axiata

ADVANCING ASIA

GOVERNANCE & AUDITED FINANCIAL STATEMENTS 2022

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OTHER INFORMATION

Axiata's Integrated Annual Report 2022 Suite is made up of the following:

IAR Integrated Annual Report 2022

GAFS Governance & Audited Financial Statements 2022

SNCR Sustainability & National Contribution Report 2022

GOVERNANCE

iOT Smart METER
System Dashboard
Total Consumption Summary
Meter Status
Today's Feedbacks
12,456.096 kw/h
Total Meters
5
2,300
Energy Consumption
75%
100%
Customer Satisfaction

Group Corporate Structure*

AXIATA GROUP BERHAD

- Axiata SPV1 (Labuan) Limited *(Labuan)*
- Axiata SPV2 Berhad *(Malaysia)*
- Axiata Digital Labs Sdn Bhd (formerly known as Axiata Management Services Sdn Bhd) *(Malaysia)*
- Axiata Investments (UK) Limited *(United Kingdom)*
  - Reynolds Holdings Limited *(St. Kitts & Nevis)*
    - Ncell Axiata Limited *(Nepal)* 80.00%
- Axiata Business Services Sdn Bhd *(Malaysia)*
  - Xpand Investments (Labuan) Limited *(Labuan)*
    - Axiata Global Services Pte Ltd *(Singapore)*
    - Suvitech Co., Ltd *(Thailand)* 65.00%
- Axiata SPV5 (Labuan) Limited *(Labuan)*
- Axiata Investments (Singapore) Limited *(Labuan)*
- Axiata SPV4 Sdn Bhd *(Malaysia)*
  - Merchantrade Asia Sdn Bhd *(Malaysia)* 19.00%
  - Axiata Digital Innovation Fund Sdn Bhd *(Malaysia)* 62.19%
- *CelcomDigi Berhad*[1] (formerly known as Digi.Com Berhad) *(Malaysia)* 33.10%
- Axiata Investments 1 (India) Limited *(Mauritius)*
- *Axiata Foundation* # *(Malaysia)*
- Axiata Digital Services Sdn Bhd *(Malaysia)* 96.66%
  - Axiata Digital & Analytics Sdn Bhd *(Malaysia)* 63.47%
    - ADA Digital Singapore Pte Ltd *(Singapore)*
      - ADA Digital Philippines Inc. *(Philippines)* 99.99%
      - ADA Asia Malaysia Sdn Bhd *(Malaysia)*
      - PT ADA Asia Indonesia *(Indonesia)* 99.00%
      - ADA Digital (Thailand) Co Ltd *(Thailand)* 99.85%
      - AAD Holdings Pte Ltd *(Singapore)*
        - AAD Indochina Pte Ltd *(Singapore)*
          - Thien An Investment Co Ltd *(Vietnam)*
        - AADistribution Phils Inc *(Philippines)*
        - Awake Asia Distribution Sdn Bhd *(Malaysia)*
        - Awake Asia Distribution Pte Ltd *(Singapore)*
        - PT Awake Asia Distribution Indonesia *(Indonesia)*
    - PT Axiata Digital Analytics Indonesia *(Indonesia)*
    - Axiata Digital Bangladesh (Private) Limited *(Bangladesh)*
  - Boost Holdings Sdn Bhd *(Malaysia)* 78.12%
    - Axiata Digital Capital Sdn Bhd *(Malaysia)*
      - PT Axiata Digital Capital Indonesia *(Indonesia)*
      - PT Axiata Digital Services Indonesia *(Indonesia)*
      - Axiata Digital eCode Sdn Bhd *(Malaysia)*
    - Apigate Sdn Bhd *(Malaysia)*
      - Apigate India Services Private Limited *(India)*
    - PT Creative Mobile Adventure *(Indonesia)* 76.19%
    - Boost Berhad *(Malaysia)* 60.00%
  - Apigate Inc. *(USA)*
  - Trust Axiata Digital Limited *(Bangladesh)* 49.00%

25.00%

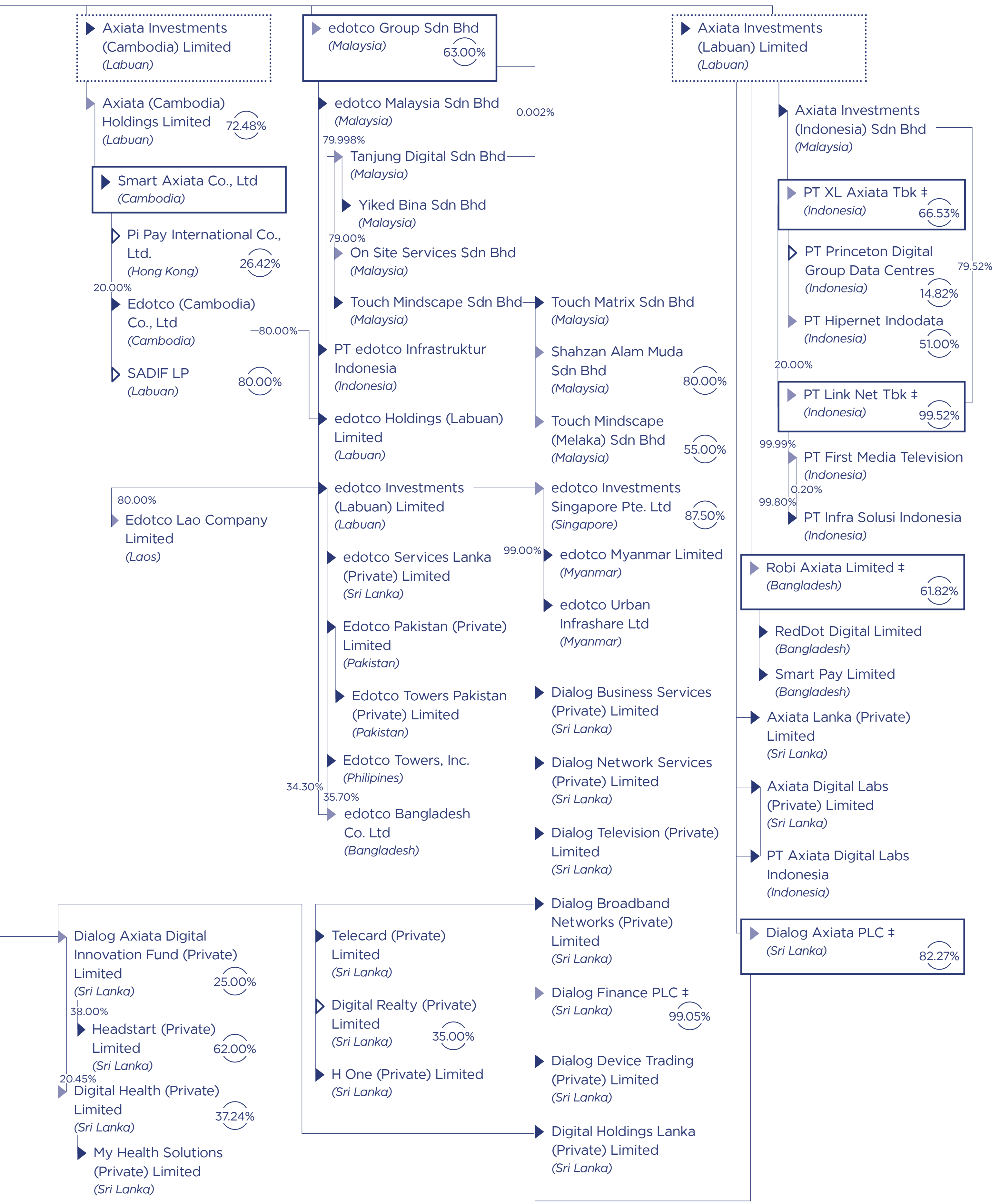
Legend:

- * Depicting active subsidiaries, associates and affiliates as at 31 March 2023
- ☐ Key Operating Companies
- ▶ Wholly-owned Subsidiaries
- ▶ Non wholly-owned Subsidiaries
- ▷ Associates/Affiliates
- ▷ Key Associate Company
- ‡ Listed Companies
- # Company Limited by Guarantee
- @ Negligible

Notes:

1. Pursuant to the completion of the merger between CelcomDigi Berhad (formerly known as Digi.Com Berhad) ("CDB") and Celcom Berhad (formerly known as Celcom Axiata Berhad) ("Celcom") on 30 November 2022, Axiata held 33.10% interest in CDB and Celcom became a wholly-owned subsidiary of CDB.
2. The complete list of subsidiaries, associates and joint ventures and their respective principal activities, country of incorporation and the Group's effective interest as at 31 December 2022 are shown in notes 41 to 43 to the financial statements on pages 235 to 245 of this Governance & Audited Financial Statements 2022.

Group Corporate Structure*



Profile of Directors

TAN SRI SHAHRIL RIDZA RIDZUAN
Chairman
Independent Non-Executive Director

Nationality / Age / Gender:
Malaysian / 52 / Male

Date of Appointment:
29 November 2021
(Appointed as Chairman on 1 January 2022)

Length of Service:
1 year 4 months

Date of Last Re-election:
26 May 2022

Membership of Board Committees:
Nil

Qualifications:
- Master in Arts (First Class), Cambridge University
- Bachelor in Civil Law (First Class), Oxford University

Working Experience and Occupation:
Tan Sri Shahril was appointed as Chairman of Axiata Group Berhad on 1 January 2022, after joining the Board on 29 November 2021.

Previously, he led Khazanah Nasional Berhad as its Managing Director from 20 August 2018 to 19 August 2021, where he worked towards striking a balance between growing financial returns at the national sovereign fund whilst also ensuring long-term benefits for future generations of Malaysians.

Before that, Tan Sri Shahril served as Chief Executive Officer of the Employees Provident Fund of Malaysia (EPF) from 2013 to 2018. He joined EPF as Deputy CEO (Investments) in 2009. During his tenure at EPF, he also served as a Non-Executive Board Member of Media Prima Berhad, Malaysia Building Society Berhad, Malaysian Resources Corporation Berhad (MRCB) and IJN Holdings Sdn Bhd.

Tan Sri Shahril was the Managing Director of MRCB from 2003 to 2009 and responsible for developing Kuala Lumpur Sentral into one of the main commercial centres in Malaysia.

Directorships of Public Companies:

Axiata Group

Listed
- Nil

Non-listed
- Nil

Others

Listed
- Nil

Non-listed
- Ekuiti Nasional Berhad

VIVEK SOOD
Group Chief Executive Officer and Managing Director

Nationality / Age / Gender:
Indian / 59 / Male

Date of Appointment:
24 March 2023

Length of Service:
1 week (Axiata Group Employment: 5 years 11 months)

Date of Last Re-election:
Nil

Membership of Board Committees:
- Board Risk and Compliance Committee
- Board Sustainability Committee

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

Working Experience and Occupation:
Vivek was appointed as Group Chief Executive Officer (GCEO) and Managing Director of Axiata Group Berhad (Axiata) on 24 March 2023 after serving as Joint Acting GCEO since June 2022. He was appointed as Group Chief Financial Officer (CFO) of Axiata in 2017.

Before joining Axiata, he was the Executive Vice President and Group Chief Marketing Officer of Telenor Group. He also held positions as CFO and CEO of Telenor India, CEO of Grameenphone (Bangladesh) and Chief Operating Officer and CFO of Tata AIA Life Insurance (India).

Vivek also serves as the Chairman of the Boards of Axiata Digital & Analytics Sdn Bhd and Boost Holdings Sdn Bhd, and Chairman of the Board Risk and Compliance Committee of Robi Axiata Limited.

Directorships of Public Companies:

Axiata Group

Listed
- PT XL Axiata Tbk (Commissioner)
- Dialog Axiata PLC
- Robi Axiata Limited

Non-listed
- Axiata SPV2 Berhad

Others

Listed
- CelcomDigi Berhad (formerly known as Digi.Com Berhad)

Non-listed
- Nil

Profile of Directors

DR HANS WIJAYASURIYA
Group Executive Director and Chief Executive Officer of Telecommunications Business

Nationality / Age / Gender:
Sri Lankan / 54 / Male

Date of Appointment:
24 March 2023

Length of Service:
1 week (Axiata Group Employment: 28 years 9 months)

Date of Last Re-election:
Nil

Membership of Board Committees:
Axiata Enterprise Investment Board Committee

Qualifications:
- 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 and Occupation:
Dr Hans was appointed as Group Executive Director and CEO of Telecommunications Business of Axiata on 24 March 2023 after serving as Joint Acting GCEO since June 2022. He has functioned in the capacity of CEO of Telecommunications Business since January 2020. In this role, he is responsible for Axiata's Digital Telecommunications Operating Companies across ASEAN and South Asia, and also leads the Group's Enterprise and Wholesale Businesses.

In 2016, Dr Hans was appointed as Corporate Executive Vice President & Regional Chief Executive Officer, South Asia Operations of Axiata. Up to the end of 2016, Dr Hans also served 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, Dr Hans was also the founding CEO of Axiata Digital Services Sdn Bhd.

Dr Hans also serves as the Chairman of the Board Risk and Compliance Committee of Ncell Axiata Limited.

