sup>	100.00	100.00	-	Investment holding	Federal Territory Labuan, Malaysia
Celcom Axiata Berhad <sup>1</sup>	100.00	100.00	-	Telecommunication network capacity, infrastructure and services	Malaysia
Axiata Management Services Sdn Bhd <sup>1</sup>	100.00	100.00	-	Provision of services in relation to information technology (IT), including IT solutions development and maintenance, IT related managed services, analytics and technical advisory	Malaysia
Axiata Investments (Singapore) Limited <sup>1</sup>	100.00	100.00	-	Investment holding	Federal Territory Labuan, Malaysia
Axiata SPV1 (Labuan) Limited <sup>1</sup>	100.00	100.00	-	Investment holding and financing	Federal Territory Labuan, Malaysia
Axiata Foundation <sup>1 and 6</sup>	-	-	-	Develop and nurture talent pool and foster, develop and improve education	Malaysia
Axiata SPV2 Berhad <sup>1</sup>	100.00	100.00	-	Financing	Malaysia
Hello Axiata Company Limited <sup>10</sup>	-	-	-	Dormant	Cambodia
Axiata SPV4 Sdn Bhd <sup>1</sup>	100.00	100.00	-	Investment holding	Malaysia
Axiata SPV5 (Labuan) Limited <sup>1</sup>	100.00	100.00	-	Investment holding and issuance of financial instruments	Federal Territory Labuan, Malaysia
Axiata Digital Services Sdn Bhd <sup>1</sup>	96.47	96.47	3.53	Investment holding	Malaysia
Axiata Business Services Sdn Bhd <sup>1</sup>	100.00	100.00	-	Provision of international carrier services and enterprise solutions	Malaysia
edotco Group Sdn Bhd <sup>1</sup>	63.00	63.00	37.00	Investment holding and provision of technical and operations support services in the telecommunications and related industries in local and/or international markets	Malaysia
Axiata Investments (UK) Limited <sup>2</sup>	100.00	100.00	-	Investment holding	United Kingdom
Dialog Axiata Digital Innovation Fund (Private) Limited <sup>3 and 9</sup>	25.00	45.75	54.25	Venture capital fund	Sri Lanka

## Notes to the Financial Statements For the financial year ended 31 December 2020

### 44. LIST OF SUBSIDIARIES (CONTINUED)

The Group had the following subsidiaries as at 31 December 2020: (continued)

Name of company	Ownership interest directly held by the parent (%)	Ownership interest held by the Group (%)	Ownership interest held by NCI (%)	Principal activities	Country and place of incorporation
<b>Subsidiaries held through Axiata Investments (Labuan) Limited</b>					
Axiata Investments (Indonesia) Sdn Bhd <sup>1</sup>	-	100.00	-	Investment holding	Malaysia
Dialog Axiata PLC <sup>2</sup>	-	83.01	16.99	Communication services, telecommunication infrastructure services, media and digital services	Sri Lanka
Robi Axiata Limited <sup>3</sup>	-	61.82	38.18	Mobile telecommunication services	Bangladesh
Axiata Lanka (Private) Limited <sup>2</sup>	-	100.00	-	Property development and letting of property for commercial purposes	Sri Lanka
Axiata Digital Labs (Private) Limited <sup>2</sup>	-	100.00	-	Software development and IT enabled services venture of Axiata Group	Sri Lanka
<b>Subsidiary held through Axiata Investments (Indonesia) Sdn Bhd</b>					
PT XL Axiata Tbk <sup>2 and 14</sup>	-	66.60	33.40	Telecommunication services, network and/or multimedia services provider	Indonesia
<b>Subsidiaries held through Dialog Axiata PLC</b>					
Dialog Broadband Networks (Private) Limited <sup>2</sup>	-	83.01	16.99	Data and backbone, fixed wireless and transmission infrastructure	Sri Lanka
Dialog Television (Private) Limited <sup>2</sup>	-	83.01	16.99	Television broadcasting generated services and direct-to-home satellite pay television services	Sri Lanka
Digital Holdings Lanka (Private) Limited <sup>2</sup>	-	83.01	16.99	Investment holding company of new business areas of Dialog Group	Sri Lanka
Dialog Business Services (Private) Limited <sup>2</sup>	-	83.01	16.99	Provision of manpower for call centre operations	Sri Lanka
Dialog Finance PLC <sup>2</sup>	-	82.22	17.78	Provision of financial services	Sri Lanka
Dialog Device Trading (Private) Limited <sup>2</sup>	-	83.01	16.99	Selling information technology enabled equipment	Sri Lanka
Dialog Network Services (Private) Limited <sup>2</sup>	-	83.01	16.99	Provision of network development, operations and maintenance services	Sri Lanka

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## Notes to the Financial Statements

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For the financial year ended 31 December 2020

### 44. LIST OF SUBSIDIARIES (CONTINUED)

The Group had the following subsidiaries as at 31 December 2020: (continued)

Name of company	Ownership interest directly held by the parent (%)	Ownership interest held by the Group (%)	Ownership interest held by NCI (%)	Principal activities	Country and place of incorporation
<b>Subsidiary held through Dialog Broadband Networks (Private) Limited</b>					
Telecard (Private) Limited <sup>2</sup>	-	83.01	16.99	Dormant	Sri Lanka
<b>Subsidiaries held through Dialog Television (Private) Limited</b>					
Communiq Broadband Network (Private) Limited <sup>2</sup>	-	83.01	16.99	Dormant	Sri Lanka
<b>Subsidiaries held through Dialog Holdings Lanka (Private) Limited</b>					
Digital Commerce Lanka (Private) Limited <sup>2</sup>	-	83.01	16.99	e-commerce and digital marketing services	Sri Lanka
Digital Health (Private) Limited <sup>2</sup>	-	44.16	55.84	Developing and operating a state-of-the-art electronic commerce infrastructure for the healthcare sector	Sri Lanka
Headstart (Private) Limited <sup>2</sup>	-	41.99	58.01	Creating and providing e-learning content	Sri Lanka
<b>Subsidiary held through Robi Axiata Limited</b>					
RedDot Digital Limited <sup>5</sup>	-	61.81	38.19	Provision of IT, information and communications technology services to facilitate Robi's non-mobile network operator business activities	Bangladesh
<b>Subsidiary held through Axiata Investments 1 (India) Limited</b>					
Axiata Investments 2 (India) Limited <sup>2</sup>	-	100.00	-	Investment holding	Mauritius
<b>Subsidiary held through Axiata Investments (Cambodia) Limited</b>					
Axiata (Cambodia) Holdings Limited <sup>1</sup>	-	72.48	27.52	Investment holding	Federal Territory Labuan, Malaysia
<b>Subsidiaries held through Celcom Axiata Berhad</b>					
Celcom Mobile Sdn Bhd <sup>1</sup>	-	100.00	-	Mobile communication, network and application services and content	Malaysia
Celcom Networks Sdn Bhd <sup>1</sup>	-	100.00	-	Network telecommunication, capacity and services	Malaysia
Celcom Properties Sdn Bhd <sup>1</sup>	-	100.00	-	Property investment	Malaysia
Escape Axiata Sdn Bhd <sup>1 and 5</sup>	-	100.00	-	Over-The-Top and other on demand content services	Malaysia

**Notes to the Financial Statements** For the financial year ended 31 December 2020

**44. LIST OF SUBSIDIARIES (CONTINUED)**

The Group had the following subsidiaries as at 31 December 2020: (continued)

Name of company	Ownership interest directly held by the parent (%)	Ownership interest held by the Group (%)	Ownership interest held by NCI (%)	Principal activities	Country and place of incorporation
<b>Subsidiaries held through Celcom Axiata Berhad (continued)</b>					
Celcom Retail Holding Sdn Bhd <sup>1</sup>	-	100.00	-	Strategic and business development, management, administrative, support services and investment holding	Malaysia
Celcom Intelligence Sdn Bhd <sup>1 and 5</sup>	-	100.00	-	Investment holding	Malaysia
Celcom Timur (Sabah) Sdn Bhd <sup>1</sup>	-	80.00	20.00	Fibre optic transmission network services	Malaysia
Celcom eCommerce Sdn Bhd <sup>1 and 5</sup>	-	100.00	-	Electronic wallet services	Malaysia
Celcom Resources Berhad <sup>1</sup>	-	100.00	-	Investment holding	Malaysia
<b>Subsidiary held through Celcom Retail Holding Sdn Bhd</b>					
Celcom Retail Sdn Bhd <sup>1</sup>	-	100.00	-	Trading and distribution of communication devices and related products and managing retail stores	Malaysia
<b>Subsidiary held through Celcom Resources Berhad</b>					
Celcom Trading Sdn Bhd <sup>1</sup>	-	100.00	-	Dealing in marketable securities	Malaysia
<b>Subsidiary held through Axiata (Cambodia) Holdings Limited</b>					
Smart Axiata Co., Ltd <sup>2</sup>	-	72.48	27.52	Mobile telecommunication services	Cambodia
<b>Subsidiaries held through Axiata Digital Services Sdn Bhd</b>					
Axiata Digital Advertising Sdn Bhd <sup>1</sup>	-	78.81	21.19	Investment holding and provision of multimedia advertising services as well as multimedia advertising sales support services	Malaysia
Axiata Digital Bangladesh (Private) Limited <sup>3</sup>	-	96.46	3.54	Online ticketing services	Bangladesh
Boost Holdings Sdn Bhd <sup>1</sup>	-	75.36	24.64	Investment holding	Malaysia
Apigate Inc. <sup>2</sup>	-	96.47	3.53	Technology enabler service provider	United States of America
Merchantrade Digital Services Sdn Bhd <sup>1 and 8</sup>	-	59.00	41.00	Financial services	Malaysia

**44. LIST OF SUBSIDIARIES (CONTINUED)**

The Group had the following subsidiaries as at 31 December 2020: (continued)

Name of company	Ownership interest directly held by the parent (%)	Ownership interest held by the Group (%)	Ownership interest held by NCI (%)	Principal activities	Country and place of incorporation
<b>Subsidiaries held through Boost Holdings Sdn Bhd</b>					
Axiata Digital Capital Sdn Bhd <sup>1</sup>	-	75.36	24.64	Micro-financing, money lending services, micro-insurance and related services, including related technology services	Malaysia
Axiata Digital Ecode Sdn Bhd <sup>1</sup>	-	75.36	24.64	Research and development of information communication technology	Malaysia
Apigate Sdn Bhd <sup>1</sup>	-	75.36	24.64	Application programming interface, software and mobile applications	Malaysia
PT Axiata Digital Services Indonesia <sup>2</sup>	-	75.36	24.64	Provision of digital services	Indonesia
<b>Subsidiaries held through Axiata Digital Advertising Sdn Bhd</b>					
PT Axiata Digital Analytics Indonesia <sup>2</sup>	-	78.98	21.02	Provision of digital analytics services	Indonesia
ADA Digital Singapore Pte Ltd <sup>2</sup>	-	78.81	21.19	Advertising service provider and investment holding	Singapore
<b>Subsidiaries held through ADA Digital Singapore Pte Ltd</b>					
Komli Asia Holdings Pte Ltd <sup>2 and 13</sup>	-	-	-	Investment holding and provision of IT products and services for online media companies	Singapore
Adknowledge Asia Pacific (India) Private Limited <sup>2</sup>	-	78.81	21.19	Dormant	India
ADA Digital Philippines Inc <sup>2</sup>	-	78.80	21.20	Provision of technology and software solutions	Philippines
ADA Digital (Thailand) Co Ltd <sup>2</sup>	-	78.69	21.31	Provision of IT products and services for online media companies	Thailand
ADA Asia Malaysia Sdn Bhd <sup>1</sup>	-	78.81	21.19	Provision of multimedia advertising services and creative content, as well as multimedia advertising sales support services	Malaysia
PT ADA Asia Indonesia <sup>2</sup>	-	78.02	21.98	Provision of multimedia advertising services and creative content, as well as multimedia advertising sales support services	Indonesia



**Notes to the Financial Statements** For the financial year ended 31 December 2020

**44. LIST OF SUBSIDIARIES (CONTINUED)**

The Group had the following subsidiaries as at 31 December 2020: (continued)

Name of company	Ownership interest directly held by the parent (%)	Ownership interest held by the Group (%)	Ownership interest held by NCI (%)	Principal activities	Country and place of incorporation
<b>Subsidiaries held through ADA Digital Singapore Pte Ltd (continued)</b>					
Komli Network Philippines, Inc <sup>2, 5 and 12</sup>	-	78.81	21.19	Provision of multimedia advertising services as well as multimedia advertising sales support services	Philippines
Adknowledge Asia Hong Kong Limited <sup>2 and 13</sup>	-	-	-	Investment holding and provision of IT products and services for online media companies	Hong Kong
Adknowledge Asia Singapore Pte Ltd <sup>2 and 13</sup>	-	-	-	Provision of IT products and services for online media companies	Singapore
<b>Subsidiaries held through Apigate Sdn Bhd and Boost Holdings Sdn Bhd</b>					
Apigate India Services Private Ltd <sup>2</sup>	-	75.36	24.64	Digital platform provider and providing platform to connect with individuals or corporates within or outside India, all kinds of information technology based and enabled services	India
<b>Subsidiary held through Apigate Inc</b>					
Apigate (Private) Limited <sup>2</sup>	-	96.47	3.53	Develop and provide support services for software technologies products and solutions	Sri Lanka
<b>Subsidiary held through Axiata Digital Capital Sdn Bhd and PT Axiata Digital Services Indonesia</b>					
PT Axiata Digital Capital Indonesia <sup>2</sup>	-	75.36	24.64	Dormant	Indonesia
<b>Subsidiaries held through Axiata Business Services Sdn Bhd</b>					
Xpand Investments (Labuan) Limited <sup>1</sup>	-	100.00	-	Investment holding	Federal Territory Labuan, Malaysia
Axiata Global Service Pte. Ltd. <sup>2</sup>	-	100.00	-	To provide international carrier services, management of partnerships and alliances	Singapore
<b>Subsidiaries held through Xpand Investments (Labuan) Limited</b>					
Suvitech Co., Ltd <sup>2</sup>	-	65.00	35.00	Owner and operation of a mobile virtual network enabler (MVNE) platform services for customer, enterprise and IoT services	Thailand
DeeXpand Co., Ltd. <sup>11</sup>	-	-	-	Dormant	Thailand

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## Notes to the Financial Statements

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For the financial year ended 31 December 2020

### 44. LIST OF SUBSIDIARIES (CONTINUED)

The Group had the following subsidiaries as at 31 December 2020: (continued)

Name of company	Ownership interest directly held by the parent (%)	Ownership interest held by the Group (%)	Ownership interest held by NCI (%)	Principal activities	Country and place of incorporation
<b>Subsidiaries held through edotco Group Sdn Bhd</b>					
edotco Malaysia Sdn Bhd <sup>1</sup>	-	63.00	37.00	Telecommunication infrastructure and services	Malaysia
edotco Investments (Labuan) Limited <sup>1</sup>	-	63.00	37.00	Investment holding	Federal Territory Labuan, Malaysia
edotco Holdings (Labuan) Limited <sup>1</sup>	-	63.00	37.00	Investment holding	Federal Territory Labuan, Malaysia
edotco Bangladesh Co. Ltd <sup>5</sup>	-	44.10	55.90	Telecommunication infrastructure and services	Bangladesh
<b>Subsidiaries held through edotco Malaysia Sdn Bhd</b>					
Tanjung Digital Sdn Bhd <sup>1</sup>	-	50.40	49.60	Investment holding	Malaysia
On Site Services Sdn Bhd <sup>1</sup>	-	44.10	55.90	Provision of field line maintenance business including preventive, corrective maintenance and support services	Malaysia
<b>Subsidiary held through Tanjung Digital Sdn Bhd</b>					
Yiked Bina Sdn Bhd <sup>1</sup>	-	50.40	49.60	Telecommunication infrastructure and services	Malaysia
<b>Subsidiaries held through edotco Investments (Labuan) Limited</b>					
edotco Services Lanka (Private) Limited <sup>2</sup>	-	63.00	37.00	Provision of end to end Integrated Infrastructure Services	Sri Lanka
edotco Towers (Bangladesh) Limited <sup>3</sup>	-	63.00	37.00	Telecommunication infrastructure and services	Bangladesh
edotco Pakistan (Private) Limited <sup>2</sup>	-	63.00	37.00	Telecommunication infrastructure and services	Pakistan
edotco Investments Singapore Pte Ltd <sup>2</sup>	-	55.13	44.87	Investment holding	Singapore
edotco Lao Company Limited <sup>4</sup>	-	50.40	49.60	Telecommunication infrastructure and services	Laos
ISOC edotco Towers, Inc. (formerly known as ISOC Asia Telecom Towers, Inc.) <sup>2</sup>	-	32.13	67.87	Telecommunication infrastructure and services	Philippines
<b>Subsidiary held through edotco Pakistan (Private) Limited</b>					
edotco Towers Pakistan (Private) Limited <sup>2</sup>	-	63.00	37.00	Telecommunication infrastructure and services	Pakistan
<b>Subsidiaries held through edotco Investments Singapore Pte Ltd</b>					
Asian Towers Holdings Private Limited <sup>2</sup>	-	55.13	44.87	Investment holding	Singapore
edotco Myanmar Limited <sup>3</sup>	-	55.13	44.87	Telecommunication infrastructure and services	Myanmar
edotco Urban Infrashare Ltd <sup>3</sup>	-	55.13	44.87	Telecommunications infrastructure and related services	Myanmar

**Notes to the Financial Statements** For the financial year ended 31 December 2020

**44. LIST OF SUBSIDIARIES (CONTINUED)**

The Group had the following subsidiaries as at 31 December 2020: (continued)

Name of company	Ownership interest directly held by the parent (%)	Ownership interest held by the Group (%)	Ownership interest held by NCI (%)	Principal activities	Country and place of incorporation
<b>Subsidiary held through edotco Holdings (Labuan) Limited</b>					
edotco (Cambodia) Co., Ltd <sup>2</sup>	-	50.40	29.60	Telecommunication infrastructure and services	Cambodia
<b>Subsidiary held through Smart Axiata Co., Ltd</b>					
SmartLuy PLC <sup>15</sup>	-	-	-	Payment services	Cambodia
<b>Associate held through Smart Axiata Co., Ltd</b>					
edotco (Cambodia) Co., Ltd <sup>2</sup>	-	14.50	5.50	Telecommunication infrastructure and services	Cambodia
<b>Subsidiary held through Axiata Investments (UK) Limited</b>					
Reynolds Holdings Limited <sup>4</sup>	-	100.00	-	Investment holding	St Kitts and Nevis
<b>Subsidiary held through Reynolds Holdings Limited</b>					
Ncell Axiata Limited (formerly known as Ncell Private Limited) <sup>3 and 7</sup>	-	80.00	20.00	Telecommunication services	Nepal

<sup>1</sup> Audited by PricewaterhouseCoopers Malaysia.

<sup>2</sup> Audited by member firms of PricewaterhouseCoopers International Limited which are a separate and independent legal entity from PricewaterhouseCoopers Malaysia.

<sup>3</sup> Audited by a firm other than a member firm of PricewaterhouseCoopers International Limited.

<sup>4</sup> No audit is required as allowed by the laws of the respective country of incorporation.

<sup>5</sup> Inactive as at 31 December 2020.

<sup>6</sup> In accordance with IC Interpretation 112 "Consolidation - Special Purpose Vehicles", Axiata Foundation is consolidated in the Group as the substance of the relationship between the Company and the special purpose entity indicates that the entity is controlled by the Company.

<sup>7</sup> Ncell has a financial year end in accordance with the calendar year of Nepal in every mid of July.

<sup>8</sup> 9.80% ownership interest is held through a joint venture of the Group, Merchantrade Asia Sdn Bhd.

<sup>9</sup> The Company and Dialog Axiata PLC hold direct interest of 25.0% respectively in Dialog Axiata Digital Innovation Fund (Private) Limited ("DADIF"). The Group exercises its controlling power on DADIF via Investment and Shareholders' Agreement.

<sup>10</sup> Hello Axiata Company Limited had been deregistered with effect 29 January 2020 following the notification issued by the Cambodian Ministry of Commerce.

<sup>11</sup> On 7 May 2019, DeeXpand Co., Ltd. commenced the voluntary liquidation and dissolution pursuant to the Thailand Civil and Commercial Code. The liquidation and dissolution completed on 12 May 2020.

<sup>12</sup> On 31 October 2019, Komli Network Philippines Inc commenced the voluntary liquidation and dissolution.

<sup>13</sup> Adknowledge Asia Singapore Pte Ltd, Adknowledge Asia Hong Kong Limited and Komli Asia Holdings Pte Ltd completed voluntary liquidation and dissolution in December 2020.

<sup>14</sup> Ownership interest in XL is calculated based on issued and paid up capital of XL, excluding treasury shares with no voting rights. Based on the total issued and paid up capital of XL, including treasury shares, the ownership interest held by the Group and NCI is 66.25% and 33.22%, respectively.

<sup>15</sup> SmartLuy PLC completed merger with Pi Pay PLC as disclosed in Note 5(a)(i) in the financial statements.

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## Notes to the Financial Statements

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For the financial year ended 31 December 2020

### 45. LIST OF ASSOCIATES

The investments in associates are as follows:

Name of company	Group's effective ownership interest		Principal activities	Country and place of incorporation
	2020 (%)	2019 (%)		
<b>Associate held through Celcom Axiata Berhad</b>				
Sacofa Sdn Bhd	<b>15.12</b>	15.12	Telecommunication infrastructure and services	Malaysia
<b>Associate held through Dialog Axiata PLC</b>				
Firstsource - Dialog Solutions (Private) Limited	<b>21.58</b>	21.66	Information technology enabled services	Sri Lanka
<b>Associate held through Digital Broadband Networks (Private) Limited</b>				
Digital Realty (Private) Limited	<b>29.05</b>	29.16	Establish, operate and manage data centre	Sri Lanka
<b>Associate held through Axiata SPV4 Sdn Bhd</b>				
Axiata Digital Innovation Fund Sdn Bhd <sup>1</sup>	<b>62.19</b>	62.19	Venture capital fund	Malaysia
<b>Associate held through Smart Axiata Co., Ltd</b>				
SADIF LP <sup>2</sup>	<b>57.98</b>	57.98	Venture capital fund	Labuan
Pi Pay International Co. Limited <sup>3</sup>	<b>19.15</b>	-	Investment holding	Hong Kong
<b>Associate held through PT XL Axiata Tbk</b>				
PT Princeton Digital Group Data Centres	<b>19.98</b>	19.91	Provision of information and communication service with the main business to develop hosting activities	Indonesia

<sup>1</sup> The Group and the Company exercised its significant influence via 1 out of 5 votes in the Investment Committee.