Directorships of Public Companies:

Axiata Group

Listed
- Dialog Axiata PLC
- Robi Axiata Limited
- PT XL Axiata Tbk (Commissioner)
- PT Link Net Tbk (President Commissioner)

Non-listed
- Ncell Axiata Limited

Others

Listed
- CelcomDigi Berhad (formerly known as Digi.Com Berhad)
- John Keells Holdings PLC

Non-listed
- Nil

DATO DR NIK RAMLAH NIK MAHMOOD
Senior Independent Non-Executive Director

Nationality / Age / Gender:
Malaysian / 67 / Female

Date of Appointment:
21 March 2017

Length of Service:
6 years

Date of Last Re-election:
26 May 2022

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:
Dato 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, Dato Dr Nik Ramlah was an Associate Professor at the Faculty of Law, University of Malaya.

Dato Dr Nik Ramlah is a member of the Board of Directors of Perbadanan Insurans Deposit Malaysia, Institute for Capital Market Research Malaysia and the INCEIF University.

Dato Dr Nik Ramlah also serves as the Chairman of the Board and Board Nomination and Remuneration Committee of edotco Group Sdn Bhd.

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 / 64 / Male

Date of Appointment:
11 December 2017

Length of Service:
5 years 3 months

Date of Last Re-election:
26 May 2022

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, Oriel College, University of Oxford
- Master of Arts in Physics, Oriel College, University of Oxford
- D.Phil. in Theoretical Nuclear Physics, Oriel and Wolfson Colleges, University of Oxford

Working Experience and Occupation:
Dr Dean is an independent advisor 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 (Commissioner)

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 / 65 / Female

Date of Appointment:
1 January 2019

Length of Service:
4 years 3 months

Date of Last Re-election:
15 June 2021

Membership of Board Committees:
- Board Nomination and Remuneration Committee
- Board Sustainability Committee

Qualifications:
- Bachelor of Arts in Public Administration, University of DeMontfort, Leicester, United Kingdom
- Certificate in Human Resource Management in Asia Programme, Euro-Asia Centre, INSEAD Campus

Working Experience and Occupation:
Gaik Bee has more than 41 years of extensive strategic human resource and leadership experiences across industries. She served at several international and Malaysian corporates before retiring as Executive Director/ Human Resource Director of Guinness Anchor Berhad in 2006.

During her tenure in employment, she was a member of the Malaysian Employers Federation (MEF) Council and a panel member of the Malaysian Industrial Court. She was also a Member of the Accreditation Board of the Women Institute of Management (WIM) Professional Manager Certification Programme.

Gaik Bee also serves as the Chairman of Board Nomination and Remuneration Committee of Smart Axiata Co., Ltd and Board Remuneration Committees of Axiata Digital & Analytics Sdn Bhd and Boost Holdings Sdn Bhd.

Directorships of Public Companies:

Axiata Group

Listed
- Nil

Non-listed
- Axiata Foundation (Chairman)

Others

Listed
- Nil

Non-listed
- QSR Brands (M) Holdings Berhad

Profile of Directors

THAYAPARAN S SANGARAPILLAI
Independent Non-Executive Director

Nationality / Age / Gender:
Malaysian / 68 / Male

Date of Appointment:
18 March 2020

Length of Service:
3 years

Date of Last Re-election:
15 June 2021

Membership of Board Committees:
- Board Audit Committee (Chairman)
- Board Sustainability 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:
Thayaparan is a retired Senior Partner with over 32 years in PricewaterhouseCoopers, Malaysia. He 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.

Thayaparan is a Board member, Chairman of Risk Committee and a member of Audit Committee of Petroliam Nasional Berhad. He is a Board member as well as Chairman of Governance & Audit Committee and a member of Risk Management & Sustainability Committee of Sime Darby Berhad.

Directorships of Public Companies:

Axiata Group

Listed
- Robi Axiata Limited (Chairman)

Non-listed
- Nil

Others

Listed
- Sime Darby Berhad

Non-listed
- Petroliam Nasional Berhad

TAN SRI DR HALIM SHAFIE
Independent Non-Executive Director

Nationality / Age / Gender:
Malaysian / 74 / Male

Date of Appointment:
1 November 2020

Length of Service:
2 years 5 months

Date of Last Re-election:
15 June 2021

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 Dr 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 Group Berhad was as Chairman of MCMC appointed for the second time from 2015 to 2018.

Tan Sri Dr Halim also serves as the Chairman of Smart Axiata Co., Ltd.

Directorships of Public Companies:

Axiata Group

Listed
- Nil

Non-listed
- Nil

Others

Listed
- Nil

Non-listed
- Nil

Profile of Directors

MAYA HARI
Independent Non-Executive Director

Nationality / Age / Gender:
Singaporean / 44 / Female

Date of Appointment:
11 January 2023

Length of Service:
3 months

Date of Last Re-election:
Nil

Membership of Board Committees:
Nil

Qualifications:
- Masters in Electrical Engineering, Utah State University, USA
- MBA, INSEAD, France

Working Experience and Occupation:
Maya is currently the Chief Executive Officer of Terrascope Pte Ltd, a climate-tech company, a smart carbon measurement and management SaaS platform designed to empower companies to de-carbonise their operation, supply chains, and portfolios. Maya is a global technology leader and seasoned C-suite executive. She has experience scaling hyper-growth businesses with expertise in technology and commercial growth. She has over two decades of experience scaling high growth digital and technology transformation businesses globally in publicly listed multinational companies such as Twitter, Google, Microsoft, Cisco, Samsung and Conde Nast.

Maya served seven years at Twitter as Vice President of Global Strategy and Operations as well as the Managing Director of Asia Pacific region. She builds international expertise in China, India and Latin America and is defined by her passion for people and culture, having worked and lived in the Silicon Valley, Paris, Mumbai and Singapore. She brings a deep understanding of China, India, Latin America and Southeast Asia. Maya is passionate about building inclusive cultures, globalisation and sustainability.

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 / 48 / Male

Date of Appointment:
28 August 2020

Length of Service:
2 years 7 months

Date of Last Re-election:
15 June 2021

Membership of Board Committees:
- Board Nomination and Remuneration Committee
- Axiata Enterprise Investment Board Committee

Qualifications:
- Bachelor of Business (Accountancy) with Distinction, RMIT University, Melbourne, Australia
- Member of CPA Australia

Working Experience and Occupation:
King How was first appointed as Alternate Director to Tengku Dato Sri Azmil Zahruddin Bin Raja Abdul Aziz on 27 November 2019 and ceased from the same position in view of the resignation of Tengku Dato Sri Azmil Zahruddin 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

Profile of Directors

NURHISHAM HUSSEIN
Non-Independent Non-Executive Director
(Representative of Employees Provident Fund)

Nationality / Age / Gender:
Malaysian / 54 / Male

Date of Appointment:
25 January 2022

Length of Service:
1 year 2 months

Date of Last Re-election:
26 May 2022

Membership of Board Committees:
Nil

Qualifications:
- Bachelor of Science (Economics) in Monetary Economics, University of London School of Economics and Political Science (LSE)
- Master in Economics, University Malaya

Working Experience and Occupation:
Nurhisham was appointed as the Non-Independent Non-Executive Director of Axiata Group Berhad on 25 January 2022. Currently he is the Chief Strategy Officer for the Employees Provident Fund (EPF). His division oversees corporate strategy, communications, economic research, and enterprise project management. Prior to holding this position, he headed the economic research team at the EPF. He joined EPF after a stint with Malaysian Rating Corporation Berhad, producing country reports, developing economic viewpoints and making quantitative forecasts.

Directorships of Public Companies:

Axiata Group

Listed
- Nil

Non-listed
- Nil

Others

Listed
- Nil

Non-listed
- Nil

SHAHIN FAROUQUE JAMMAL AHMAD
Non-Independent Non-Executive Director
(Representative of Permodalan Nasional Berhad)

Nationality / Age / Gender:
Malaysian / 49 / Male

Date of Appointment:
26 August 2022

Length of Service:
7 months

Date of Last Re-election:
Nil

Membership of Board Committees:
- Board Audit Committee

Qualifications:
- Bachelor of Science in Economics (Accounting & Finance), London School of Economics and Political Science, University of London

Working Experience and Occupation:
Shahin Farouque is currently the Group Head, Strategic Investments of Permodalan Nasional Berhad. Previously, he was an Executive Director in Investments Division of Khazanah Nasional Berhad (Khazanah). He sat on the boards of various creative and media companies within the Khazanah portfolio of companies.

Prior to joining Khazanah in 2016, he worked with various commercial and investment banks in both domestic and regional roles. He has over 20 years of investment banking experience.

Directorships of Public Companies:

Axiata Group

Listed
- Nil

Non-listed
- Nil

Others

Listed
- UMW Holdings Berhad

Non-listed
- Nil

Profile of Directors

EYSA ZULKIFLI
Alternate Director to Ong King How

Nationality / Age / Gender:
Malaysian / 40 / Male

Date of Appointment:
26 August 2022

Length of Service:
7 months

Date of Last Re-election:
N/A

Membership of Board Committees:
Nil

Qualifications:
- Master of Engineering in Mechanical Engineering, University of Bath, United Kingdom

Working Experience and Occupation:
Eysa first joined the Investments Division at Khazanah Nasional Berhad (Khazanah) in January 2012 and has held various positions across multiple sectors including Agrifoods, Telecommunications, Media and Technology. He is currently Senior Vice President of Investments at Khazanah and the Team Lead of the Telecommunications sector.

Prior to Khazanah, he was with Sime Darby Berhad in China, focusing on Strategy and Business Development for the Utilities operations (ports and water treatment) and prior to that as a member of the Corporate Finance team within the Group Strategy Department in Kuala Lumpur covering the Utilities, Industrial and Motors business segments.

Directorships of Public Companies:

Axiata Group

Listed
- Nil

Non-listed
- Nil

Others

Listed
- Nil

Non-listed
- Nil

Notes:
None of the Directors have:
(i) Any family relationship with any Director and/or major shareholder of Axiata.
(ii) Any conflict of interest with Axiata.
(iii) Any conviction for offences within the past five years and particulars of any public sanction or penalty imposed on them by the relevant regulatory bodies during the financial year ended 31 December 2022 (other than traffic offences).
(iv) Information on Directors' attendance at Board meetings held during the financial year is disclosed on page 90 of the Integrated Annual Report 2022.

Board Remuneration

Breakdown of the aggregated remuneration of Non-Executive Directors (NEDs) of Axiata Group Berhad (Axiata) into appropriate components including remuneration for services rendered by them to Axiata Group for financial year ended 31 December 2022 (FY22) is set out below:

Name of Directors	Directors' Fees (Company) RM'000	Meeting Allowances (Company) RM'000	Monetary Value of Benefits-in-Kind RM'000	Fees (Subsidiaries) RM'000	Meeting Allowances (Subsidiaries) RM'000	Total RM'000
Tan Sri Shahril Ridza Ridzuan[a]	360	99	202	0	0	661
Dato Dr Nik Ramlah Nik Mahmood[b]	318	94	88	147	47	694
Dr David Robert Dean[c]	358	100	167	439	41	1,105
Khoo Gaik Bee[d]	276	86	145	17	0	524
Thayaparan S Sangarapillai[e]	343	104	15	289	66	817
Tan Sri Dr Halim Shafie[f]	276	75	45	183	34	613
Ong King How[g]	0	0	2	0	0	2
Nurhisham Hussein[h]	225	62	13	0	0	300
Shahin Farouque Jammal Ahmad[i]	65	20	11	0	0	96
Eysa Zulkifli[j]	0	0	11	0	0	11
Syed Ali Syed Salem Alsagoff[k]	183	56	72	0	0	311
Total	**2,404**	**696**	**771**	**1,075**	**188**	**5,134**

[a] Appointed as Chairman on 1 January 2022
[b] Fees and Meeting Allowances from subsidiaries – Dialog and EDOTCO
[c] Fees and Meeting Allowances from subsidiaries – Ncell and XL
[d] Fees and Meeting Allowances from subsidiaries – Celcom
[e] Fees and Meeting Allowances from subsidiaries – Celcom and Robi
[f] Fees and Meeting Allowances from subsidiaries – Smart
[g] Director's fees and meeting allowances for Khazanah Nasional Berhad (Khazanah)'s internal nominee director are waived by Khazanah effective 1 January 2022
[h] Representative of Employees Provident Fund (EPF) and appointed as NINED on 25 January 2022. 50% of Director's fees are paid to EPF
[i] Representative of Permodalan Nasional Berhad (PNB) and appointed as NINED on 26 August 2022. 100% of Director's fees are paid to PNB
[j] Appointed as Alternate Director to Ong King How on 26 August 2022
[k] Resigned as NINED on 26 August 2022

Executive Director

Breakdown of the aggregated remuneration of the Executive Director of Axiata for FY22 into appropriate components is set out below:

	(RM'000)
a. Salaries, Allowances and Bonus	6,549
b. Benefits (Contribution to EPF, share-based payment expense and Monetary Value of Benefits-in-Kind)	404