<sup>2</sup> The Group exercised its significant influence via 2 out of 5 votes in the Investment Committee.

<sup>3</sup> SmartLuy PLC completed merger with Pi Pay PLC as disclosed in Note 5(a)(i) in the financial statements.

**Notes to the Financial Statements** For the financial year ended 31 December 2020

**46. LIST OF JOINT VENTURES**

The investments in joint ventures are as follows:

Name of company	Group's effective ownership interest		Principal activities	Country and place of incorporation
	2020 (%)	2019 (%)		
<b>Joint ventures held through Celcom Axiata Berhad</b>				
PLDT Malaysia Sdn Bhd <sup>1</sup>	<b>49.00</b>	49.00	Mobile virtual network operator	Malaysia
Tune Talk Sdn Bhd	<b>35.00</b>	35.00	Mobile communication services	Malaysia
Merchantrade Asia Sdn Bhd	<b>20.00</b>	20.00	Provision of money service business, i.e. remittance and money changing and operator of mobile virtual network	Malaysia
<b>Joint venture held through PT XL Axiata Tbk</b>				
PT One Indonesia Synergy	<b>33.30</b>	33.18	Consultancy services in future network collaboration	Indonesia
<b>Joint venture held through Axiata Digital Services Sdn Bhd</b>				
Trust Axiata Digital Limited	<b>47.27</b>	-	Mobile financial services	Bangladesh

<sup>1</sup> PLDT Malaysia Sdn Bhd ("PLDT Malaysia") commenced members' voluntary winding-up on 14 August 2019 pursuant to Section 432(2) (a) of the Companies Act 2016. The Liquidator of PLDT Malaysia lodged the required return with the Registrar of Companies and Official Receiver on 4 December 2020. Pursuant to Section 459 (5) of the Companies Act 2016, three (3) months after the lodgement of such return, PLDT Malaysia was dissolved on 5 March 2021.

**47. RELATED PARTY TRANSACTIONS**

All related party transactions are entered into in the normal course of business and at prices available at negotiated terms. The names of these related parties, nature of these transactions and their total value have been set out in accordance with the provisions of MFRS 124: "Related Party Disclosure".

The Government of Malaysia and bodies controlled or jointly controlled by the Government of Malaysia are related parties of the Group. The Government of Malaysia has significant influence over the Group. The Group enters into transactions with many of these bodies, which includes but are not limited to:

- receiving telecommunications services, including interconnection revenue/charges;
- purchasing of goods, including use of public utilities and amenities; and
- placing of bank deposits.

The Group has established its procurement policies and approval processes for purchases of products and services, which do not depend on whether the counterparties are government-related entities or not.

The Group provides telecommunications services as part of its ordinary operations. The Group has collectively, but not individually significant transactions with Government-related entities. These telecommunication services are carried out on commercial terms that are negotiated and agreed upon between the parties.

Key management personnel are the persons who have authority and responsibility for planning, directing and controlling the activities of the Group or the Company either directly or indirectly. Key management personnel of the Group and the Company include the Senior Leadership Team who report directly to the Group Chief Executive Officer.

Whenever exist, related party transactions also include transaction with entities that are controlled, joint ventures or significantly influenced directly by any key management personnel or their close family members.

In addition to related party transactions and balances mentioned elsewhere in the financial statements, set out below are significant related party transactions and balances which were carried out on terms and conditions negotiated amongst the related parties.

# Audited Financial Statements

## Notes to the Financial Statements

Governance & Audited Financial Statements 2020

For the financial year ended 31 December 2020

### 47. RELATED PARTY TRANSACTIONS (CONTINUED)

	Group		Company	
	2020 RM'000	2019 RM'000 Restated <sup>1</sup>	2020 RM'000	2019 RM'000
(a) Sale of goods and services:				
Joint ventures:				
- Telecommunication services	249,460	136,777	-	-
(b) Purchase of goods and services:				
Associates:				
- Leaseline charges, maintenance and others	(114,757)	(87,058)	-	-
Joint ventures:				
- Revenue sharing	(1,116)	(4,352)	-	-
(c) Intercompany service agreement with subsidiaries:				
- Technical and management services	-	-	61,146	66,077
(d) Dividends received from subsidiaries <sup>2</sup>	-	-	1,629,946	1,011,994
(e) Receivable from associates	8,148	48,873	-	-
(f) Receivable from joint ventures	43,222	47,774	-	-
(g) Payable to an associate	(4,904)	-	-	-
(h) Lease payable to an associate	(127,489)	(120,793)	-	-
(i) Amounts due from subsidiaries:				
- Repayments from	-	-	181,710	230,336
- Advances to	-	-	(2,596,698)	(310,204)
(j) Amounts due to subsidiaries:				
- Advances from	-	-	4,902,427	1,747,301
- Repayments to	-	-	(1,767,596)	(337,067)
(k) Interest expense on advances from subsidiaries	-	-	(21,766)	(24,578)
(l) Interest income on advances to subsidiaries	-	-	25,296	409
(m) Key management compensation short term employee benefits:				

	Group and Company	
	2020 RM'000	2019 RM'000
- Salaries, allowances and bonus:		
- current financial year	36,940	39,603
- prior financial year	2,998	(4,337)
- Contribution to EPF	3,120	3,644
- Estimated money value of benefits	18	13
- Other staff benefits	180	172
- Share-based payment expense	14,105	6,253

Included in key management compensation is the Executive Directors' remuneration of the Company as disclosed in Note 7(e) to the financial statements.

<sup>1</sup> Restated to conform with current year presentation.

<sup>2</sup> During the financial year, dividend received amounting to RM1,298.3 million (2019: RM521.0 million) are non-cash transactions, of which RM479.9 million were offset against amounts due to subsidiaries.

**Notes to the Financial Statements** For the financial year ended 31 December 2020

**48. DIVIDENDS**

	Tax exempt dividend under single tier system					
	2020			2019		
	Type	Per ordinary share Sen	Total RM'000	Type	Per ordinary share Sen	Total RM'000
In respect of financial year ended 31 December:						
- 2018	-	-	-	Final <sup>1</sup>	4.5	408,523
- 2019	Final	4.0	366,758	Interim <sup>2</sup>	5.0	456,433
- 2019	Special	0.5	45,845	-	-	-
- 2020	Interim	2.0	183,390	-	-	-
		<b>6.5</b>	<b>595,993</b>		<b>9.5</b>	<b>864,956</b>

<sup>1</sup> Out of the total dividend distribution, a total RM190.2 million was converted into 50.3 million new ordinary shares of the Company at a conversion price of RM3.78 per ordinary share pursuant to DRS of the Company.

<sup>2</sup> Out of the total dividend distribution, a total RM136.5 million was converted into 34.9 million new ordinary shares of the Company at a conversion price of RM3.91 per ordinary share pursuant to DRS of the Company.

The Board of Directors had, on 25 February 2021, declared a tax-exempt dividend under single tier system of 5.0 sen per ordinary share of the Company in respect of the financial year ended 31 December 2020.

**49. RECLASSIFICATIONS**

(a) Restatement of minimum tax based on overall gross receipts of a subsidiary

During the financial year, the Group had assessed that minimum tax based on overall gross receipts under section 82C of the Bangladesh Finance Act, 2020 for mobile phone operators of a subsidiary to be out of scope under MFRS 112 "Income Taxes". As a result, the Group had reclassified the minimum tax amount from "Taxation and zakat" to "Other income - net" in the consolidated statement of comprehensive income. Comparative figures have been adjusted to conform to the current year's presentation.

The impact of the reclassification for the financial year ended 31 December 2019 to the Group is as follows:

	2019		
	As reported RM'000	Reclassification RM'000	As restated RM'000
Statement of Comprehensive Income:			
Other income - net	806,853	(92,461)	714,392
Taxation and zakat	(1,057,105)	92,461	(964,644)

(b) Certain reclassifications have been made to the previous year's notes to the financial statements to enhance comparability. As a result, comparative figures have been restated to conform to the current year's presentation.

**50. SIGNIFICANT EVENTS DURING THE YEAR**

(a) Public interest litigation ("PIL") filed at the Supreme Court of Nepal ("SC")

On 11 April 2016, AIUK completed the purchase from TeliaSonera Norway Nepal Holdings AS of 100% of the shares of Reynolds Holdings Limited ("Reynolds") which owns 80% of the shares of Ncell ("Transaction").

On 5 June 2017, the Company announced that Ncell had deposited a total of approximately NPR23,574.3 million (RM811.0 million) as at that date in alleged capital gains tax ("CGT") in relation to the Transaction. Ncell had paid this amount in two tranches on 8 May 2016 and 4 June 2017 under protest and without prejudice to its position that it was under no obligation to pay CGT in connection with the Transaction. The Large Taxpayer Office of Nepal ("LTPO") had on 4 June 2017 conclusively certified in writing that Ncell had fully complied with its alleged obligation to pay CGT in relation to the Transaction.

**50. SIGNIFICANT EVENTS DURING THE YEAR (CONTINUED)**

(a) Public interest litigation (“PIL”) filed at the Supreme Court of Nepal (“SC”) (continued)

On 28 January 2018, a group of Nepalese citizens brought a PIL against Ncell and various other parties at the SC alleging that Ncell and its holding companies, namely Reynolds and AIUK, have evaded their tax liabilities. The petitioners demanded various orders, including that the LTPO ascertain the CGT payable on the Transaction by Ncell and AIUK. In its oral ruling on 6 February 2019, the SC had ruled in favour of the petitioners and rendered Ncell liable for CGT in connection with the Transaction. The SC ordered LTPO to make an assessment of the applicable CGT in relation to the Transaction. Accordingly, on 16 April 2019, LTPO issued an assessment order against Ncell for approximately NPR62,635.0 million (RM2,154.8 million) (NPR35,913.4 million (RM1,235.5 million) as CGT and NPR26,721.5 million (RM919.3 million) as interest and penalties).

On 22 April 2019, Ncell filed a writ petition with the SC seeking orders that, amongst other things, the LTPO’s assessment order be quashed and that LTPO conduct a new assessment in accordance with the law (“Writ Petition”).

On 26 August 2019, the SC issued a short-form judgment in which it partially upheld the Writ Petition. The full written judgment of the SC’s decision was issued on 21 November 2019 (“SC Judgment”). The SC Judgment stated that the prior tax amount assessed by LTPO was to be reduced to the extent of fees purportedly levied under section 120(a) of the Nepalese Income Tax Act 2058 (2002) (“ITA”) which were found to be unlawful. The SC held that Ncell remained liable to pay NPR21,104.0 million (RM726.0 million) (approximately) in allegedly outstanding CGT (including penalties pursuant to sections 117(1)(a) and (c) and interest pursuant to sections 118 and 119 until the date of deposit) in relation to the Transaction.