Directors' Training List 2022

Directors	List of Training/Conference/Seminar/Workshop Attended/Participated in 2022
Tan Sri Shahril Ridza Ridzuan	1) Mobile World Congress MWC 22 Barcelona by GSMA, Barcelona, Catalonia, Spain, 28 February 2022 - 3 March 2022 2) Sustainable And Responsible Investment (SRI) – Preserving the Climate Through Sustainable Business and Living by Securities Industry Development Corporation (SIDC), 22 - 23 June 2022 3) Group Risk and Compliance Conference 2022 – "Thriving in a VUCA (Volatility Uncertainty Complexity Ambiguous) World" by Axiata Group Risk and Compliance, 27 July 2022 4) Briefing on Corruption Risk Assessment by Dr Mark Lovatt, Chief Executive Officer, Trident Integrity Solutions, Axiata, Kuala Lumpur, 25 August 2022 5) IIC-SIDC Corporate Governance Conference 2022: Investment Stewardship in Times of Heightened Sustainability Demands by SIDC, Securities Commission Malaysia, Kuala Lumpur, 23 September 2022 6) Axiata Board Retreat, Axiata, Kuala Lumpur, 1 - 3 November 2022 • Sustainability and Climate Action for Telcos in Asia by Steven Moore, Alix Jagueneau and Anne Euler of GSMA • Telco to TechCo: Transforming to Unlock Growth by Nik Willetts, President & CEO, TM Forum
Dato Dr Nik Ramlah Nik Mahmood	1) Beyond Growth: Financing Sustainability to Build Back Better by Institute for Capital Market Research Malaysia (ICMR) and Jeffrey Sachs Centre for Sustainable Development, 10 March 2022 2) Section 17A MACC Act - Adequate Procedures and ISO37001 Anti-Bribery Management System by Permodalan Nasional Berhad (PNB), 5 April 2022 3) PNB Knowledge Forum 2022 - Sustainability Investing - ESG at the Forefront by PNB, 21 April 2022 4) Invest ASEAN 2022: Framing a Future by Maybank Investment Bank, 8 June 2022 5) ICMR Lecture Series - Innovation through Collaboration - Planning for more Inclusive and Sustainable Capital Markets Post COVID-19, 20 July 2022 6) Group Risk and Compliance Conference 2022 – "Thriving in a VUCA (Volatility Uncertainty Complexity Ambiguous) World" by Axiata Group Risk and Compliance, 27 July 2022 7) Values as a Source of Competitive Advantage - Lecture by Dr Aamir Rehman, Asia School of Business, 28 July 2022 8) Roundtable on Islamic Finance - The Future of Finance and Society, INCEIF University, 29 July 2022 9) Briefing on Corruption Risk Assessment by Dr Mark Lovatt, Chief Executive Officer, Trident Integrity Solutions, Axiata, Kuala Lumpur, 25 August 2022 10) Axiata Workshop on Strategic Direction in Indonesia & Other Engagements by Axiata Group Strategy and Marketing, Axiata, Kuala Lumpur, 20 September 2022 11) IIC-SIDC Corporate Governance Conference 2022: Investment Stewardship in Times of Heightened Sustainability Demands by SIDC, Securities Commission Malaysia, Kuala Lumpur, 23 September 2022 12) Axiata Board Retreat, Axiata, Kuala Lumpur, 1 - 3 November 2022 • Sustainability and Climate Action for Telcos in Asia by Steven Moore, Alix Jagueneau and Anne Euler of GSMA • Telco to TechCo: Transforming to Unlock Growth by Nik Willetts, President & CEO, TM Forum
Dr David Robert Dean	1) Tech Regulation and Government by New Street Research, 14 January 2022 2) Handelsblatt Conference on Sustainability by Guidehouse Outwit, Berlin, Germany, 17 - 19 January 2022 3) Board's role on Governance and ESG by EY, 27 January 2022 4) AI and Sustainability by Boston Consulting Group (BCG), 11 March 2022 5) AI and Supply Chains by BCG, 11 March 2022 6) Group Risk and Compliance Conference 2022 – "Thriving in a VUCA (Volatility Uncertainty Complexity Ambiguous) World" by Axiata Group Risk and Compliance, 27 July 2022 7) Briefing on Corruption Risk Assessment by Dr Mark Lovatt, Chief Executive Officer, Trident Integrity Solutions, Axiata, Kuala Lumpur, 25 August 2022 8) Axiata Board Retreat, Axiata, Kuala Lumpur, 1 - 3 November 2022 • Sustainability and Climate Action for Telcos in Asia by Steven Moore, Alix Jagueneau and Anne Euler of GSMA • Telco to TechCo: Transforming to Unlock Growth by Nik Willetts, President & CEO, TM Forum 9) The 5G Opportunity by New Street Research, 15 November 2022 10) BRCC Chairman Conference by Axiata Group Risk and Compliance, 28 November 2022
Khoo Gaik Bee	1) WTW ESG Roundtable by Willis Towers Watson, WTW, Kuala Lumpur, 15 June 2022 2) BNRC Dialogue & Networking – Session #1 by ICDM, ICDM, Kuala Lumpur, 17 June 2022 3) Group Risk and Compliance Conference 2022 – "Thriving in a VUCA (Volatility Uncertainty Complexity Ambiguous) World" by Axiata Group Risk and Compliance, 27 July 2022 4) Corporate Members' Exclusive: A 60-minute Guide for Boards – Building a Formidable Tax Corporate Governance Framework by ICDM, ICDM, Kuala Lumpur, 4 August 2022 5) Briefing on Corruption Risk Assessment by Dr Mark Lovatt, Chief Executive Officer, Trident Integrity Solutions, Axiata, Kuala Lumpur, 25 August 2022 6) Briefing hosted by Axiata Group Sustainability on 'Taskforce on Climate-related Financial Disclosure (TCFD) Awareness Briefing' by Andrew Chan and Xing Juen Goh from PricewaterhouseCoopers Malaysia, 21 September 2022 7) Axiata Board Retreat, Axiata, Kuala Lumpur, 1 - 3 November 2022 • Sustainability and Climate Action for Telcos in Asia by Steven Moore, Alix Jagueneau and Anne Euler of GSMA • Telco to TechCo: Transforming to Unlock Growth by Nik Willetts, President & CEO, TM Forum

Directors' Training List 2022

Directors	List of Training/Conference/Seminar/Workshop Attended/Participated in 2022
Thayaparan S Sangarapillai	1) PNB Knowledge Forum 2022 – Sustainable Investing ESG at the Forefront by PNB, 21 April 2022 2) Developing Malaysia's Roadmap to Net Zero by MICPA – KPMG, 27 April 2022 3) The Rise of ESG And Sustainability In The Boardroom by ICDM, 1 - 2 June 2022 4) ISSB-MASB Outreach Session on IFRS Sustainability Disclosure Exposure Drafts by Malaysian Accounting Standards Board (MASB), 13 June 2022 5) Group Risk and Compliance Conference 2022 – "Thriving in a VUCA (Volatility Uncertainty Complexity Ambiguous) World" by Axiata Group Risk and Compliance, 27 July 2022 6) PNB Knowledge Forum 2022 – Tall Building and Living In The Space Age – The Enigma And Convergence Of Science And Art by PNB, 8 August 2022 7) Briefing on Corruption Risk Assessment by Dr Mark Lovatt, Chief Executive Officer, Trident Integrity Solutions, Axiata, Kuala Lumpur, 25 August 2022 8) Briefing hosted by Axiata Group Sustainability on 'Taskforce on Climate-related Financial Disclosure (TCFD) Awareness Briefing' by Andrew Chan and Xing Juen Goh from PricewaterhouseCoopers Malaysia, Axiata, Kuala Lumpur, 21 September 2022 9) Axiata Board Retreat, Axiata, Kuala Lumpur, 1 - 3 November 2022 • Sustainability and Climate Action for Telcos in Asia by Steven Moore, Alix Jagueneau and Anne Euler of GSMA • Telco to TechCo: Transforming to Unlock Growth by Nik Willetts, President & CEO, TM Forum 10) Petronas Board Conversation Series: A session with John Marisson, Chief Executive, Institute for Human Rights & Business (IHRB), 30 November 2022
Tan Sri Dr Halim Shafie	1) MIA AccTech Conference 2022 - Digital Agility: Stay Ahead of the Curve by Malaysian Institute of Accountants (MIA), 29 - 30 March 2022 2) Group Risk and Compliance Conference 2022 – "Thriving in a VUCA (Volatility Uncertainty Complexity Ambiguous) World" by Axiata Group Risk and Compliance, 27 July 2022 3) Briefing on Corruption Risk Assessment by Dr Mark Lovatt, Chief Executive Officer, Trident Integrity Solutions, 25 August 2022 4) Briefing hosted by Axiata Group Sustainability on 'Taskforce on Climate-related Financial Disclosure (TCFD) Awareness Briefing' by Andrew Chan and Xing Juen Goh from PricewaterhouseCoopers Malaysia, 21 September 2022 5) IIC-SIDC Corporate Governance Conference 2022: Investment Stewardship in Times of Heightened Sustainability Demands by SIDC, Securities Commission Malaysia, Kuala Lumpur, 23 September 2022 6) Axiata Board Retreat, Axiata, Kuala Lumpur, 1 - 3 November 2022 • Sustainability and Climate Action for Telcos in Asia by Steven Moore, Alix Jagueneau and Anne Euler of GSMA • Telco to TechCo: Transforming to Unlock Growth by Nik Willetts, President & CEO, TM Forum
Ong King How	1) Mobile World Congress MWC 22 Barcelona by GSMA, 28 February 2022 - 3 March 2022 2) Briefing on Corruption Risk Assessment by Dr Mark Lovatt, Chief Executive Officer, Trident Integrity Solutions, Axiata, Kuala Lumpur, 25 August 2022 3) Khazanah Megatrends Forum 2022 (KMF2022) by Khazanah Nasional Berhad, Mandarin Oriental Hotel, Kuala Lumpur, 3 - 4 October 2022 4) Axiata Board Retreat, Axiata, Kuala Lumpur, 1 – 3 November 2022 • Sustainability and Climate Action for Telcos in Asia by Steven Moore, Alix Jagueneau and Anne Euler of GSMA • Telco to TechCo: Transforming to Unlock Growth by Nik Willetts, President & CEO, TM Forum 5) Leadership Luncheon with Kate Baker, Khazanah Nasional Berhad, Kuala Lumpur, 21 November 2022 6) Leadership Session with Tan Sri Megat Zaharuddin, Khazanah Nasional Berhad, Kuala Lumpur, 21 November 2022 7) Digital Pathway Program (e-Learning) covering topics on Digital Technology & Trends, Digital Culture and Working with Digital by Khazanah Nasional Berhad, 2022
Nurhisham Hussein[1]	1) Artificial Intelligence (AI) For Company Directors and Executives by Malaysian Institute of Corporate Governance (MICG), 15 March 2022 2) Bursa Malaysia Mandatory Accreditation Programme (MAP) by Cheryl Khor, Diana David and Tiffany Yan, 23 - 25 May 2022 3) Group Risk and Compliance Conference 2022 – "Thriving in a VUCA (Volatility Uncertainty Complexity Ambiguous) World" by Axiata Group Risk and Compliance, 27 July 2022 4) Briefing on Corruption Risk Assessment by Dr Mark Lovatt, Chief Executive Officer, Trident Integrity Solutions, 25 August 2022 5) Axiata Board Retreat, Axiata, Kuala Lumpur, 1 - 3 November 2022 • Sustainability and Climate Action for Telcos in Asia by Steven Moore, Alix Jagueneau and Anne Euler of GSMA • Telco to TechCo: Transforming to Unlock Growth by Nik Willetts, President & CEO, TM Forum

Directors' Training List 2022

Directors	List of Training/Conference/Seminar/Workshop Attended/Participated in 2022
Shahin Farouque Jammal Ahmad[2]	1) Axiata Board Retreat, Axiata, Kuala Lumpur, 1 - 3 November 2022 • Sustainability and Climate Action for Telcos in Asia by Steven Moore, Alix Jagueneau and Anne Euler of GSMA • Telco to TechCo: Transforming to Unlock Growth by Nik Willetts, President & CEO, TM Forum
Eysa Zulkifli [Alternate Director to Ong King How][2]	1) Mobile World Congress MWC 22 Barcelona by GSMA, 28 February 2022 - 3 March 2022 2) Board Dynamics Bootcamp - Board simulation by ICDM, 12 January 2022 3) Nominee Director Group Coaching & Reflection with Julian Saipe by ICDM, February, April and June 2022 4) Influencing Key Stakeholders for Leaders by ICDM, 4 - 5 August 2022 5) IIC-SIDC Corporate Governance Conference 2022: Investment Stewardship in Times of Heightened Sustainability Demands by SIDC, Securities Commission Malaysia, Kuala Lumpur, 23 September 2022 6) International Director's Summit by ICDM, 25 - 28 September 2022 7) Khazanah Megatrends Forum 2022 (KMF2022) by Khazanah Nasional Berhad, Mandarin Oriental Hotel, Kuala Lumpur, 3 - 4 October 2022 8) Axiata Board Retreat, Axiata, Kuala Lumpur, 1 - 3 November 2022 • Sustainability and Climate Action for Telcos in Asia by Steven Moore, Alix Jagueneau and Anne Euler of GSMA • Telco to TechCo: Transforming to Unlock Growth by Nik Willetts, President & CEO, TM Forum 9) Leaders Solving for Tomorrow by PwC, October - December 2022 10) Mandatory Accreditation Program by ICDM, ICDM, Kuala Lumpur, 21 - 22 November 2022 11) TowerXchange Meetup Asia 2022 by TowerXchange, Marina Bay Sands, Singapore, 29 - 30 November 2022 12) Sustainability 101 by PwC, 8 November 2022 13) Digital Pathway Program (e-Learning) covering topics on Digital Technology & Trends, Digital Culture and Working with Digital by Khazanah Nasional Berhad, 2022
Dato' Izzaddin Idris[3]	
Syed Ali Syed Salem Alsagoff[4]	

Notes:
Trainings were attended via virtual participation unless otherwise stated
[1] Appointed on 25 January 2022
[2] Appointed on 26 August 2022
[3] Cessation from office on 31 May 2022
[4] Resigned on 26 August 2022

Profile of Group Senior Leadership Team

VIVEK SOOD

Group Chief Executive Officer and Managing Director

Please refer to page 4

DR HANS WIJAYASURIYA

Group Executive Director and Chief Executive Officer of Telecommunications Business

Please refer to page 5

LILA AZMIN ABDULLAH

Acting Group Chief Financial Officer and Group Chief Corporate Development Officer

Nationality / Age / Gender:
Malaysian / 55 / Female

Date of Appointment to Current Position:
- 1 August 2020 (Group Chief Corporate Development Officer)
- 24 March 2023 (Acting Group CFO)

Length of Service at Axiata:
2 years 7 months

Department/Portfolio:
- Group Corporate Development

Academic/Professional Qualification(s):
- BSc Accounting and Financial Analysis, Warwick University, UK

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. 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.