Following the SC Judgment, on 6 December 2019, LTPO issued a new demand letter demanding that Ncell pay a total of NPR22,445.1 million (RM772.2 million) (approximately) in allegedly outstanding CGT (including interest and penalties) (“Demand Amount”). On 22 December 2019, LTPO issued a further demand letter, repeating the demand from 6 December 2019 for Ncell to deposit the sums demanded within 15 days (collectively, the “LTPO Demand Letters”).

The LTPO Demand Letters represent a clear violation of the terms of the Provisional Measures Order issued by the Tribunal on 19 December 2019 in the arbitration proceedings commenced by Ncell and AIUK (as detailed in item (b) below) which ordered Nepal, its agencies and officials to refrain from, amongst other things, taking any steps to enforce or otherwise give effect to the LTPO Demand Letters. The Provisional Measures Order is legally binding on Nepal and its agencies under international law.

On 12 April 2020 Ncell paid the Demand Amount and an additional sum of NPR990.3 million (RM35.0 million) as interest (collectively, the “Total Amount”). Ncell’s payment of the Total Amount was made under protest and expressly without prejudice to Ncell and AIUK’s position in the international arbitration proceedings commenced by Ncell and AIUK against Nepal.

For the avoidance of doubt, the Company, AIUK and Ncell continue to dispute that Ncell is liable to pay any amount of CGT in relation to the Transaction.

(b) AIUK and Ncell vs The Federal Democratic Republic of Nepal (“Nepal”) (ICSID Case No. ARB19/15)

On 24 April 2019, AIUK and Ncell, a wholly owned subsidiary and an indirect 80% owned subsidiary of Axiata Group Berhad respectively, filed a Request for Arbitration (“Request”) with the International Centre for the Settlement of Investment Disputes (“ICSID”) pursuant to the Agreement dated 2 March 1993 between the Government of the United Kingdom of Great Britain and Northern Ireland and the Government of Nepal for the Promotion and Protection of Investments (“Bilateral Investment Treaty”). Nepal was notified of the Request on 25 April 2019.

AIUK and Ncell’s claims as set out in the Request relate to Nepal’s conduct in contravention of its international law obligations under the Bilateral Investment Treaty. In particular, the claims relate to Nepal’s conduct in imposing CGT in connection with AIUK’s acquisition of 100% of the shares of Reynolds, which owns 80% of the shares of Ncell. AIUK and Ncell dispute the entirety of the CGT allegedly payable by Ncell in connection with the Transaction and will argue, among other things, that the imposition of CGT by Nepal in relation to the Transaction is unlawful. AIUK and Ncell will seek remedies including restitution of sums already paid, a permanent injunction against further attempts to collect CGT from Ncell in connection with the Transaction and damages for all losses suffered in consequence of Nepal’s unlawful conduct. Ncell has paid a total of NPR47,009 million (RM1,617.2 million) in alleged outstanding CGT.

Pursuant to the ICSID Convention and ICSID Arbitration Rules, AIUK and Ncell appointed Albert Jan van den Berg (Dutch) on 23 July 2019 as their chosen arbitrator. The arbitration tribunal (“Tribunal”) was fully constituted on 18 October 2019, the other members being Paul Friedland (American) and Professor Joongi Kim (Korean, presiding arbitrator).

On 19 December 2019, the Tribunal granted AIUK and Ncell’s application for provisional measures in large part and ordered that Nepal, its organs, agencies and officials, including LTPO and the Inland Revenue Department (“IRD”), immediately be restrained from:

- (i) taking any steps to enforce or otherwise give effect to the demand letter served by LTPO against Ncell dated 6 December 2019 in which LTPO demanded that Ncell pay NPR22,445.1 million (RM772.2 million) in allegedly outstanding CGT (including interest and penalties) in connection with the Transaction (described in item (a) above); and
- (ii) taking any steps which would alter the status quo between AIUK, Ncell and Nepal or aggravate the present dispute (together, the “Provisional Measures Order”).



## Notes to the Financial Statements For the financial year ended 31 December 2020

### 50. SIGNIFICANT EVENTS DURING THE YEAR (CONTINUED)

- (b) AIUK and Ncell vs The Federal Democratic Republic of Nepal (ICSID Case No. ARB19/15) (continued)

AIUK and Ncell have submitted their memorial on 12 May 2020. Nepal has submitted the Counter-Memorial on 25 January 2021. A reply to Nepal's Counter-Memorial by AIUK and Ncell is due on 14 May 2021. A two-week merits hearing scheduled from 2 August 2021 to 13 August 2021 (having been deferred around a month from the previous hearing date of 21 June 2021 to 2 July 2021 as a result of the extension of time for Nepal's Counter-Memorial) remains unchanged.

Based on the external legal advice received, the Directors are of the view that AIUK and Ncell are more likely than not, to prevail in the arbitration proceedings against Nepal. In the event that the outcome of the case is not fully in our favour, the Group's and the Company's statements of comprehensive income are expected to be adjusted by approximately NPR9,070.3 million (RM312.0 million).

- (c) Amended assessment notice by LTPO of Nepal on income tax return filed by Ncell for fiscal year 2015 to 2016

Notwithstanding letters dated 12 April 2020 and 15 April 2020 by LTPO to confirm that Ncell has fully discharged all of its tax obligations under the ITA arising from the Transaction, LTPO issued a notice dated 25 December 2020 ("Reassessment Notice") under section 101(6) of the ITA to amend its earlier tax assessment of the income tax return filed by Ncell for the fiscal year of 2015 to 2016, being the fiscal year when the Transaction took place.

LTPO had reassessed Ncell's income tax return for the fiscal year of 2015 to 2016 and determined that based on section 57 of the ITA, Ncell's taxable income for such fiscal year is now NPR127,827.6 million (RM4,397.5 million). Ncell responded to the Reassessment Notice on 12 January 2021 disagreeing amongst other things, with the applicability of the assessment and the method used by LTPO to make the assessment.

Ncell has filed a Writ Petition ("First Writ") against LTPO and related government agencies (being the Government of Nepal, Large Taxpayers Office, Chief Tax Administrator - Large Taxpayers Office, Tax Officer - Large Taxpayers Office, IRD, and Ministry of Finance) for a Writ of Certiorari and Prohibition to impugn the Reassessment Notice. On 13 January 2021, Ncell obtained an order from the SC that all decisions and proceedings in relation to the Reassessment Notice be stayed until the matter is heard by the SC. On 14 January 2021 the Tribunal also issued its procedural order recording the undertaking given by Nepal that its organs and agencies of Nepal (including LTPO, IRD, Nepal Telecommunication Authority, Nepal Rastra Bank, and the Ministries and Departments of the Government of Nepal) will not take any measures against Ncell in relation to the section 57 demand and the Transaction.

Notwithstanding the order from the SC, LTPO had on the same day issued a further notice ("Demand Notice") under section 102 of the ITA for additional tax liability of NPR57,852.3 million (RM1,990.2 million) (which includes fees chargeable under section 117 of ITA, interests under sections 118 and 119 of the ITA, and 50% penalty on the total additional tax liability under section 120(a) of the ITA). Ncell has filed another Writ Petition ("Second Writ") to dispute the Demand Notice as the remedies sought in the First Writ has been rendered inapplicable by the Demand Notice. On 7 February 2021, the SC issued an interim order directing the respondents in the Second Writ not to execute the Demand Notice and not to withhold any benefits or facilities that Ncell is legally entitled to.

The Directors, based on the external legal advice received, are of the view that the likelihood of probable cash outflow for the Demand Notice in relation to Section 57 of the ITA is remote.

### 51. EVENTS AFTER REPORTING PERIOD

- (a) Acquisition of equity interest in H One (Private) Limited ("H One")

Dialog Broadband Networks (Private) Limited, a subsidiary of Dialog, had on 23 December 2020, entered into a Share Sale and Purchase Agreement with Hirdaramani Investment Holdings Private Limited and W K A S A Fernando for the acquisition of 1,111,111 ordinary shares representing 100.0% of the issued share capital of H One for a total cash consideration of SLR325.0 million (RM7.1 million). The acquisition of H One was completed on 7 January 2021.

- (b) Myanmar state of emergency

Myanmar is one of the infrastructure segment's operating footprint and it represents approximately 5% of Group's net assets. On 1 February 2021, Myanmar announced one (1) year state of emergency. On 11 February 2021, United States imposed targeted sanctions followed by European Union on 22 February 2021. The Group is consistently communicating with all stakeholders including its employees and customers in Myanmar and will continue to closely monitor and assess the business and operational risks to mitigate against any potential impact arising from this situation.

- (c) Acquisition of equity interest in My Health Solutions (Private) Limited ("My Health Solutions")

Digital Health (Private) Limited ("DH"), an indirect subsidiary of Dialog, had on 20 February 2021, acquired 100% of the issued share capital of My Health Solutions from its existing shareholders, Dialog Axiata Digital Innovation Fund (Private) Limited ("DADIF") and Aartz Technologies (Private) Limited ("Aartz") via the issuance of DH's ordinary shares to DADIF and Aartz, representing 20.45% and 9.55% respectively.

- (d) Dilution of equity interest in XL

On 9 March 2021, the Group's equity interest in XL decreased from 66.60% to 66.48% following the issuance of new ordinary shares by XL to its eligible employees under XL's Long Term Incentive Program.

# Audited Financial Statements

Governance & Audited Financial Statements 2020

## Statement By Directors Pursuant to Section 251(2) of the Companies Act 2016

We, Tan Sri Ghazzali Sheikh Abdul Khalid and Dato' Mohd Izzaddin Idris, two of the Directors of Axiata Group Berhad, do hereby state that, in the opinion of the Directors, the financial statements set out on pages 48 to 175 are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as of 31 December 2020 and of their financial performance and cash flows for the financial year then ended.

Signed on behalf of the Board of Directors in accordance with their resolution dated 25 March 2021.



**TAN SRI GHAZZALI SHEIKH ABDUL KHALID**  
DIRECTOR



**DATO' MOHD IZZADDIN IDRIS**  
DIRECTOR

## Statutory Declaration Pursuant to Section 251(1) of the Companies Act 2016

I, Vivek Sood, the officer primarily responsible for the financial management of Axiata Group Berhad, do solemnly and sincerely declare that the financial statements set out on pages 48 to 175 are, to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the same to be true, and by virtue of the provisions of the Statutory Declarations Act, 1960.



**VIVEK SOOD**

Subscribed and solemnly declared by the above named Vivek Sood at Petaling Jaya, Selangor on 25 March 2021, before me.



NO: 13, (TINGKAT 1) JALAN 52/10  
PJ NEW TOWN  
46200 PETALING JAYA, SELANGOR. 232

COMMISSIONER FOR OATHS

## Independent Auditors' Report To the Members of Axiata Group Berhad

(Incorporated in Malaysia)  
Registration No. 199201010685 (242188-H)

### REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

#### Our opinion

In our opinion, the financial statements of Axiata Group Berhad ("the Company") and its subsidiaries ("the Group") give a true and fair view of the financial position of the Group and of the Company as at 31 December 2020, and of their financial performance and their cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

#### What we have audited

We have audited the financial statements of the Group and of the Company, which comprise the statements of financial position as at 31 December 2020 of the Group and of the Company, and the statements of comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 48 to 175.

#### Basis for opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the "Auditors' responsibilities for the audit of the financial statements" section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Independence and other ethical responsibilities

We are independent of the Group and of the Company in accordance with the By-Laws (on Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

#### Our audit approach

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements of the Group and of the Company. In particular, we considered where the Directors made subjective judgements; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters, consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the financial statements as a whole, taking into account the structure of the Group and of the Company, the accounting processes and controls, and the industry in which the Group and the Company operate.

#### Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the Group and of the Company for the current financial year. These matters were addressed in the context of our audit of the financial statements of the Group and of the Company as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matters	How our audit addressed the key audit matters
<p><b>Ncell Axiata Limited's (formerly known as Ncell Private Limited) goodwill impairment assessment in the Group's financial statements and Axiata Investments (UK) Limited's cost of investment impairment assessment in the Company's financial statements</b></p> <p>Refer to Note 3(b)(i) – Significant accounting policies – Goodwill, Note 3(d) – Significant accounting policies – Investments in subsidiaries, associates and joint ventures in separate financial statements, Note 3(e) – Significant accounting policies – Impairment of non-financial assets (excluding goodwill), Note 4(b)(i) – Critical accounting estimates and assumptions – Impairment assessment of goodwill, Note 25 – Intangible assets and Note 29 – Subsidiaries</p> <p>(a) Ncell Axiata Limited's (formerly known as Ncell Private Limited) goodwill impairment assessment in the Group's financial statements</p> <p>As at 31 December 2020, the Group's goodwill arising from its acquisition of Ncell Axiata Limited (formerly known as Ncell Private Limited) ("Ncell") in Nepal was RM3,028.5 million. The Group is required to test goodwill for impairment annually based on the requirements of MFRS 136 "Impairment of Assets"</p>	<p>(a) Ncell Axiata Limited's (formerly known as Ncell Private Limited) goodwill impairment assessment in the Group's financial statements</p> <p>We performed the following audit procedures:</p> <ul style="list-style-type: none"> <li>- We were assisted by our valuation expert in assessing the appropriateness of the methodology adopted by management for impairment assessment in accordance with MFRS 136 "Impairment of Assets";</li> </ul>

**Independent Auditors' Report** To the Members of Axiata Group Berhad

(Incorporated in Malaysia)  
Registration No. 199201010685 (242188-H)

**REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)**

**Key audit matters (continued)**

Key audit matters	How our audit addressed the key audit matters
<p><b>Ncell Axiata Limited's (formerly known as Ncell Private Limited) goodwill impairment assessment in the Group's financial statements and Axiata Investments (UK) Limited's cost of investment impairment assessment in the Company's financial statements (continued)</b></p> <p>(a) Ncell Axiata Limited's (formerly known as Ncell Private Limited) goodwill impairment assessment in the Group's financial statements (continued)</p> <p>Management's assessment of Ncell's recoverable amount which is based on the 'fair value less costs to sell' model involved significant judgements and assumptions about Ncell's future cash flows, discount rate, terminal growth rate and revenue growth rate. These judgements and assumptions are inherently uncertain.</p> <p>Based on the assessment performed, the Directors concluded that no impairment is required.</p> <p>(b) Axiata Investments (UK) Limited's cost of investment impairment assessment in the Company's financial statements</p> <p>The Company performed an impairment assessment of the cost of investment in Axiata Investments (UK) Limited ("AIUK") of RM6,306.1 million during the financial year as there are indicators of impairment.</p> <p>Based on the impairment assessment, the carrying amount of the Company's investment in AIUK as at 31 December 2020 exceeded its recoverable amount by RM1,252.6 million, hence an impairment loss was recognised.</p> <p>We focused on (a) and (b) above as the assumptions made by the Group and the Company in determining the recoverable amounts are inherently uncertain, requires significant judgement and are sensitive to changes.</p>	<p>(a) Ncell Axiata Limited's (formerly known as Ncell Private Limited) goodwill impairment assessment in the Group's financial statements (continued)</p> <ul style="list-style-type: none"> <li>- We assessed the key assumptions, including discount rate, terminal growth rate and revenue growth rate by comparing against publicly available macroeconomic and industry data as well as comparable territories' historical data. This includes assessing the impact of COVID-19 on the industry using both historical data as well as market expectations of industry reports, where available;</li> <li>- We discussed the assumptions underlying the cash flow projections including the terminal year cash flows with management;</li> <li>- We assessed the reliability of management's forecast by comparing prior year projections against actual results; and</li> <li>- We checked the sensitivity analysis performed by management by stress testing the discount rate, terminal growth rate and revenue growth rate.</li> </ul> <p>(b) Axiata Investment (UK) Limited's cost of investment impairment assessment in the Company's financial statements</p> <p>In addition to the procedures performed on the underlying cash flow projections of Ncell as described above, we have performed the following audit procedures:</p> <ul style="list-style-type: none"> <li>- We checked the computation of AIUK's equity value prepared by management with assistance from our valuation expert;</li> <li>- We checked the sensitivity analysis performed by management by stress testing the discount rate, terminal growth rate, revenue growth rate and deposits paid to avoid possible penalties in relation to an ongoing arbitration case.</li> </ul> <p>Based on the procedures performed above, we did not find any material exceptions.</p>
<p><b>Recognition and measurement of tax deposit paid in relation to AIUK's and Ncell's arbitration claim against the Federal Democratic Republic of Nepal</b></p> <p>Refer to Note 3(k) - Significant accounting policies - Trade and other receivables, Note 4(b)(v) - Critical accounting estimates and assumptions - Legal, regulatory and taxation claims and disputes across the Group, Note 35 - Trade and other receivables and Note 50(a) and (b) - Significant events during the year</p> <p>On 11 April 2016, AIUK completed the purchase from TeliaSonera Norway Nepal Holdings AS of 100% of the shares of Reynolds Holdings Limited ("Reynolds") which owns 80% of the shares of Ncell ("Transaction").</p> <p>On 24 April 2019, AIUK and Ncell, a wholly owned subsidiary and an indirect 80% owned subsidiary of Axiata Group Berhad respectively, filed a Request for Arbitration ("Request") with the International Centre for the Settlement of Investment Disputes ("ICSID") pursuant to an agreement dated 2 March 1993 between the Government of the United Kingdom of Great Britain and Northern Ireland and the Government of Nepal for the Promotion and Protection of Investments ("Bilateral Investment Treaty"). The Federal Democratic Republic of Nepal ("Nepal") was notified of the Request on 25 April 2019.</p>	<p>We performed the following audit procedures:</p> <ul style="list-style-type: none"> <li>- We assessed management's basis for determining the accounting made for the arbitration claim;</li> <li>- We reviewed the exchanges between the Group and its legal counsel and assessed replies from the external legal counsel to our enquiries. We considered developments up to the issue date of our report;</li> <li>- We discussed the assumptions used in determining the fair value of the tax deposit recognised with the external legal counsel to support the Group in defending this matter;</li> </ul>

## Independent Auditors' Report To the Members of Axiata Group Berhad

(Incorporated in Malaysia)

Registration No. 199201010685 (242188-H)

### REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

#### Key audit matters (continued)

Key audit matters	How our audit addressed the key audit matters
<p><b>Recognition and measurement of tax deposit paid in relation to AIUK's and Ncell's arbitration claim against the Federal Democratic Republic of Nepal (continued)</b></p> <p>AIUK's and Ncell's claims as set out in the Request relate to Nepal's conduct in contravention of its international law obligations under the Bilateral Investment Treaty. In particular, the claims relate to Nepal's conduct in imposing capital gains tax ("CGT") in connection with AIUK's acquisition of Reynolds shares.</p> <p>AIUK and Ncell dispute the entirety of the CGT allegedly payable by Ncell in connection with the Transaction and will argue, among other things, that the imposition of CGT by Nepal in relation to the Transaction is unlawful. AIUK and Ncell will seek remedies including restitution of sums already paid, a permanent injunction against further attempts to collect CGT from Ncell in connection with the Transaction and damages for all losses suffered in consequence of Nepal's unlawful conduct. Ncell has paid a total of NPR47,009 million (RM1,617.2 million) in alleged outstanding CGT.</p> <p>The Directors are of the view that the Group are more likely than not to prevail in the arbitration proceedings against Nepal. In the event that the outcome of the case is not in favour of the Group, the Group's and the Company's statements of comprehensive income are expected to be adjusted by approximately NPR9,070.3 million (RM312.0 million).</p> <p>The Group estimated the fair value of tax deposits in relation to the arbitration claim using the expected present value technique. The Group applied judgement in arriving at key assumptions to the probability-weighted average of possible future cash flows.</p> <p>The fair value assessment is inherently judgemental and susceptible to changes depending on the circumstances surrounding the arbitration claim. The Group, in consultation with legal counsel, made certain assumptions on timing, amounts and probability of expected future cash flows and discount rate.</p> <p>We considered the recognition and measurement of the tax deposits to be a key audit matter due to the uncertainties surrounding the outcome of the arbitration claim and the degree of estimation and judgement applied in determining the fair value of the tax deposit. Any change in the expected outcome of the arbitration claim and in the estimation and judgement applied in determining the fair value of the tax deposit could materially impact the financial statements of the Group and of the Company.</p>	<p>We performed the following audit procedures: (continued)</p> <ul style="list-style-type: none"> <li>- We assessed the assumptions used by management to evaluate the recognition and measurement of the tax deposit which included the probabilities of various scenario outcomes and the timing of cash flows; and</li> <li>- We assessed the appropriateness of disclosures to the financial statements of the Group and of the Company.</li> </ul> <p>Based on the procedures performed above, we did not find any material exceptions.</p>
<p><b>Contingent liabilities</b></p> <p>Refer to Note 3(q) – Significant accounting policies – Contingent liabilities and contingent assets, Note 4(b)(v) – Critical accounting estimates and assumptions – Legal, regulatory and taxation claims and disputes across the Group, Note 40(d) – Contingencies and Commitments and Note 50(c) – Significant events during the year</p> <p>There are a number of ongoing legal, regulatory and taxation claims and disputes across the Group. The accounting treatment for contingent liabilities is based on the Group's view of the expected outcome of these contingencies. These outcomes are assessed in consultation with legal counsel for litigation cases and internal and external experts of the Group for matters in the ordinary course of business. Provisions are recorded if it is probable that an outflow of economic benefits will be required to settle the obligation and the amount can be estimated reliably.</p> <p>We considered the measurement of litigation provisions or contingent liability disclosures to be a key audit matter due to the uncertainties surrounding the outcome of ongoing legal, regulatory and taxation claims and disputes and the degree of estimation and judgements needed in assessing the outcomes. Any change in the expected outcome of ongoing legal, regulatory and taxation claims and disputes and in the estimation and judgement applied in assessing the outcomes could materially impact the financial statements of the Group.</p>	<p>We performed the following audit procedures:</p> <ul style="list-style-type: none"> <li>- We obtained an understanding of management's process to identify new contingent liabilities and changes in existing contingent liabilities for compliance with the Group's policy and MFRS 137 "Provisions, Contingent Liabilities and Contingent Assets" requirements;</li> <li>- We analysed significant changes in material contingent liabilities from prior periods and obtained a detailed understanding of these changes and assumptions applied;</li> <li>- We reviewed the exchanges between the Group and its legal counsel and assessed replies from legal counsel to our enquiries. We considered developments up to the issue date of our report; and</li> <li>- We assessed the appropriateness of disclosures to the financial statements of the Group.</li> </ul> <p>Based on the procedures performed above, we did not find any material exceptions.</p>