Profile of Group Senior Leadership Team

THOMAS HUNDT

Group Chief Strategy & Technology Officer

Nationality / Age / Gender:
German / 45 / Male

Date of Appointment to Current Position:
26 October 2021

Length of Service at Axiata:
14 years 8 months

Department/Portfolio:
- Strategy
- Technology and IT

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

Working Experience:
Thomas was appointed Axiata Group Berhad's Group Chief Strategy & Technology Officer in October 2021.

Prior to this he was the Group's Executive Vice President for Technology since January 2020 while continuing to serve as the CEO of Smart Axiata, formerly known as Smart Mobile, in Cambodia, a role which he held since mid 2008. He grew Smart from greenfield, number eight position in the market to market leadership, including through the acquisition of Star-Cell in 2011 and the merger with Hello Axiata in 2013.

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.

Directorships of Public Companies:
Axiata Group
Listed
- PT Link Net Tbk

NORLIDA AZMI

Group Chief People Officer

Nationality / Age / Gender:
Malaysian / 62 / Female

Date of Appointment to Current Position:
1 January 2021

Length of Service at Axiata:
2 years 5 months

Department/Portfolio:
- Organisational Effectiveness and Talent Management
- Culture, Engagement and Diversity, Equity, Inclusion & Belonging (DEIB)
- Performance Management and Rewards
- Axiata FastForward (Group Learning)
- Health, Safety, Security and Facility Management
- People Services

Academic/Professional Qualification(s):
- MBA (Finance), Northern Illinois University DeKalb, Illinois, USA
- Bachelor of Science (Applied Computer Science), Northern Illinois University DeKalb, Illinois, USA
- Chartered Fellow CIPD

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.

ANTHONY RODRIGO

Group Chief Information Officer

Nationality / Age / Gender:
Sri Lankan / 55 / Male

Date of Appointment to Current Position:
1 August 2017

Length of Service at Axiata:
12 years 6 months

Department/Portfolio:
- Axiata Group Information Technology
- Axiata Group 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.

Profile of Group Senior Leadership Team

ASRI HASSAN SABRI

Group Chief Corporate Officer

Nationality / Age / Gender:
Malaysian / 56 / Male

Date of Appointment to Current Position:
1 September 2018

Length of Service at Axiata:
7 years 2 months

Department/Portfolio:
- Group Programme Office
- GCEO Office Support
- Government Relations
- Group Sustainability
- Group Strategic Communications and Marketing
- Regulatory Affairs

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

Working Experience:
Asri has been the Group Chief Corporate Officer since 2018. Prior to this role, he has served in various other positions in Axiata, namely as the Chief Executive Officer of Axiata Business Services, where he oversaw the Group's enterprise business operations. He was also the Group Chief Business Operations Officer, where he was responsible for the performance management for all of Axiata's operating companies.

Prior to joining Axiata, Asri was with Provident Capital Partners, an established private equity company based in Singapore and Indonesia.

Asri was also the former Country President of Motorola Malaysia, where he was responsible for leading the company's multi-facet operations in the country. He also had various senior management and regional roles prior to that with various multinational companies, such as Nokia and Digital Equipment Corporation.

HADI HELMI ZAINI SOORIA

Group Chief Internal Auditor

Nationality / Age / Gender:
Malaysian / 53 / Male

Date of Appointment to Current Position:
15 October 2018

Length of Service at Axiata:
25 years 8 months

Department/Portfolio:
- Internal Audit
- Investigation

Academic/Professional Qualification(s):
- ACMA, CGMA of The Chartered Institute of Management Accountants (CIMA), UK
- MBA of Multimedia University, Malaysia

Working Experience:
Hadi has been with Axiata Group for over 25 years, and has held various management positions across the Group including Senior Vice President in Celcom, Managing Director of EDOTCO Malaysia, and Chief Financial Officer of Ncell Nepal where he was among the pioneer Management Team members upon Ncell acquisition by Axiata Group in 2016 and was instrumental in the successful business integration and performance.

ABID ABDUL ADAM

Group Chief Risk and Compliance Officer

Nationality / Age / Gender:
South African / 41 / Male

Date of Appointment to Current Position:
2 March 2020

Length of Service at Axiata:
5 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)
- Chief Risk Officer Executive Programme - Carnegie Mellon University

Working Experience:
Abid is an accomplished Chief Risk and Compliance Officer with over 16 years industry experience in Risk Management, Cyber Security, and Privacy. He has led successful large-scale transformation programmes and is a trusted advisor to the Executive Leadership team. Abid serves on the Executive Advisory Board for Cyber (ABC), is an Adjunct Professor at Deakin University, and contributed to the World Economic Forum Digital Asean initiatives. He has been recognised as one of the Top 10 Guardians of Cybersecurity.

Before joining his current role as Group Chief Risk and Compliance Officer, Abid served as the Group Chief Information Security Officer (CISO) and Head of Privacy at Axiata Group. He has experience leading diverse teams in a matrix-structured organisation across multiple continents, including senior roles in various financial service institutions in South Africa. Abid currently oversees Cyber Security and Privacy, Enterprise Risk Management, Compliance/ Ethics/ Integrity, and Compliance in the Regulatory function.

Profile of Group Senior Leadership Team

SURYANI HUSSEIN

Group Company Secretary

Nationality / Age / Gender:
Malaysian / 57 / Female

Date of Appointment to Current Position:
1 April 2008

Length of Service at Axiata:
20 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.

Directorships of Public Companies:
Axiata Group
Non-listed
- Axiata SPV2 Berhad

TAN GIM BOON

Group General Counsel

Nationality / Age / Gender:
Malaysian / 50 / Male

Date of Appointment to Current Position:
1 April 2008

Length of Service at Axiata:
18 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 Boon 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 Boon's last post before joining Axiata, was with Malaysia's largest law firm, Zaid Ibrahim & Co.

Directorships of Public Companies:
Axiata Group
Non-listed
- Axiata SPV2 Berhad

Notes:
1. None of the Group Senior Leadership Team have:
   - Any family relationship with any Director and/or major shareholder of Axiata
   - Any conflict of interest with Axiata
   - Any conviction for offences within the past five years and particulars of any public sanctions or penalties imposed on them by any regulatory bodies during the financial year ended 31 December 2022 (other than traffic offences)
2. Unless otherwise indicated, these individuals do not hold directorships in public listed and non-listed companies.
3. Years of Service at Axiata refers to tenure within Axiata and its group of companies.

Profile of Operating Companies' Management Team

DATUK IDHAM NAWAWI

Chief Executive Officer
Celcom Berhad (formerly known as Celcom Axiata Berhad)

Nationality / Age / Gender:
Malaysian / 55 / Male

Date of Appointment to Current Position:
1 September 2018 to 30 November 2022

Length of Service at Axiata:
10 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:
Datuk Idham was appointed as the CEO of Celcom Axiata Berhad (Celcom) on 1 September 2018, before becoming the CEO of CelcomDigi Berhad with effect from 1 December 2022. His aspiration was to turn Celcom, a telecommunications company founded more than 30 years ago, into a high performing, agile, progressive and competitive digital organisation by creating a new culture and operating model that resembles a start-up. Datuk Idham has more than 30 years of experience in the regional telecommunications and IT industries and he brings with him a good deal of insights and knowledge, having served multiple at business operations and on various company Boards. Prior to his appointment at Celcom, Datuk Idham was the Group Chief Corporate Officer at Axiata Group Berhad, with responsibility in regulatory and corporate affairs that spanned across six operating companies in ASEAN and South Asia. Before joining the Axiata Group, Datuk Idham served as the Chief Operating Officer of Packet One Networks in Malaysia, Head of Strategy and Corporate Affairs for Axis Communications in Indonesia, and various senior management positions for Maxis in Malaysia. He began his career as an engineer with Carl Zeiss in Princeton, New Jersey, USA, before venturing into ICT at IBM.

Directorships of Public Companies:
Others
Non-listed
- Celcom Berhad (formerly known as Celcom Axiata Berhad)

DIAN SISWARINI

President Director & Chief Executive Officer
PT XL Axiata Tbk

Nationality / Age / Gender:
Indonesian / 54 / Female

Date of Appointment to Current Position:
1 April 2015

Length of Service at Axiata:
26 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. 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 in the 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 Director on 7 January 2015 and was subsequently appointed as President Director in April 2015.

Profile of Operating Companies' Management Team

MARLO BUDIMAN

President Director & Chief Executive Officer
PT Link Net Tbk

Nationality / Age / Gender:
Indonesian / 48 / Male

Date of Appointment to Current Position:
1 January 2018

Length of Service at Axiata:
9 months (date since acquisition)

Academic/Professional Qualification(s):
- Bachelor of Science in Business Administration in Finance and Real Estate & Urban Analysis, The Ohio State University, Columbus, USA

Working Experience:
Marlo joined as CEO effectively 1 January 2018, prior to being appointed as President Director. He has more than 20 years of experience in senior management positions, including 8 years in the telecommunications industry. Among them are Manager at Kenlin Inc. in New York, USA, Chief Financial Officer (CFO) and other executive positions at PT Pindo Deli Pulp & Paper Mills & PT Lontar Papyrus Pulp & Paper Industry (Asia Pulp & Paper/ Sinarmas Group) from 1997. He also served as Commercial Director at PT Argo Pantes Tbk in 2006, CFO & Corporate Resources Officer at PT Sampoerna Telekomunikasi Indonesia in 2008, and Managing Partner at PT Y&K Capital in 2016. Prior to joining PT Link Net Tbk in 2018, he served as Director & Deputy CEO of PT Bumiputera Investasi Indonesia Tbk in 2016. He received his Bachelor of Science in Business Administration with a focus on Finance and Real Estate & Urban Analysis from The Ohio State University, Columbus, USA, where he graduated with distinction Magna Cumlaude.

SUPUN WEERASINGHE

Group Chief Executive/ Non-Independent, Executive Director
Dialog Axiata PLC

Nationality / Age / Gender:
Sri Lankan / 47 / Male

Date of Appointment to Current Position:
1 January 2017

Length of Service at Axiata:
23 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 Certified Management Accountant (FCMA), Sri Lanka
- Fellow Chartered Management Accountant, UK (FCMA)
- Advance Management Program (AMP), Harvard Business School

Working Experience:
Supun was appointed as the Group Chief Executive and as a member of the Board of Dialog Axiata in January 2017. He commenced his career in telecommunications at Dialog Axiata in 1999 and held multiple roles, such as Head of Strategy and CEO of the Mobile Business before being appointed as Group Chief Operating Officer of Dialog Axiata in 2010. In 2013, he was seconded to Axiata Group Berhad in Malaysia as its Group Chief Strategy Officer. From January 2014 to October 2016, he functioned as the CEO and Managing Director of Robi Axiata Limited in Bangladesh, the second largest mobile network provider in the country. Supun serves on several Boards of subsidiary and associate companies of Dialog as well as the UNGC Network Sri Lanka. He is a Fellow Certified Management Accountant, Sri Lanka, Fellow Member of the Chartered Institute of Management Accountants, UK and holds a Bachelor of Science in Accountancy and Financial Management from the University of Sri Jayewardenepura, Sri Lanka. Supun also holds an MBA from the University of Western Sydney, Australia and is an alumnus of the Harvard Business School.

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

Profile of Operating Companies' Management Team

RAJEEV SETHI

Chief Executive Officer
Robi Axiata Limited

Nationality / Age / Gender:
Indian / 50 / Male

Date of Appointment to Current Position:
1 November 2022

Length of Service at Axiata:
4 months

Academic/Professional Qualification(s):
- Master of Business Administration, Marketing Finance & Operations, Indian Institute of Management, Lucknow
- Bachelor of Engineering, Electrical Engineering, Gujarat University

Working Experience:
Rajeev is an accomplished executive with a wealth of domestic and international experience in leading organisations in both startup and established stages with a strong track record of excelling in dynamic and demanding environments. He possesses significant ICT industry experience, including executive engagements in companies such as Vodafone, HP, Hutchison Telecom and Asian Paints.