## Independent Auditors' Report To the Members of Axiata Group Berhad

(Incorporated in Malaysia)  
Registration No. 199201010685 (242188-H)

### REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

#### Key audit matters (continued)

Key audit matters	How our audit addressed the key audit matters
<p><b>Accuracy of revenue recorded given the complexity of systems</b></p> <p>Refer to Note 3(t) – Significant accounting policies – Revenue, Note 4(b) (viii) – Critical accounting estimates and assumptions – Identification of performance obligation and Note 6 – Revenue</p> <p>The Group's revenue of RM24.2 billion during the financial year ended 31 December 2020 comprised primarily mobile services including interconnect services and sale of devices of RM20.8 billion and RM0.6 billion respectively.</p> <p>Certain contracts with customers are bundled packages that may include sale of devices and mobile services that comprise voice, data and other services. Individual products and services are accounted for as separate performance obligations if they are distinct promised goods and services.</p> <p>Judgement is involved in identifying if products and services in a bundled package are distinct as a separate promised product or service.</p> <p>We focused on this area because there is an inherent risk around the accuracy of revenue recorded given the complexity of systems and the impact of changes in pricing models to revenue recognition. Revenue processed by billing systems are complex and involves large volume of data different products sold, services and price changes.</p>	<p>We performed the following audit procedures:</p> <ul style="list-style-type: none"> <li>- Evaluated the relevant IT systems and the design of controls, and tested the operating effectiveness of controls over the: <ul style="list-style-type: none"> <li>- capturing and recording of revenue transactions;</li> <li>- authorisation of rate changes and the input of this information to the billing systems; and</li> <li>- accuracy of calculation of amounts billed to customers;</li> </ul> </li> <li>- Read and understood the key terms and conditions of significant new revenue agreements entered into during the financial year and modification to existing contracts to check the accuracy of revenue recognition;</li> <li>- Checked the accounting treatment for significant new products and promotions launched with multiple element arrangements and tested that they are appropriately incorporated in the billing system for new products and products changes;</li> <li>- Reviewed management's assessment on the identification of separate performance obligations over material customer contracts with bundling arrangements and assessed against the terms of the customer contracts;</li> <li>- Checked stand-alone selling prices and allocation of the consideration specified in contracts for separate performance obligations to published selling prices used by the Group on their sale of products and services or available market prices; and</li> <li>- Examined material non-standard journal entries and other adjustments posted to revenue accounts.</li> </ul> <p>Based on the procedures performed above, we did not find any material exceptions.</p>
<p><b>Useful lives of property, plant and equipment</b></p> <p>Refer to Note 3(c)(ii) – Significant accounting policies – Property, plant and equipment, Note 4(b)(iii) – Critical accounting estimates and assumptions – Estimated useful lives of PPE and Note 27 – Property, plant and equipment</p> <p>As at 31 December 2020, the Group recorded property, plant and equipment ("PPE") of RM24.5 billion which mainly comprised telecommunication network equipment of RM20.6 billion.</p> <p>The Group reviews the estimated useful lives of PPE, in particular its telecommunication network equipment, based on approved network and information technology ("IT") modernisation plans. The network and IT modernisation plan involve estimating when telecommunication network equipment will be replaced. Useful lives of assets are revised accordingly. Future operational results could be materially affected by changes in useful lives.</p> <p>We focused on this area as determining useful lives of PPE involve significant estimation and judgement. In addition, any change in estimation and judgement could materially impact the financial statements of the Group.</p>	<p>We performed the following audit procedures:</p> <ul style="list-style-type: none"> <li>- We checked whether the Directors' assessment of the PPE useful lives are appropriate by considering our knowledge of the business and practice in the wider telecommunication industry and also understanding the Group's network modernisation plans; and</li> <li>- We also tested whether approved useful life changes were appropriately applied prospectively in the fixed asset register.</li> </ul> <p>Based on the procedures performed above, we did not find any material exceptions.</p>

## Independent Auditors' Report To the Members of Axiata Group Berhad

(Incorporated in Malaysia)

Registration No. 199201010685 (242188-H)

### REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

#### Information other than the financial statements and auditors' report thereon

The Directors of the Company are responsible for the other information. The other information comprises the Directors' Report and Statement of Risk Management and Internal Control, which we obtained prior to the date of this auditors' report, and other sections of Axiata's 2020 Integrated Annual Report Suite, which is expected to be made available to us after that date. Other information does not include the financial statements of the Group and of the Company and our auditors' report thereon.

Our opinion on the financial statements of the Group and of the Company does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Group and of the Company, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Group and of the Company or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditors' report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

#### Responsibilities of the Directors for the financial statements

The Directors of the Company are responsible for the preparation of the financial statements of the Group and of the Company that give a true and fair view in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia. The Directors are also responsible for such internal control as the Directors determine is necessary to enable the preparation of financial statements of the Group and of the Company that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Group and of the Company, the Directors are responsible for assessing the Group's and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or the Company or to cease operations, or have no realistic alternative but to do so.

#### Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Group and of the Company as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- (a) Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- (b) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and of the Company's internal control.
- (c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- (d) Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's or on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.
- (e) Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that achieves fair presentation.
- (f) Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements of the Group. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

## Independent Auditors' Report To the Members of Axiata Group Berhad

(Incorporated in Malaysia)  
Registration No. 199201010685 (242188-H)

### REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

#### Auditors' responsibilities for the audit of the financial statements (continued)

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Directors, we determine those matters that were of most significance in the audit of the financial statements of the Group and of the Company for the current financial year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In accordance with the requirements of the Companies Act 2016 in Malaysia, we report that the subsidiaries of which we have not acted as auditors, are disclosed in Note 44 to the financial statements.

### OTHER MATTERS

This report is made solely to the members of the Company, as a body, in accordance with Section 266 of the Companies Act 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.



**PRICEWATERHOUSECOOPERS PLT**  
LLP0014401-LCA & AF 1146  
Chartered Accountants



**IRVIN GEORGE LUIS MENEZES**  
02932/06/2022 J  
Chartered Accountant

Kuala Lumpur  
25 March 2021





OTHER  
INFORMATION

## Shareholding Statistics As at 15 April 2021

### ANALYSIS OF SHAREHOLDINGS

#### Issued Shares:

- 9,172,710,982 Ordinary shares
- Voting Right : 1 vote per shareholder on a show of hands  
1 vote per ordinary share on a poll

#### Total No. of Shareholders:

- 23,598

### DISTRIBUTION OF SHAREHOLDINGS

(without aggregating the securities from different securities accounts belonging to the same Depositor)

Size of Shareholdings	Shareholders				Shares			
	Malaysian		Foreign		Malaysian		Foreign	
	No.	%	No.	%	No.	%	No.	%
Less than 100	2,285	10.13	27	2.62	44,207	0.00 <sup>1</sup>	583	0.00 <sup>1</sup>
100 – 1,000	6,288	27.86	93	9.02	4,279,840	0.05	54,812	0.01
1,001 – 10,000	11,463	50.80	220	21.34	40,562,689	0.49	938,376	0.10
10,001 – 100,000	2,128	9.43	253	24.54	53,717,132	0.65	11,317,903	1.18
100,001 – 458,635,548 (less than 5% of issued shares)	400	1.77	438	42.48	2,253,122,099	27.42	944,287,255	98.71
458,635,549 and above (5% and above of issued shares)	3	0.01	0	0.00 <sup>1</sup>	5,864,386,086	71.38	0	0.00 <sup>1</sup>
<b>Total</b>	<b>22,567</b>	<b>100.00</b>	<b>1,031</b>	<b>100.00</b>	<b>8,216,112,053</b>	<b>100.00</b>	<b>956,598,929</b>	<b>100.00</b>

Note:

<sup>1</sup> Less than 0.01%

### CATEGORY OF SHAREHOLDINGS

Category of Shareholders	No. of Shareholders	% of Shareholders	No. of Shares Held	% of Issued Shares
Individuals	18,730	79.37	90,727,895	0.99
Bank/Finance Companies	85	0.36	2,286,452,278	24.93
Investments Trusts/Foundations/Charities	13	0.06	230,230	0.00 <sup>1</sup>
Other Types of Companies	227	0.96	3,380,069,138	36.85
Government Agencies/Institutions	10	0.04	22,391,937	0.24
Nominees	4,531	19.20	3,392,832,446	36.99
Others	2	0.01	7,058	0.00 <sup>1</sup>
Trustee	0	0.00 <sup>1</sup>	0	0.00 <sup>1</sup>
<b>Total</b>	<b>23,598</b>	<b>100.00</b>	<b>9,172,710,982</b>	<b>100.00</b>

Note:

<sup>1</sup> Less than 0.01%

## Other Information

Governance & Audited Financial Statements 2020

### Shareholding Statistics As at 15 April 2021

#### SUBSTANTIAL SHAREHOLDERS (HOLDING 5% & ABOVE)

(as per Register of Substantial Shareholders)

No.	Name	Direct Interest		Indirect/Deemed Interest		Total Interest	
		No. of Shares Held	% of Issued Shares	No. of Shares Held	% of Issued Shares	No. of Shares Held	% of Issued Shares
1.	Khazanah Nasional Berhad	3,343,841,357	36.45	27,397,260*	0.30	3,371,238,617	36.75
2.	Citigroup Nominees (Tempatan) Sdn Bhd - Employees Provident Fund Board	1,575,324,528	17.17	-	-	1,575,324,528	17.17
3.	AmanahRaya Trustees Berhad - Amanah Saham Bumiputera	1,095,403,787	11.94	-	-	1,095,403,787	11.94

Note:

\* Includes 13,698,630 Ordinary shares of Axiata Group Berhad ("Axiata Shares") held via Citigroup Nominees (Tempatan) Sdn Bhd and 13,698,630 Axiata Shares held via CGS-CIMB Nominees (Tempatan) Sdn Bhd Exempt An for CGS-CIMB Securities Sdn Bhd (SBL-KNB)

#### DIRECTORS' DIRECT AND INDIRECT INTERESTS IN THE COMPANY AND ITS RELATED CORPORATIONS

The Directors' direct and/or indirect interest in the Company based on the Register of Directors' Shareholdings are as follows:

Interest in the Company	Number of Ordinary shares					
	Direct Interest		Indirect Interest		Total Interest	
	No. of Shares Held	% of Issued Shares	No. of Shares Held	% of Issued Shares	No. of Shares Held	% of Issued Shares
Tan Sri Dr Halim Shafie	-	-	10,000	0.00 <sup>1</sup>	10,000 <sup>1</sup>	0.00 <sup>2</sup>

Interest in the Company	Options/RSA over number of Ordinary shares					
	Direct Interest		Indirect Interest		Total Interest	
	No. of Shares Held	% of Issued Shares	No. of Shares Held	% of Issued Shares	No. of Shares Held	% of Issued Shares
Dato' Izzaddin Idris - PBLTIP	149,900	0.00 <sup>2</sup>	-	-	149,900	0.00 <sup>2</sup>

Notes:

<sup>1</sup> Shares held through spouse

<sup>2</sup> Less than 0.01%

Save as disclosed above, none of the Directors of the Company has any interest direct or indirect in the Company and its related corporations.

Shareholding Statistics As at 15 April 2021**LIST OF TOP THIRTY LARGEST SHAREHOLDERS**

(without aggregating the securities from different securities accounts belonging to the same Depositor)

No.	Name	No. of Shares Held	% of Issued Shares
1.	Khazanah Nasional Berhad	3,343,841,357	36.45
2.	Citigroup Nominees (Tempatan) Sdn Bhd <i>Employees Provident Fund Board</i>	1,425,140,942	15.54
3.	AmanahRaya Trustees Berhad <i>Amanah Saham Bumiputera</i>	1,095,403,787	11.94
4.	Kumpulan Wang Persaraan (Diperbadankan)	269,070,738	2.93
5.	Permodalan Nasional Berhad	148,413,081	1.62
6.	AmanahRaya Trustees Berhad <i>Amanah Saham Malaysia</i>	137,828,574	1.50
7.	Citigroup Nominees (Tempatan) Sdn Bhd <i>Exempt An for AIA Bhd</i>	122,320,548	1.33
8.	AmanahRaya Trustees Berhad <i>Amanah Saham Malaysia 2-Wawasan</i>	113,372,143	1.24
9.	AmanahRaya Trustees Berhad <i>Amanah Saham Malaysia 3</i>	112,384,062	1.23
10.	Citigroup Nominees (Tempatan) Sdn Bhd <i>Urusharta Jamaah Sdn Bhd (1)</i>	77,196,298	0.84
11.	Citigroup Nominees (Tempatan) Sdn Bhd <i>Great Eastern Life Assurance (Malaysia) Berhad (Par 1)</i>	75,491,625	0.82
12.	Cartaban Nominees (Tempatan) Sdn Bhd <i>PAMB for Prulink Equity Fund</i>	74,675,348	0.81
13.	HSBC Nominees (Asing) Sdn Bhd <i>JPMCB NA for Vanguard Emerging Markets Stock Index Fund</i>	63,560,749	0.69
14.	Maybank Nominees (Tempatan) Sdn Bhd <i>Maybank Trustees Berhad for Public Ittikal Fund (N14011970240)</i>	60,000,000	0.65
15.	Cartaban Nominees (Asing) Sdn Bhd <i>Exempt An for State Street Bank &amp; Trust Company (West CLT OD67)</i>	57,699,100	0.63
16.	HSBC Nominees (Asing) Sdn Bhd <i>JPMCB NA for Vanguard Total International Stock Index Fund</i>	57,260,435	0.62
17.	Lembaga Tabung Haji	54,746,646	0.60
18.	AmanahRaya Trustees Berhad <i>Amanah Saham Bumiputra 3-Didik</i>	47,584,354	0.52
19.	Citigroup Nominees (Tempatan) Sdn Bhd <i>Employees Provident Fund Board (NOMURA)</i>	45,508,900	0.50
20.	AmanahRaya Trustees Berhad <i>Public Islamic Dividend Fund</i>	40,756,234	0.44
21.	Maybank Nominees (Tempatan) Sdn Bhd <i>Maybank Trustees Berhad for Public Regular Savings Fund (N14011940100)</i>	38,375,094	0.42
22.	AmanahRaya Trustees Berhad <i>Public Ittikal Sequel Fund</i>	34,432,790	0.38
23.	Citigroup Nominees (Tempatan) Sdn Bhd <i>Great Eastern Life Assurance (Malaysia) Berhad (Par 3)</i>	29,755,832	0.32
24.	Citigroup Nominees (Asing) Sdn Bhd <i>Exempt An for Citibank New York (Norges Bank 14)</i>	28,457,200	0.31
25.	AmanahRaya Trustees Berhad <i>Public Islamic Equity Fund</i>	27,957,678	0.30
26.	Pertubuhan Keselamatan Sosial	26,938,400	0.29
27.	Cartaban Nominees (Asing) Sdn Bhd <i>GIC Private Limited for Government of Singapore (C)</i>	24,824,831	0.27
28.	Cartaban Nominees (Asing) Sdn Bhd <i>GIC Private Limited for Government of Singapore (C)</i>	24,119,780	0.26
29.	Citigroup Nominees (Tempatan) Sdn Bhd <i>Employees Provident Fund Board (AFFIN-HWG)</i>	22,506,571	0.25
30.	AmanahRaya Trustees Berhad <i>Amanah Saham Bumiputera 2</i>	21,454,473	0.23
<b>TOTAL</b>		<b>7,701,077,570</b>	<b>83.96</b>

List of Top Ten Properties For the financial year ended 31 December 2020

No.	Address/ Location	Freehold - land and/or buildings	Current usage of land and/or buildings	Approximate age of buildings (years)	Date of acquisition/ capitalisation	Land area (sq. meter)	Built-up area (sq. meter)	Net book value as at 31 Dec 2020 (RM)
1.	Office Building - 475, Union Place Colombo 02, Sri Lanka	Freehold building	Office building	6	31.08.2015	-	13,712.5	34,424,143.0
2.	Seksyen 13, Jalan Kemajuan, Petaling Jaya, Selangor, Malaysia	Freehold building	Network Office	27	23.03.1998	-	10,339.0	22,899,019.9
3.	Ekantakuna Technical Office, Ekantakuna-4, Lalitpur, Nepal	Freehold land and building	Technical Office	36	17.06.2010	68,618.0	8,562.2	19,918,264.0
4.	Welivita Road, Malabe, Sri Lanka	Freehold land	Transmission stations	-	31.12.2013	163,894.5	15,000.0	12,265,508.4
5.	No. 24 Foster Lane, Union Place Colombo 02, Sri Lanka	Freehold land and building	Office building	41	30.06.2015	10,481.6	61,266.0	9,189,606.6
6.	Nakkhu Head Office, Nakh-4, Lalitpur, Nepal	Freehold building	Corporate office	36	17.05.2015	55,253.5	23,088.7	8,374,056.0
7.	Pokhara Data Centre, Sishwa Ward No. 1, Pokhara, Nepal	Freehold building	Data centre	34	17.10.2012	33,489.3	5,909.9	8,001,149.0
8.	Hetauda Data Centre, Hetauda Municipality Ward No. 1, Makwanpur, Nepal	Freehold building	Data centre	33	17.10.2012	20,462.9	3,306.0	5,149,623.0
9.	Nakhhu Data Centre, Nakh-4, Lalitpur, Nepal	Freehold building	Data centre	33	10.01.2019	-	13,588.2	4,002,506.0
10.	Kathmandu Mathatirtha Land, Mathatirtha VDC, Ward No.7, Kathmandu, Nepal	Freehold land	Not in use	-	12.07.2011	94,341.3	-	3,628,529.0

## Net Book Value of Land &amp; Buildings For the financial year ended 31 December 2020

Location	Freehold		Net book value of land	Net book value of buildings
	No. of Lots	Area ('000 sq ft)	RM'000	RM'000
<b>1. Malaysia</b>				
(a) Federal Territory (Kuala Lumpur)	-	-	-	4,097.0
(b) Selangor	2	59.6	489.7	24,029.0
(c) Perak	2	44.5	621.3	-
(d) Pulau Pinang	7	15.3	998.1	1,151.8
(e) Kedah	-	-	-	332.1
(f) Johor	6	41.6	1,740.0	1,245.6
(g) Negeri Sembilan	2	50.1	1,160.0	213.3
(h) Terengganu	-	-	-	8.8
(i) Kelantan	1	11.9	-	525.8
(j) Pahang	1	37.1	2,020.4	2,884.8
(k) Sabah	-	-	-	720.7
(l) Sarawak	2	320.1	240.0	597.3
<b>2. Indonesia</b>	-	-	-	10,680.2
<b>3. Sri Lanka</b>	39	1,027.4	15,835.1	63,669.2
<b>4. Bangladesh</b>	264	1,400.3	13,966.1	4,408.7
<b>5. Cambodia</b>	-	-	-	6,692.4
<b>6. Nepal</b>	9	492.8	32,885.9	25,287.6
<b>Total</b>	<b>335</b>	<b>3,500.7</b>	<b>69,956.6</b>	<b>146,544.3</b>

# Other Information

## Glossary

<b>3G</b> Third generation mobile phone technologies covered by the ITU IMT-2000 family	<b>AYTP</b> Axiata Young Talent Programme	<b>Celcom Group</b> Celcom and its subsidiaries	<b>CWI</b> Connected Women Initiative
<b>3R</b> Revamp, Rise, Reinvent	<b>B2B</b> Business to Business	<b>Celcom Networks</b> Celcom Networks Sdn Bhd	<b>DBN</b> Dialog Broadband Networks (Private) Limited
<b>4G</b> Fourth generation mobile phone technology	<b>B2C</b> Business to Consumer	<b>Celcom Resources</b> Celcom Resources Berhad	<b>Dialog</b> Dialog Axiata PLC
<b>5G</b> 5G is the fifth generation technology standard for broadband cellular networks	<b>B2S</b> Build to Suit	<b>CLM</b> Customer Lifecycle Management	<b>DPR</b> Dividend Payout Ratio
<b>AAP</b> Axiata Advisory Panel	<b>B2B2C</b> Business to Business to Consumer	<b>CSR</b> Corporate Social Responsibility	<b>DPS</b> Dividend Per Share
<b>ADL</b> Axiata Digital Labs	<b>B2B2X</b> B2B2X is a new business model in which a telecom service provider is primed to deliver services to any number of end users	<b>CaP</b> Cyber Security and Privacy Committee	<b>DRS</b> Dividend Reinvestment Scheme
<b>Axiata Digital</b> Axiata Digital Services Sdn Bhd	<b>BAC</b> Board Audit Committee	<b>CS&amp;P</b> Cyber Security and Privacy	<b>DTH</b> Direct to Home
<b>ADIF</b> Axiata Digital Innovation Fund	<b>BRCC</b> Board Risk and Compliance Committee	<b>CSSC</b> Cyber Security Steering Committee	<b>DTT</b> Dialog Television Trading (Private) Limited
<b>AGIA</b> Axiata Group Internal Audit	<b>BCM</b> Business Continuity Management	<b>CCMC</b> COVID-19 Crisis Management Committee (Nepal)	<b>DTV</b> Dialog Television (Private) Limited
<b>AGM</b> Annual General Meeting	<b>BRMC</b> Board Risk Management Committee	<b>CGT</b> Capital Gains Tax	<b>edotco Bangladesh</b> edotco Bangladesh Co Ltd
<b>AICPA</b> Association of International Certified Professional Accountants	<b>BNPB</b> National Disaster Management Agency (Indonesia)	<b>CX</b> Customer Experience	<b>edotco Group</b> edotco Group Sdn Bhd
<b>AIL</b> Axiata Investments (Labuan) Limited	<b>BTS</b> Base Transceiver Stations	<b>CXO</b> Chief Experience Officer	<b>edotco Cambodia</b> Edotco (Cambodia) Co., Ltd
<b>Airtel</b> Airtel Bangladesh Limited	<b>BRT</b> Business Response Team	<b>CMMI</b> Capability Maturity Model Integration	<b>e-money</b> electronic money
<b>AIS</b> Axiata Investments (Singapore) Limited	<b>BNM</b> Bank Negara Malaysia	<b>CIPM</b> Certified Information Privacy Manager	<b>e-wallet</b> digital wallet
<b>AMS</b> Axiata Management Services Sdn Bhd	<b>BDA</b> Big Data Analytics	<b>CIMA</b> Chartered Institute of Management Accountants	<b>EBIT</b> Earnings Before Interest and Taxes
<b>API</b> Application Programme Interface	<b>BEE</b> Board Effectiveness Evaluation	<b>CPA</b> Certified Practising Accountant	<b>EBITDA</b> Earnings Before Interest, Taxes, Depreciation and Amortisation
<b>ARPU</b> Average Monthly Revenue Per User	<b>BNRC</b> Board Nomination and Remuneration Committee	<b>CAP</b> Climate Action Plan	<b>EDGE</b> Enhanced Data rates for GSM Evolution
<b>ASEAN</b> Association of Southeast Asian Nations	<b>BNC</b> Board Nomination Committee	<b>CEM</b> Customer Experience Management	<b>eMBB</b> Enhanced Mobile Broadband
<b>Axiata</b> Axiata Group Berhad	<b>BOD</b> Board of Directors	<b>CB</b> Collective Brain	<b>ED</b> Executive Director
<b>Axiata Group</b> Axiata and its subsidiaries	<b>BRC</b> Board Remuneration Committee	<b>CIPE</b> Centre for International Private Enterprise (Cambodia)	<b>EES</b> Economic, Environmental and Social
<b>Axiata SPV1</b> Axiata SPV1 (Labuan) Limited	<b>Bursa Securities</b> Bursa Malaysia Securities Berhad	<b>CIN</b> Community Information Network (Nepal)	<b>ESG</b> Economic, Social and Governance
<b>Axiata SPV2</b> Axiata SPV2 Berhad	<b>CAPEX</b> Capital Expenditure	<b>CG</b> Corporate Governance	<b>ERM</b> Enterprise Risk Management
<b>Axis</b> PT Axis Telekom Indonesia	<b>CDMA</b> Code Division Multiple Access	<b>CODE</b> Code of Conduct and Ethics	<b>ESOS</b> Employee Share Option Scheme
	<b>Celcom</b> Celcom Axiata Berhad	<b>CIA</b> Certified Internal Auditor	<b>EV</b> Enterprise Value
			<b>EVE</b> Employee Voluntary Programme (edotco)