Rajeev joined Robi Axiata Limited as Chief Executive Officer followed by his notable success in turning around Myanmar's leading mobile operator, Ooredoo as its CEO. Under his leadership, Ooredoo had a significant turnaround in terms of growth in market share. Prior to that he successfully served as the Chief Commercial Officer of Airtel for Africa. Being responsible for commercial success in 15 African countries, he was able to significantly turn around Airtel's business in Africa with strong double-digit top line growth backed by sequential growth for over six quarters reaching an annual revenue of USD2.5 billion.

He also brings in experience working in Bangladesh from his time as the Chief Executive Officer of Grameenphone Limited.

ZIAD SHATARA

Chief Executive Officer
Smart Axiata Co., Ltd.

Nationality / Age / Gender:
Canadian / 55 / Male

Date of Appointment to Current Position:
16 January 2023

Length of Service at Axiata:
2 months

Academic/Professional Qualification(s):
- Master of Science, Computer Engineering, Budapest University of Technology and Economics
- Bachelor of Science, Electrical Engineering, Budapest University of Technology and Economics

Working Experience:
Ziad was appointed as the Chief Executive Officer of Smart Axiata in January 2023. He has extensive experience managing and accelerating telecommunication business growth in various markets, including Jordan, Bangladesh, and Italy. He has a proven track record of establishing, managing, and expanding telecommunications operations, including cellular business, fixed lines, and broadband network integration. Ziad brings immense experience in information technology, customer service, and retail operations. Prior to joining Smart, he held key management positions in several communication technology companies. He was the Chief Technology Officer at Wind Telecommunications before becoming the Chief Executive Officer of Banglalink Digital Communications Ltd. in Dhaka, Bangladesh. He spent the last seven years as the Chief Executive Officer of Jordan's leading mobile network provider.

Profile of Operating Companies' Management Team

ANDY CHONG YEE BIN

Chief Executive Officer/Managing Director
Ncell Axiata Limited

Nationality / Age / Gender:
Malaysian / 61 / Male

Date of Appointment to Current Position:
1 November 2019

Length of Service at Axiata:
16 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) and in May 2019 he became Ncell's Acting CEO in addition to being 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; CEO/Vice President Director in Sampoerna Telekom, Indonesia; Regional CEO of T-Systems Asia Pacific, Singapore; and Head of Marketing, Maxis in Malaysia.

Directorships of Public Companies:
Axiata Group
Non-listed
- Ncell Axiata Limited

MOHAMED ADLAN AHMAD TAJUDIN

Chief Executive Officer
edotco Group Sdn Bhd (EDOTCO)

Nationality / Age / Gender:
Malaysian / 52 / Male

Date of Appointment to Current Position:
1 November 2020

Length of Service at Axiata:
19 years

Academic/Professional Qualification(s):
- Bachelor of Arts in Economics & Statistics, University of Exeter, England
- Member of the Malaysian Institute of Certified Public Accountants
- Member of the Malaysian Institute of Accountants

Working Experience:
Adlan is the Director & Group CEO of EDOTCO Group, one of Asia's leading integrated telecommunications infrastructure services companies.

In his role, Adlan continues to help EDOTCO realise its vision of enabling NextGen connectivity, expanding its presence across Asia and steering the company to become the world's Top Five TowerCo. He is also pivotal in shaping the Group to become a Bionic Organisation that is Fitter, Faster and Better. Under his leadership, EDOTCO Group has witnessed accelerated growth and has been recognised as one of the three Malaysia-based unicorns in Asia by Credit Suisse.

Adlan first joined the Group in May 2003 as Vice President Finance of Celcom and rose rapidly to assume the position of Chief Financial Officer, followed by Chief Corporate Officer. He then joined PT XL Axiata as its Chief Financial Officer and spent nine years in Indonesia. In his early career, he also worked with Arthur Andersen & Co in Assurance and Business Advisory for a period of nine years.

He is an Economics and Statistics graduate of the University of Exeter, United Kingdom, and a Chartered Accountant with the Malaysian Certified Public Accountants. He is also a member of the Malaysian Institute of Accountants.

In addition to his role at EDOTCO, Adlan is also an active advocator of Diversity, Equity and Inclusion (DEI) and a Council Member of 30% Club Malaysia.

Profile of Operating Companies' Management Team

ANTHONY SHEYANTHA ABEYKOON

Chief Executive Officer
Boost Holdings Sdn Bhd

Nationality / Age / Gender:
Sri Lankan / 43 / Male

Date of Appointment to Current Position:
1 March 2021

Length of Service at Axiata:
10 years

Academic/Professional Qualification(s):
- Bachelor of Science in Information Systems and Management, University of London, United Kingdom
- MBA, Wharton School, University of Pennsylvania, USA
- Chartered Accountant, Chartered Institute of Management Accountants, United Kingdom
- CFA Charterholder, CFA Institute

Working Experience:
Sheyantha was appointed as Chief Executive Officer of Boost the fintech holding company of Axiata Digital in March 2021. Sheyantha first joined Axiata in 2013 and served as the Senior General Manager, Finance and Strategy for Dialog Digital Services. Subsequently, he assumed the role of Chief Executive Officer of WOW.lk, the ecommerce subsidiary of Dialog Axiata PLC leading the company to market leadership status. In 2017, he was appointed as the Chief Financial Officer (CFO) of Axiata Digital Services (ADS). In addition to his CFO responsibilities, he played a pivotal role in overseeing the expansion of Digital Financial Services in ADS, spearheading the growth of the micro-financing business in Malaysia and Indonesia. As CEO of Boost, he has operational oversight over all areas of the business. Prior to Axiata, Sheyantha spent over 13 years in the financial services industry in investment banking, financial advisory and portfolio management. He also holds a Masters in Business Administration from the Wharton School, University of Pennsylvania, as well as being a Chartered Management Accountant and a Chartered Financial Analyst Charter holder. Sheyantha is currently a Board member of a number of digital portfolio companies under the Axiata Group.

Directorships of Public Companies:
Axiata Group
Non-listed
- Boost Berhad

SRINIVAS GATTAMNENI

Chief Executive Officer
Axiata Digital & Analytics Sdn Bhd

Nationality / Age / Gender:
Indian / 41 / Male

Date of Appointment to Current Position:
1 September 2018

Length of Service at Axiata:
9 years

Academic/Professional Qualification(s):
- Bachelor of Engineering (Computer), National University of Singapore, Singapore
- MBA, London Business School, United Kingdom

Working Experience:
Srinivas is the CEO of ADA, the largest data and artificial intelligence company in Asia that integrates data, insights, media and content focused on driving digital transformation for brands. Under his leadership, ADA has expanded into 10 countries across South and Southeast Asia and has grown a team of over 1,000 data scientists, digital media gurus, industry experts and management consultants. Prior to his current role, Srinivas served as Chief Portfolio Officer at Axiata Digital where he oversaw all mergers and acquisitions (M&A), portfolio operations and investments for the Axiata portfolio of companies in digital advertising, digital financial services and platforms. Before that, he founded PayZazz, a UK-based mobile payments start-up. He has also headed Corporate Venturing at ARM Ltd. in Cambridge, UK and led China operations for Motorola Mobile Devices software group in Shanghai. Srinivas holds a Masters in Business Administration from London Business School and a Bachelor in Engineering from the National University of Singapore.

Notes:
None of the Operating Companies' Management Team have:
(i) Any family relationship with any Director and/or major shareholder of Axiata
(ii) Any conflict of interest with Axiata
(iii) Any conviction for offences within the past five years and particulars of any public sanctions or penalties imposed on them by any regulatory bodies during the financial year ended 31 December 2022 (other than traffic offences)

Significant Milestones in 2022

8 February 2022	Full repayment by PT XL Axiata Tbk (XL) of its IDR110.0 billion (RM32.0 million) Sukuk Ijarah II Tranche II Year 2019 Series B and IDR191.0 billion (RM55.6 million) Bond I Tranche II Year 2019 Series B which matured on 8 February 2022.
11 February 2022	Acceptance by Celcom Berhad (formerly known as Celcom Axiata Berhad) (Celcom) of an offer from the Malaysian Communications and Multimedia Commission (MCMC) for Spectrum Assignment in the 2530MHz to 2540MHz paired with 2650MHz to 2660MHz frequency bands where the effective period for the Spectrum Assignment commences on 1 July 2022 for a period of 5 years.
18 February 2022	Axiata Digital Capital Sdn Bhd established an asset-backed medium term notes programme (MTN Programme) via Salvare Assets Berhad (Salvare) involving issuance up to RM300.0 million. Salvare issued RM39.0 million Class A Senior Notes (Notes) pursuant to the MTN Programme on 31 March 2022. The Notes, which was issued at par, carries a coupon rate of 7.20% p.a. (payable quarterly in arrears) and has a tenure of 30 months from the date of issuance, maturing on 30 September 2024.
19 April 2022	edotco Group Sdn Bhd (EDOTCO) via its wholly-owned subsidiary, edotco Towers, Inc. (ISOC) entered into a Sale and Purchase Agreement (SPA) with Smart Communications, Inc. and Digitel Mobile Philippines, Inc. for the acquisition of 2,973 telecom towers and related assets in the Philippines for a total purchase consideration of PHP42,000 million (equivalent to RM3,358.3 million). ISOC had: (i) on 1 June 2022 completed the purchase of 1,500 towers with a transaction value of PHP21,190.7 million (RM1,694.4 million); (ii) on 1 August 2022 completed the purchase of 503 towers with a transaction value of PHP7,106.0 million (RM566.4 million); and (iii) on 3 October 2022 completed the purchase of 200 towers with a transaction value of PHP2,825.4 million (RM229.8 million). The completion of the remaining towers shall be subject to the completion of, amongst others, the requisite documentation as per the ISOC SPA.
28 April 2022	Full repayment by XL of its IDR142.0 billion (RM42.0 million) Sukuk Ijarah I Tranche II Year 2017 Series C which matured on 28 April 2022.
29 April 2022	Boost Holdings Sdn Bhd (Boost Holdings) received a conditional approval from Bank Negara Malaysia for the joint application for a digital bank license by Boost Holdings and RHB Bank Berhad. The new digital bank should be operational by 2023, and shall focus on the underserved, unserved and/or unbanked segment primarily within Malaysia with the aim of building a more inclusive financial sector in Malaysia.
2 June 2022	Completion of the acquisition of 2,805 ordinary shares in PT Hipernet Indodata (Hypernet) representing 51.00% of the issued and paid-up share capital of Hypernet by XL for a cash consideration of IDR335.3 billion (RM100.9 million). Effectively, Hypernet became a subsidiary of Axiata Group (Group).
22 June 2022	Completion of the acquisition of an aggregate 1,816,735,484 ordinary shares representing 66.03% equity interest in PT Link Net Tbk (Link Net) from Asia Link Dewa Pte Ltd and PT First Media Tbk at IDR4,800 per ordinary share in Link Net by Axiata Investments (Indonesia) Sdn Bhd (AII) and XL for a total consideration of IDR8,720.3 billion (RM2.6 billion). Effectively, Link Net became a subsidiary of the Group.
23 August 2022	EDOTCO via its wholly-owned subsidiary, edotco Malaysia Sdn Bhd (edotco Malaysia) established a Sukuk Wakalah Programme of up to RM3.0 billion in nominal value. On 9 September 2022, edotco Malaysia has successfully issued RM1.4 billion series of Sukuk at par with maturity period between three (3) to ten (10) years.