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<b>eTAP</b> edotco Talent Acceleration Programme	<b>GPRS</b> General Packet Radio Service	<b>IR 4.0</b> Industrial Revolution 4.0	<b>MNP</b> Mobile Number Portability
<b>EVP</b> Executive Vice President	<b>GRMD</b> Group Risk Management Department	<b>IPO</b> Initial Public Offering	<b>MOU</b> Memorandum of Understanding
<b>FCF</b> Free Cash Flow	<b>GSM</b> Global System for Mobile Communications	<b>IFRS</b> International Financial Reporting Standards	<b>MoU</b> Minutes of Use
<b>FDI</b> Foreign Direct Investment	<b>GSMA</b> The GSM Association	<b>Khazanah</b> Khazanah Nasional Berhad	<b>MSWG</b> Minority Shareholder Watch Group
<b>FSL</b> Firstsource Solutions Limited	<b>GADP</b> Group Accelerated Development Programme	<b>KLCI</b> Kuala Lumpur Composite Index	<b>MVNO</b> Mobile Virtual Network Operator
<b>FY18</b> Financial year ended 31 December 2018	<b>GTV</b> Gross Transaction Value	<b>KPI</b> Key Performance Indicator	<b>MyDigital</b> Malaysia Digital Economy Blueprint
<b>FY19</b> Financial year ended 31 December 2019	<b>GRI</b> Global Reporting Initiative	<b>KYC</b> Know Your Customer	<b>MAU</b> Monthly Average Users
<b>FY20</b> Financial year ended 31 December 2020	<b>GE</b> Great Eastern	<b>LOA</b> Limits of Authority	<b>ML</b> Machine Learning
<b>FMBKLCI</b> FTSE Bursa Malaysia Kuala Lumpur Composite Index	<b>GAFS</b> Governance and Audited Financial Statements Report	<b>LTE</b> Long Term Evolution	<b>MarTech</b> Marketing Technology
<b>FWA</b> Fixed Wireless Access	<b>GB</b> Gigabyte	<b>LEAP</b> Learn, Engage, Accelerate and Perform	<b>M.A.D.</b> Modern, Agile and Digital
<b>FIRST</b> Forum of Incident Response and Security Teams	<b>HR</b> Human Resource	<b>LRP</b> Long Range Plan	<b>MPTC</b> Ministry of Posts and Telecommunications (Cambodia)
<b>GSOC</b> Group Security Operations Centre	<b>IA</b> Internal Audit	<b>LTIP</b> Long-term Incentive Plan	<b>MSME</b> Micro-SME
<b>GCFO</b> Group Chief Financial Officer	<b>ICT</b> Information and Communications Technology	<b>M365</b> Microsoft 365	<b>MOF</b> Ministry of Finance
<b>GCIA</b> Group Chief Internal Auditor	<b>ILD</b> International Long Distance	<b>M2M</b> Machine to Machine	<b>MACC</b> Malaysia Anti-Corruption Commission
<b>GCRCO</b> Group Chief Risk and Compliance Officer	<b>INED</b> Independent Non-Executive Director	<b>M&amp;A</b> Mergers & Acquisitions	<b>MBSS</b> Minimum Baseline Security Standards
<b>GCPO</b> Group Chief People Officer	<b>IoT</b> Internet of Things	<b>Main LR</b> Main Market Listing Requirements of Bursa Securities	<b>MVNE</b> Mobile Virtual Network Enabler
<b>GCIO</b> Group Chief Information Officer	<b>IP</b> Internet Protocol	<b>MBB</b> Mobile Broadband	<b>Ncell</b> Ncell Private Limited
<b>GCCDO</b> Group Chief Corporate Development Officer	<b>IPVPN</b> Internet Protocol Virtual Private Network	<b>MCCG 2017</b> Malaysian Code on Corporate Governance 2017	<b>NEC</b> Non-Executive Chairman
<b>GCCO</b> Group Chief Corporate Officer	<b>ISP</b> Internet Services Protocol	<b>MCMC</b> Malaysian Communications and Multimedia Commission	<b>NED</b> Non-Executive Director
<b>GDP</b> Gross Domestic Product	<b>IAR</b> Integrated Annual Report	<b>MDS</b> Mobile Data Services	<b>NINED</b> Non-Independent Non-Executive Director
<b>GLC</b> Government Linked Companies	<b>IIRC</b> International Integrated Reporting Council	<b>MFRS</b> Malaysian Financial Reporting Standards	<b>NPAT</b> Net PAT
<b>GLCT</b> Government Linked Company Transformation	<b>ITU</b> International Telecommunication Union	<b>MFRS 9</b> MFRS 9 Financial Instruments	<b>NPS</b> Net Promoter Score
<b>GMV</b> Gross Merchandise Value	<b>IVR</b> Interactive Voice Response	<b>MFRS 15</b> MFRS 15 Revenue from Contracts with Customers	<b>NaPA</b> Network and Planning Analytics (edotco)
		<b>MIFE</b> Mobile Internet Fulfillment Exchange	<b>NIST</b> National Institute of Standards and Technology



# Other Information

## Glossary

**NTC**  
National Tower Company

**NPS**  
Net Promoter Score

**OECD**  
Organisation for Economic  
Co-operation and Development

**OpCo**  
Operating Company

**Opex**  
Operating Expenditure

**OTT**  
Over-The-Top

**OFCF**  
Operating Free Cash Flow

**OE**  
Operational Excellence

**O2O**  
Online to Offline

**OSS**  
Operations Support System

**President & GCEO**  
Managing Director/President &  
Group Chief Executive Officer

**PAT**  
Profit after Tax

**PATAMI**  
Profits after Tax and Minority  
Interest

**PBT**  
Profit before Tax

**PGCEO**  
President & Group Chief Executive  
Officer

**PLDT Malaysia**  
PLDT Malaysia Sdn Bhd

**PaaS**  
Platform as a Service

**PPE**  
Personal protective equipment

**QoQ**  
Quarter on Quarter

**RSP**  
Regular Stock Purchase

**Robi**  
Robi Axiata Limited

**ROCE**  
Return on Capital Employed

**ROE**  
Return on Equity

**ROI**  
Return on Investment

**ROIC**  
Return on Invested Capital

**ROU**  
Right of Use Assets

**R&R**  
Rescheduling and restructuring

**RRPT**  
Recurring Related Third Party  
Transactions

**RPT**  
Related Party Transactions

**RCMC**  
Risk and Compliance Management  
Committee

**RPV**  
Remote Participation and Voting

**SLT**  
Senior Leadership Team

**Smart**  
Smart Axiata Co., Ltd

**SMS**  
Short Message Service

**SPA**  
Sales and Purchase Agreement

**SME**  
Small and Medium Size Enterprise

**SaaS**  
Security as a Service

**SPV**  
Special Purpose Vehicle

**SD-WAN**  
Software defined wide area  
network

**SADIF**  
Smart Axiata Digital Innovation  
Fund

**SCF**  
Supply Chain Financing

**STIP**  
Short Term Incentive Plan

**TM Group**  
Telekom Malaysia Berhad

**ToR**  
Terms of Reference

**TSR**  
Total Shareholder Return

**TRC**  
Telecommunication Regulator of  
Cambodia

**UN SDG**  
United Nations Sustainable  
Development Goals

**USP**  
Universal Service Provision

**VAS**  
Value Added Services

**VoLTE**  
Voice over LTE

**VWAMP**  
Volume Weighted Average Market  
Price

**VDP**  
Vendor Development Programme  
(Celcom)

**VAs**  
Vulnerability Assessments

**WiFi**  
Wireless Fidelity

**WFH**  
Work-From-Home

**WAMA**  
Women of Axiata and Male Allies

**WCF**  
Working Capital Financing

**WB SOP**  
Whistleblowing Standard Operating  
Procedures

**WIM**  
Women Institute of Management

**XL**  
PT XL Axiata Tbk.

**YoY**  
Year on Year

**YTD**  
Year to Date

**UIEP**  
Uncompromising Integrity and  
Exceptional Performance

Summary of average and closing rates used for FY2019 and FY2020 are as follows:

FY2020

Local Currency:	Average	Closing
1 BDT: RM	0.049504	0.047478
1 INR: RM	0.056720	0.055045
1 LKR: RM	0.022649	0.021700
1 THB: RM	0.134309	0.134489
1 USD: RM	4.202205	4.036000
1 SGD: RM	3.046477	3.044700
1 IDR: RM	0.000289	0.000287
1 PKR: RM	0.025987	0.025139
1 NPR: RM	0.035449	0.034402

FY2019

Local Currency:	Average	Closing
1 BDT: RM	0.049095	0.048183
1 IDR: RM	0.000293	0.000295
1 INR: RM	0.058835	0.057603
1 NPR: RM	0.036772	0.036002
1 PKR: RM	0.027637	0.026527
1 SGD: RM	3.036633	3.045300
1 SLR/LKR: RM	0.023185	0.022600
1 USD: RM	4.142373	4.11000

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