Significant Milestones in 2022

1 September 2022	Issuance of a series of Sukuk Ijarah namely Shelf Sukuk Ijarah III XL Axiata Tranche I Year 2022 and a series of bonds namely Shelf Bond II XL Axiata Tranche I Year 2022, with maturity period between three (3) to ten (10) years at the nominal value of IDR1,500.0 billion (RM423.0 million) each. Both were registered on Indonesia Stock Exchange (IDX) on 2 September 2022.
3 October 2022	Completion of the incorporation of Smart Pay Limited (Smart Pay), a private company limited by shares, under the Bangladesh Companies Act 1994 with an issued and paid-up share capital of BDT200.0 million (RM9.2 million) by Robi Axiata Limited. The principal activity of Smart Pay is to provide a fintech-driven electronic payments and other related services.
6 October 2022	Completion of the mandatory tender offer (MTO) for a total 921,503,429 ordinary shares of Link Net, resulting AII and XL, collectively hold 99.52% interest in Link Net. Following the acquisition of Link Net in June 2022, AII was obligated to conduct a tender offer by buying 934,845,500 ordinary shares of Link Net. The MTO ran from 30 August 2022 to 28 September 2022.
7 October 2022	Celcom Mobile Sdn Bhd (CMSB), a wholly-owned subsidiary of Celcom entered into a conditional Share Subscription Agreement with Digital Nasional Berhad (DNB) for the subscription by CMSB of (i) 100,000 ordinary shares in DNB for the sum of RM100,000 and (ii) 178,471,429 Rights to Allotment for the sum of RM178,471,429.
31 October 2022	Celcom Networks Sdn Bhd (Celcom Networks), a wholly-owned subsidiary of Celcom entered into an Access Agreement with DNB to allow Celcom and Celcom Networks wholesale access to DNB's 5G network for a period of 10 years.
30 November 2022	Completion of the Proposed Merger of the telecommunication operations of Celcom and CelcomDigi Berhad (formerly known as Digi.Com Berhad) (Digi). With this, Celcom and its group of companies ceased to be part of the Group while Axiata and Telenor Asia Pte Ltd (Telenor Asia) hold equal ownership in Digi at 33.10% each via: (i) the transfer of 1,237,534,681 Celcom Shares representing 100% of the issued share capital of Celcom held by Axiata to Digi; (ii) the receipt by Axiata of the Consideration Shares comprising 3,883,129,144 newly issued Digi shares representing 33.10% of the enlarged share capital of Digi, valued at RM15,532.5 million, and a cash consideration of RM2,468.9 million from Digi. (iii) the issuance by Digi of 73,378,844 new Digi shares representing 0.63% of the enlarged issued share capital of Digi to Telenor Asia to reach equal ownership following Telenor Asia's payment of RM297.9 million to Axiata. In conjunction with the completion of the Proposed Merger, Axiata had entered into the Shareholders' Agreement with Telenor Asia and Telenor ASA on the same day.
2 December 2022	Full repayment by XL of its IDR425.0 billion (RM120.0 million) Sukuk Ijarah I Tranche I Year 2015 Series D which matured on 2 December 2022.
20 December 2022	The Group's equity interest in XL increased from 61.48% to 66.17% following the subscription of XL's Pre-emptive Rights issue of 1,477,929,593 new shares with a nominal value of IDR100 and exercise price of IDR2,080 per share.
30 December 2022	The Group's equity interest in XL increased from 66.17% to 66.53% following the subscription of XL's rights issue with implementation of obligation as a standby buyer in the limited public offering process of 659,986,906 new shares with a nominal value of IDR100 and exercise price of IDR2,080 per share.

Awards

2022

Axiata

- **ARC Awards International**
  Honors - Interactive Annual Report: Combined Annual and Sustainability Report
- **Australasian Reporting Awards 2022**
  Gold Award for Integrated Annual Report
- **Frost & Sullivan 2022 Asia-Pacific Telecommunications Group**
  Company of the Year Award
- **MSWG-ASEAN Corporate Governance Award 2021**
  Industry Excellence Award for CG Disclosure, Telecommunications & Media
- **National Annual Corporate Report Awards (NACRA) 2022**
  Excellence Award (Gold) - Companies with More Than RM10 Billion in Market Capitalisation
- **Sustainability Performance Awards 2022 by UN Global Compact Network Malaysia & Brunei**
  Climate Action Fellow Award - Axiata Group's Head of Sustainability
- **Experts' Choice Awards Merdeka TVC Edition 2022 - The Turning Point**
  Axiata Hari Kebangsaan & Hari Malaysia 2022
- **#BestOfTweets 2021 Malaysia Awards**
  Best Campaign for Driving Positive Change in Society

Celcom

- **Nation's Most Trusted Telecommunications Company**
- **Marketing Excellence Awards 2021**
  Excellence in Marketing Innovation (Bronze)
- **Ookla Speedtest Awards**
  Best Mobile Coverage in Malaysia
- **Marketing Technology Excellence Awards 2022**
  Information Management – Telecommunications
- **Sustainability & CSR Malaysia Awards 2022**
  Company of the Year for Best in Digital Education & Community Relief Initiatives – Telecommunications
  Company of the Year for Long-Standing Excellence in Sustainability – Telecommunications
- **Marketing Excellence Awards 2022**
  Silver – Excellence in Esports Marketing for Yoodo
  Bronze – Excellence in Gamification for Yoodo
- **PR Awards 2022**
  Bronze - Best Use of Niche / Micro-Influencer for Yoodo
- **MARKies Awards Malaysia 2022**
  Silver – Most Creative Esports Marketing for Yoodo
- **MARKies Awards Malaysia 2022**
  Bronze – Most Effective Esports Marketing for Yoodo

XL

- **The ISO 22301:2019 standard**
- **Corporate Emission Reduction and Calculation Transparency Award 2022, Beritasatu Media Holdings with Bumi Global Karbon Foundation (BGKF)**
  Transparency on Reducing Corporate Emissions in the Issuers and SOE Sectors in the Green Category
  Transparency of Corporate Emission Calculation in the Issuers and SOE Sector in the Gold Category
- **Iconomics Indonesia CSR & TJSL Award 2022**
  ICA 2022 award for the Telecommunication Sector Industry 2022 category
- **Anugerah Bisnis Indonesia Social Responsibility Award (BISRA) 2022**
  Corporate Social Responsibility Program award for the listed company category (Gold)
- **Most Popular Corporations in Mainstream Media 2022**
  Most Popular Corporate Award in Mainstream Media 2022 - National Private & Multinational Companies Category
- **Indonesia PR of the Year 2022, MIX Marketing**
  Lifetime Achievement Award-Journalist Choice for President Director & CEO, Dian Siswarini
  Corporate Communications Team of the Year-Journalist Choice - XL Axiata's Corporate Communications team
- **Indonesia PR Persons Awards 2022**
  Indonesian Most Prominent PR Persons - Group Head of Corporate Communication of XL Axiata, Tri Wahyuningsih,
- **1st Indonesia DEI & ESG Awards (IDEAS) 2022**
  Most Popular Leader Winner in Online Media 2021 in the National Private & Multinational Category for President Director & CEO, Dian Siswarini

Awards

- **Indonesia Customer Service Quality Award 2022, Marketing Magazine**
  2022 Customer Service Quality Award - Grade Diamond

- **Cellular Award 2022**
  Best Data Package - AXIS
  Best Convergent Service - XL Satu
  Best B2B Commercial Innovation - Big Data/IoT - XL Business Solution
  Best Practice 4 Women Empowerment Program – Sisternet
  Excellence in Performance for Director & Chief Technology Officer of XL Axiata, I Gede Darmayusa

- **Bisnis Indonesia Award (BIA) 2022**
  Telecommunications category

- **Visionary Leaders Award 2022**
  Visionary Leaders Award for President Director & CEO, Dian Siswarini

- **Marketeers Editor's Choice Award 2022**
  Enterprise Solution Enabler of the Year category for Private Network to Support Industry in Digitalisation services

- **ESG Excellence 2022**
  ESG Excellence 2022 in the Telecommunication for Sustainability category

- **Opensignal Mobile Experience Award 2022**
  Indonesian Cellular Network Experience Report for 2022

- **Kemenpppa for G20 EMPOWER Chair, Delegate and Advocate**
  Appreciation for the extraordinary contribution made by XL Axiata

- **G20 Appreciation of the Indonesian Presidency 2022**
  Token Appreciation of Excellence as Co-Chairwoman of W20 Indonesia and Chairwoman of G20 EMPOWER Indonesia for resident Director & CEO of XL Axiata, Dian Siswarini and Director & Chief of Digital Transformation and Enterprise Business Officer of XL Axiata, Dian Siswarini and Yessie D. Yosetya

- **KOMINFO 2022**
  Participation in organising the G20 Summit Media Center

- **CIO100 2022 Award**
  Prestigious International Award in recognition of 100 senior technology executives at the ASEAN level and teams that drive innovation, strengthen resilience and influence rapid change – Yessie D. Yosetya

Link Net

- **Indonesia Human Resource Awards 2022, Warta Ekonomi**
  The Best HR Management for The Outstanding Quality and Adaptive Human Resource Ecosystem Through Digital Implementation in Telecommunication and Media Services Industry category

- **Indonesia Milenial's Brand Choice Awards 2022, Warta Ekonomi**
  Best Millennials' Brand Choice 2022 in TV Cable category for First Media brand
  Outstanding Millennials' Brand Choice 2022 in Internet Provider category for First Media brand
  Very Good Millennials' Brand Choice 2022 in Internet Provider for Link Net brand

- **Indonesia Customer Experience Champions (ICXC) 2022, SWA Media Group & Business Digest**
  Best Customer Experience Team for First Media brand

- **Indonesia Sales Team Champions (ISTC) 2022, SWA Media Group & Business Digest**
  Best Sales Team for First Media brand

- **Best Digital Brand Award 2022, Zeals dan Media Group Network**
  Best Digital Brand Award 2022 in Internet Provider category for First Media brand

- **Indonesia Digital Marketing Champion 2022, SWA Media Group & Business Digest**
  Best Contact Center Operations (Platinum)
  Best Business Contribution (Platinum)
  Best Customer Experience (Gold)
  Best People Development (Gold)
  Best Employee Engagement (Gold)
  Best Technology Innovation (Gold)
  Best Digital Media (Silver)
  Best Reporting Team (Platinum)
  Best Scheduling Team (Silver)

- **Contact Center Asia Pacific (CC-APAC) Awards 2022, Contact Center Associations of Asia Pacific**
  Contact Center Operations (Gold)

Dialog

- **Brand Finance 2022**
  'Most Valuable Brand' of the year (4th consecutive year)
  'Most Valuable Telecommunications Brand' (15th consecutive year)

- **SLIM KANTAR People's Awards 2022**
  Telecommunication Brand of the Year (11th consecutive year)
  Service Brand of the Year (3rd consecutive year)

Awards

- **Transparency International Sri Lanka**
  Ranked #2 (joint) in 'Transparency in Corporate Reporting 2021' league table

- **ACCA Sustainability Awards 2022**
  Dialog was adjudged the overall first runner-up
  Dialog won the General Services Category

- Recognised by the Government of Sri Lanka/Ministry of Power and Energy for its visionary leadership and invaluable contribution towards the creation of the 'National Fuel Pass' platform

- Awarded the BCS Chairman's Award at the National ICT Awards, NBQSA 2022 for its exceptional effort and use of ICT in developing the 'National Fuel Pass' platform that enabled the equitable sharing of scarce resources

- Adjudged the winner by a leading 3rd party crowdsourced Network Experience Measuring agency

- **Sri Lanka's Most Respected Entities 2022**
  Dialog was recognised as the Sector Winner and ranked amongst the Top 5 entities in Sri Lanka

- **Commonwealth Digital Health Awards**
  The Doc990 Clinic Management solution, deployed at the Lady Ridgeway Children's Hospital, was a joint winner under the category 'TeleCare'

- **H One was recognised by Microsoft as:**
  Sri Lanka Country Partner of the Year 2022
  Sri Lanka Microsoft Cloud Solutions Direct CSP Partner of the Year 2022
  Sri Lanka Security Partner of the Year 2022
  Sri Lanka Modern Work SMB Cloud Partner of the Year 2022
  Sri Lanka Modern Work Partner of the Year 2022

Robi

- **Robi recognised as the Champion in AI Maturity 2022 by TM Forum**

- **BASIS National ICT Awards 2022**
  The winner of Inclusions and Community Services (HC-ICS) category for Noor Islamic app

- **Global Carrier Awards 2022**
  Best Social Media Campaign – Airtel brand's #airtelchallenge

- **Bangladesh Innovation Awards 2022**
  Best Innovation in Community Engagement - bdapps

- **World HRD Congress 2022**
  BAsia's Best Employer Brand

- **ICMAB Best Corporate Award 2021**
  Telecommunications & IT category (Silver)

- **22nd ICAB National Award for Best Presented Annual Reports 2021**
  First position under Communication & IT category

- **South Asian Federation of Accountants (SAFA) Best Presented Annual Reports Award 2021 (Bronze)**

- **COMMWARD 2022 by Bangladesh Brand Forum**
  Best Use of TV Media category for Health Plus (Silver)
  Winner of 2022 Art Direction for Airtel's Victory Day campaign (Grand Prix Award)
  Winner of 2022 Efficacy for TikTok Binge Star campaign (Bronze)

Smart

- **2022 Frost & Sullivan Asia Pacific Best Practices Awards**
  Cambodia Mobile Service Provider of the Year
  Cambodia Mobile Data of the Year
- **2022 Tax Compliance by General Department of Taxation**
  Gold Award

Ncell

- **Ookla Speedtest Awards 2022**
  Fastest Mobile Network in Nepal for Q1-Q2 2022

- **Top 10 Contributors to the Social Security Fund (SSF)**
  Ministry of Labour, Employment and Social Security, Government of Nepal

- **Asian Telecom Awards 2022**
  Telecom Company of the Year
  Infrastructure Initiative of the Year

- **CMO Asia Awards 2022**
  Marketing Campaign of the Year - Migrant Ecosystem

- **HR Meet 2022**
  Excellence in Employer Brand Award 2022

EDOTCO

- **Malaysia Technology Excellence Awards 2022**
  Infrastructure Technology – Telecommunications Award

- **Employee Experience Awards 2022 by Human Resource Online**
  Overall Engagement Awards
  Overall Leadership Awards
  Best Executive Coaching Programme (Gold)
  Best Holistic Leadership Development Strategy (Gold)
  Best HR Digital Transformation Strategy (Gold)
  Best Cross Functional Leadership Development (Silver)
  Best Career Development Programme (Silver)
  Best Learning and Development Programme (Silver)

Awards

Best Use of Recruitment Technology Tools (Silver)
Best Soft Skills Training Programme (Bronze)

- **UN Global Compact Network Malaysia & Brunei (UNGCMYB) Sustainability Performance Award 2022**
  Sustainability Awareness & Employee Engagement Recognition
  Partnership for the Goals Recognition

- **National Operational Health and Safety (OHS) Award 2020 & 2021**

- **Sustainability & CSR Malaysia Awards 2022**
  Company of the Year for Excellence in Environment and Community Welfare

- **Malaysia International Finance Awards 2022**
  Most Sustainable Green Solution Initiatives – Telecommunications category

- **Bangladesh Global Best Employer Awards 2022**
  Excellence in Training, Talent Management, and Managing Health at Work
  Best Corporate Strategy Award
  Global Best HR Professional of the Year

- **Employer Branding Award 2022, Cambodia**
  Asia's Best Employer Brand Award 2022
  Asia's Best Employer Brand Award 2022 - Organisation with innovative HR practices

Boost

- **Malaysia Technology Excellence Awards 2022**
  Fintech – Financial Technology Category

- **SME Platinum Business Award 2022**
  SME Supporter Award

- **Putra Aria Brand Awards 2022**
  Bronze: E-commerce Category

ADA

- **Asia eCommerce Awards 2022**
  Best eCommerce Brand – Baby, Personal Care & Home Products (Silver)
  Best eCommerce Brand – Beauty & Wellness (Silver)
  Best eCommerce Brand – Fashion & Apparel (Silver)
  Best eCommerce Brand – Beauty & Wellness (Gold)
  Best eCommerce Brand – Home & Office Furnishing (Silver)

- **Campaign Asia Agency of the Year 2022, APAC**
  Asia-Pacific Performance AOTY (Commendation)
  Asia-Pacific Tech AOTY (Commendation)
  Cambodia, Laos & Myanmar Creative Agency of the Year (Silver)
  Cambodia, Laos & Myanmar Digital Agency of the Year (Gold)
  Cambodia, Laos & Myanmar Independent Agency of the Year (Gold)
  Cambodia, Laos & Myanmar Media Agency of the Year (Gold)
  Malaysia Independent Agency of the Year (Silver)
  Thailand Independent Agency of the Year (Bronze)
  Southeast Asia B2C Marketing Agency of the Year (Silver)
  Southeast Asia Consultancy of the Year (Silver)
  Southeast Asia Customer Engagement Agency of the Year (Silver)
  Southeast Asia Data Analytics Agency of the Year (Silver)
  Southeast Asia E-Commerce Agency of the Year (Silver)
  Southeast Asia Performance Agency of the Year (Bronze)
  Southeast Asia Independent Agency of the Year (Winner)

- **The Drum Digital Advertising Awards 2022, APAC**
  Best Omni-Channel Campaign (Highly Commended)

- **Marketing Excellence Awards 2022**

  Thailand
  - Excellence in eCommerce Marketing (Gold)
  - Excellence in Experiential Marketing (Silver)
  - Excellence in Personalisation Marketing (Gold)
  - Excellence in Data-Driven Marketing & Consumer Insights (Gold & Silver)
  - Excellence in Digital Marketing (Gold & Bronze)
  - Excellence in Pivot Marketing (Bronze)
  - Excellence in Gaming (Gold)
  - Excellence in Loyalty & Relationship Marketing (Bronze)
  - Excellence in Marketing Transformation (Gold)
  - Excellence in Mobile Marketing (Gold, Silver & Bronze)
  - Excellence in Integrated Marketing (Silver)
  - Excellence in Launch / Re-Launch Marketing (Silver)
  - Excellence in COVID-19 Related Campaigns (Bronze)
  - Excellence in Performance Marketing (Bronze)

  Malaysia
  - Excellence in Consumer Insights / Market Research (Silver)
  - Excellence in Data-Driven Marketing (Silver)

  Philippines
  - Excellence in Brand Strategy (Silver)
  - Excellence in Mobile Marketing (Bronze)
  - Excellence in Social Media Marketing (Bronze)

  Indonesia
  - Excellence in Brand Strategy (Gold, Silver & Bronze)
  - Excellence in Event Marketing (Silver)
  - Excellence in Marketing Transformation (Silver)
  - Excellence in Performance Marketing (Silver)
  - Excellence in Pivot Marketing (Gold)
  - Excellence in eCommerce Marketing (Silver)
  - Excellence in Content Marketing (Silver & Bronze)

Awards

- Excellence in Re-Launch / Launch Marketing (Bronze)
- Excellence in B2B Marketing (Bronze)
- Excellence in Marketing to a Specific Audience (Gold & Silver)
- Excellence in Communications / Public Relations (Bronze)
- Excellence in Gaming (Silver)
- Excellence in Mobile Marketing (Gold & Silver)
- Excellence in TV / Video Advertising (Bronze)
- Excellence in Data-Driven Marketing & Consumer Insights (Silver)
- Excellence in Relationship Marketing (Bronze)
- Excellence in Social Media Marketing (Bronze)

Mob-Ex Awards 2022

Industry-Specific Use of Mobile – eCommerce & Retail (Gold)
Industry-Specific Use of Mobile – Fashion & Beauty (Gold)
Best Campaign Pivot (Silver)
Most Engaging Mobile Campaign (Silver)
Best Direct to Consumer Campaign (Bronze)
Best App Install Campaign (Bronze)
Industry-Specific Use of Mobile – Government, Utility & Services (Bronze)
Best Use of Mobile Integration (Bronze)
Industry-Specific Use of Mobile – Consumer Goods (Bronze)

SMARTIES Awards 2022

Personalization (Gold)
Search (Gold)
Brand Purpose/Activism (Bronze)

HR Excellence Awards 2022

Excellence in Employee Engagement (Silver)

Graduate's Choice Award 2022

Most Preferred Graduate Employers 2022 (Advertising)
Most Preferred Graduate Employers 2022 (Analytics)

Adweek's Fastest Growing Agencies 2022

Top 75 Fastest Growing Agencies (35th)
Top Large Agencies (7th)

GRADUAN Brand Awards 2022

Malaysia's Most Preferred Employer 2022 (Data Analytics)

MARKies Awards 2022

Most Effective Use – Esports Marketing (Bronze)
Most Creative – Esports Marketing (Silver)

Citra Pariwara 2022

Digital Form Category: Online Video (Bronze)

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Statement on Risk Management and Internal Control

This Statement has been prepared pursuant to Paragraph 15.26(b) of the Main Market Listing Requirements (MMLR) issued by Bursa Malaysia Securities Berhad (Bursa Malaysia) that requires a listed issuer to ensure that its Board of Directors (Board) makes a statement in its annual report about the state of risk management and internal control of the listed issuer as a group.

The Board is pleased to provide the following statement that has been prepared and jointly endorsed by the Board Risk and Compliance Committee (BRCC) and Board Audit Committee (BAC), for the purposes of disclosure, in accordance with the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers issued by Bursa Malaysia.

This statement outlines the nature and scope of the risk management and internal control systems within the Group during the year under review.

RESPONSIBILITY AND ACCOUNTABILITY

Board of Directors

The Board is responsible for overseeing and managing risks, which involves establishing a risk management framework, ensuring an effective risk management process, integrating risk management into overall governance, promoting a culture of risk awareness, and implementing internal controls.

The Board is also responsible for determining the level of risk that Axiata is willing to accept to achieve its strategic objectives and has approved the following risk appetite:

The Axiata Group Berhad (the Group) is a regional digital telecommunication, digital business and infrastructure solution provider with a presence across ASEAN and South Asia. The Group's diversified business portfolio and presence in frontier and non-frontier markets expose the Group to higher strategic investment, macroeconomic, geopolitical, legal and regulatory risks.

The Group is willing to be risk tolerant in pursuing strategic business objectives, Environmental, Social and Governance (ESG) initiatives that provide an upside opportunity, and merger and acquisition prospects in geographies where there is a strategic alignment, significant ability to influence management and the resulting material synergies to the Group.

We will adopt a low-risk appetite for financial risk and resilience of our core technology infrastructure. However, the Group is willing to adopt a risk-taking approach for selected strategic objectives and investment in innovation, and growth for new areas or emerging technology to ensure strategic agility, resilience, and to remain at the forefront of technological developments.

The Group aims to support, develop and utilise the skills and potential of its workforce and is willing to adopt a moderate risk appetite towards people.

The Group is committed to compliance with all relevant laws, regulations, and standards and has a zero-risk appetite for any breach of legislative and regulatory requirements, internal fraud, collusion, theft, cyber and privacy risk, and associated reputational risk.

In pursuing the above, the Group will adhere to its core values and fulfil its corporate responsibilities by ensuring it acts responsibly, ethically and with integrity. The Group's Risk Appetite Statements set out in this document shall be approved by the Board.

The BRCC has been established to assist the Board to discharge its risk oversight function. Among BRCC's broad responsibilities include:

- Oversee the enterprise risk management, business continuity management, cyber security, data privacy, ethics and integrity compliance, and regulatory compliance
- Review and recommend frameworks and policies specifically to address risks and compliance in the businesses and operations and provide assurance of its implementation
- Review and articulate strategic emerging and inherent risks and ensure sufficient action plans are formulated to mitigate risks exposure
- Review initiatives to promote risk and compliance culture and behaviours through ongoing awareness initiatives, communication, training, and education programmes

BRCC convenes its meetings at a minimum on at least a quarterly basis to address all matters within its Terms of Reference.

Axiata's Senior Leadership

The Senior Leadership Team (SLT), led by the Group Chief Executive Officer/ Managing Director (GCEO), is committed to identifying, monitoring, and managing risks associated with Axiata's business activities. They are responsible for implementing the approved risk management framework and policies, ensuring adequate controls and mitigation measures, and promoting a culture of risk awareness.

The Risk and Compliance Management Committee (RCMC) has been established and chaired by the GCEO with all SLTs as members to deliberate on the significant risks and their mitigation.

Corporate Centre Operations

The Group Risk and Compliance (GR&C) Division at Axiata Corporate Centre promotes a robust risk culture by establishing risk and compliance policies and frameworks, providing advisory and support to OpCos throughout Axiata, and assisting OpCos in implementing and achieving certain levels of risk and compliance maturity.

Statement on Risk Management and Internal Control

The GR&C is entrusted to provide support to the Board and SLT. GR&C's key responsibilities include:

- Facilitate establishment, formulation, review, recommend and manage sound and best practices of risk and compliance programmes for Axiata Group of Companies
- Inculcate risk and compliance awareness within Axiata Group of Companies and integrate risk and compliance consideration into the decision-making process
- Monitor implementation of controls, action plans, and strategies to mitigate uncertainties that could impact Axiata's objectives
- Communicate and report material risks to the RCMC, BRCC, and Board for effective and efficient risk management governance
- As secretariat to BRCC and RCMC, ensure risk and compliance integrated reports are prepared and presented timely

Axiata's Operating Companies

OpCo-level risk management and compliance processes are overseen by governance forums chaired by OpCo CEO. The OpCo Enterprise Risk Management and Compliance function manages end-to-end risk identification, analysis, oversight, reporting, and monitoring. Moreover, it serves as OpCo's BRCC secretariat. The Enterprise Risk Management and Compliance function provides timely risk updates and is the primary liaison with the GR&C function.

RISK MANAGEMENT

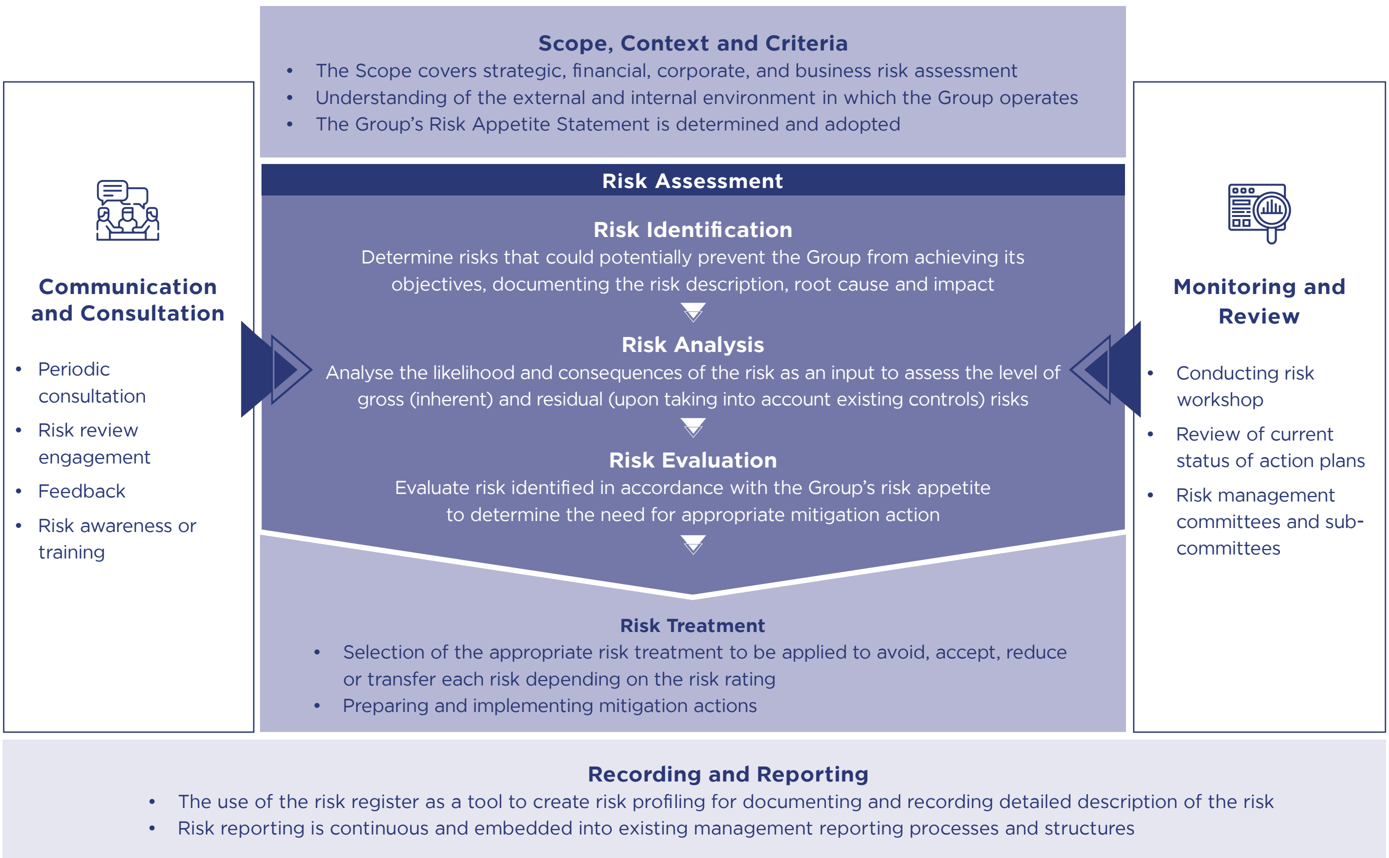
Enterprise Risk Management Policy and Framework

Axiata's Enterprise Risk Management (ERM) policy sets out the Group's commitment to assessing risks in alignment with business objectives, integrating risk management in decision-making, anticipating potential risks, and ensuring clear communication through robust monitoring and reporting structures. The ERM function develops policies and frameworks for timely identification, reporting, and managing key risks.

Risk Management Process

Axiata's ERM uses a structured risk assessment process to identify, analyse, evaluate, and treat risks. All entities apply this process systematically and collaboratively, leveraging knowledge and global perspectives to develop their respective risk profiles.

Axiata has adopted its risk management approach based on ISO31000:2018 and has tailored the guidelines to fit the Group's business operations as set out below:



Statement on Risk Management and Internal Control

Key Risks and Mitigation

Axiata strives to achieve a balance between realising value creation opportunities, and mitigating downside risks. The risk management approach is designed to strengthen Axiata's ability to create value and achieve strategic objectives. The principal risks faced by Axiata are mapped out below:

RISK	MITIGATION
Financial Risk Axiata's presence across 10 countries and borrowings in foreign currency exposes it to foreign exchange and interest rate volatilities, which could adversely impact the Group's cash flow and financial performance.	• Monitor current and future outlook of the relevant economies and foreign exchange markets • Develop hedging strategies that are governed strictly by the treasury policies • Oversee and control the Group's treasury and funding matters • Strict implementation and monitoring of the Group's capital structure guardrails such as the Gross Debt to EBITDA ratio, local and foreign currency debt mix, hedging of foreign currency debt (where available), fixed and floating interest rate mix, average tenure of debts and the liquidity ratio
Market Risk Axiata's OpCos continue to be challenged by stiff price competition with little certainty of possible market consolidation in certain markets.	• Strategic focus on digitisation, analytics and automation initiatives internally and with external partnerships with digital players to improve revenue yield per customer • Selective industry consolidation in targeted markets • Establish strategic ties with hyper-scalers 'Over-the-Top' (OTT) and digital product developers to create products and services that meet evolving customer needs • Seeking opportunities to share telco infrastructure to reduce investment cost • Investing in new technologies to improve competitive advantage and reduce future cost of gigabyte production (cost/GB)
Regulatory Risk Regulatory risk refers to the risk Axiata faces due to changes in regulations or laws affecting its operations or financial performance. Current regulatory risks which affect Axiata in the various markets include - amongst others: - Spectrum allocation/ refarming/ reuse/ availability - discriminatory practices favouring locally owned competitors - regulatory over-reach by policy makers and regulatory authorities - unpredictability of sector-specific taxation policies - subscriber registration, and - broad range/ lack of precedents of legal and regulatory frameworks	• Advocates strict compliance, fair and transparent practices of government policies. • Constantly enhance Axiata's process flows to encourage quick and cost-effective responses to changing regulations • Senior officials from Axiata have been at the forefront in engaging regulatory officials in implementing sustainable regulatory regimes which will lead to a development of healthy regimes for the mobile telecommunications sector • Participate in government consultations and industry association events, to foster collaboration and knowledge sharing for best industry policies and practices, including with relevant partners such as the ITU, World Bank and GSMA • The Axiata Regulatory Compliance Framework and Regulatory Action Plan sets the required framework and action plan to manage regulatory compliance risks • Appointment of Axiata Stakeholder Representatives for selected markets to enable direct and continuous engagement with top level stakeholders and enable Axiata to push its National Champion agenda, maximising in-country investment synergies and support any crisis management activities • Dedicated personnel and resources to constantly monitor all relevant developments and maintain regular contact and an effective relationship with the governing authorities

Statement on Risk Management and Internal Control

RISK	MITIGATION
Cyber and Data Privacy Risk Cyber and privacy risk refers to financial losses, reputational damage, and other adverse impacts resulting from unauthorised access, use, disclosure, or destruction of sensitive information or systems due to cyber-attacks, data breaches, or other cyber/privacy incidents.	• Develop and implement Privacy and Cyber Security policies, frameworks and standards • Implement cyber security strategy to improve overall maturity and resilience. Adopting and continuously measuring Axiata's cyber security maturity against the international maturity model defined by National Institute of Standards and Technology (NIST) Cyber Security Framework. The maturity model covers Axiata's ability to protect from cyber security threats, as well as detect, and respond to cyber security incidents • Perform independent benchmark and maturity review. The maturity measurement is validated through periodic independent reviews, for effectiveness • The Axiata Cyber Fusion Centre was commissioned and operationalised as a vital component of the Digital Trust & Resilience strategy • Enhance detection, response and offensive security capabilities to continuously improve cyber resilience • Foster public-private partnerships and collaborations to enhance situational awareness and resilience • Remediation of risks identified through focused assessments on telecom infrastructure, by independent reviewers, are being undertaken to ensure adequate protection of critical technology assets • Implemented the IAPP/CIPM and GDPR best practices in compliance to PDPA and the privacy programme • Axiata's vendors and business partners must adhere to a high standard of data protection and compliance controls as set out in the Axiata Supplier Code of Conduct principles and contractual obligations in agreements • Each OpCo is aligned to a common set of Key Performance Indicators (KPI) and collaborate closely through regularly scheduled meetings to achieve the Group objectives • Security monitoring and threat intelligence is centrally managed to provide timely and accurate response to malicious events across the Group • Both OpCos and the Group perform simulations of critical threats like DDoS, Ransomware and Phishing to improve the response capability
Operational Risk Axiata's overall operations and assets expose the company to various operational risks, such as supply chain disruptions, technical failures, partner failures, human errors, wilful acts, and natural disasters. These risks could have significant adverse effects on the company's core business and operations, exposing it to operational risk.	• Monitor the performance of critical suppliers, whilst continuously working to develop new relationships to reduce heavy dependency on single-source supplier(s) • The Group 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 • Working with international standards agencies to standardise SIMs will reduce variances and improve availability of supply • Focusing on operational resilience by implementing backup power systems and redundancy measure to minimise impact of infrastructure disruptions • Diversifying the supply chain by maintaining local suppliers but extending to other regions to secure deliveries at a slight premium • Focus on innovation to identify new technologies and products that are less reliant on scarce materials
Geopolitical Risk Axiata is exposed to political instability, civil unrest, and social tensions, resulting in uncertainties and arbitrary actions that can disrupt its business, lower market sentiment, and undermine investor confidence.	• Axiata works closely with the Management of the respective OpCos, leveraging on their local expertise, knowledge, and ability to continually assess the changing political scenario and have in place various measures to ensure a timely response in the event of such occurrences • Axiata's emphasis is on maintaining a neutral government relation and contribute to the socio-economic development of these countries through various Corporate Social Responsibility (CSR) initiatives, as highlighted in the Annual Sustainability and National Contribution Report • Managing capital with the establishment of a Capital Management Framework
Strategic and Investment Risk Strategic and investment risks are the potential losses that Axiata may face from changes in market conditions, shifts in consumer preferences, changes in technology, or failure to make timely and accurate investment decisions. These risks may result in a decline in the value of Axiata's investments, an inability to achieve strategic goals, and a loss of market share, which may adversely affect the Group's financial performance and operations.	• Axiata closely monitors the competitive landscape, explores, and makes appropriate investments to upgrade its technology and platform and reviews the relevance of its product and service offerings to stay in the game • Practices prudent cost management • Establishes strong strategic alliances with network vendors to keep pace with technology shifts • Venturing into new growth areas to create additional revenue streams • Investing in new markets and services that rely on connectivity. • Mergers and Acquisition Committee chaired by the GCEO 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 formed to ensure the proper implementation of organisational and cultural changes necessary to integrate the acquired company successfully • To mitigate exposure in frontier markets, Axiata manages capital per its Capital Management Framework

Statement on Risk Management and Internal Control

RISK	MITIGATION
People Risk People risk is the possibility of harm to Axiata's operations resulting from the actions, decisions, or behaviour of employees or other individuals, including fraud, misconduct, employee turnover, workforce planning, and employment-related legal issues.	• Axiata's Talent Management team adopts a dynamic talent acquisition approach for talents in the market whilst developing its own people through robust talent development programmes, attractive performance-based rewards and providing a safe and healthy work environment • Axiata advocates staff empowerment to allow for employees to respond to rapidly changing customer demands and work processes • Employee engagement is also critical for Axiata to motivate and keep employees engaged as failure to do so could reduce overall morale, increase attrition, and ultimately affect Axiata's business • Moving in pace with the distributed workforce and changed ways of working, alternative sources of talent pools and modes of engagement such as contract, gigs and others are being included. This is particularly key for digital talents • Policies and self-declared documents from our people via the Code of Conduct and Conflict of Interest that sets out rules and guidelines on how personnel are expected to conduct business and behave themselves are updated periodically
Technology Risk Technology risk refers to potential harm or losses that Axiata may experience due to the use or implementation of technology, including risks associated with technical failures, obsolescence, system interdependencies, inadequacies, disruptions, and technical debt.	• To remain relevant, Axiata constantly reviews and refreshes its technological capabilities and standing yet maintain financial prudence • Future proofing is therefore identified as a critical criterion in selecting network equipment and is built into the procurement process • Axiata is closely studying the technological advancements in the mobile communications industry, whilst carefully crafting the future network strategy • Diversifying revenue streams across geographies, markets, and business lines • Emphasising cost optimisation by reducing operating cost, increasing efficiency in operations, and improving supply chain management • Investing in new technologies and partnerships to collaborate with others to leverage synergies • Minimise the risk of technology debt but conduct thorough due diligence before investing in technologies
Governance and Integrity Risk Axiata and its OpCos are driven by Axiata's key values of Uncompromising Integrity and Exceptional Performance (UI.EP) to ensure high ethical standards and good corporate governance are maintained. Axiata believes that sound corporate governance is a key success factor when conducting business in a global, highly competitive, regulated and rapidly changing market. Axiata is committed to manage, monitor and report material climate risks and opportunities in line with the TCFD recommendations and Axiata's Net-Zero agenda. Axiata's Code of Conduct sets out rules and guidelines on how personnel acting for or on behalf of the Company are expected to conduct business and themselves. Governance and integrity risk refers to potential losses or damage to Axiata's reputation and financial performance due to failures or weaknesses in its governance, compliance, and ethical practices.	• Axiata continues to focus on maintaining and further developing the strong ethical platform and corporate governance standard to support and ensure its business integrity and continuing strong performance • Implement Compliance program and enhance overall maturity • Implement Anti-Bribery and Anti-Corruption (ABAC) adequate procedures, revision of policies and procedures, and realignment of processes with appropriate control mechanisms • Establishment of automated systems • Mandatory training for all employees • Roll out of awareness programmes • Perform independent benchmarks to ensure the adequacy and effectiveness of the compliance programme • Introduce technology to identify, assess and manage ABAC risk • Implement climate risk and opportunity management plans • Integrating climate considerations when monitoring new programs • Identifying and appointing internal SMEs for each shortlisted climate risk and opportunities

INTERNAL CONTROLS

Three Lines of Defence is an industry-standard risk management framework that Axiata utilises to enhance its governance and integrity risk management processes. This framework involves the implementation of internal controls and policies as the first line of defence, risk oversight as the second line of defence, and audit oversight as the third line of defence to ensure effective risk management and operational excellence.

Internal Control Initiatives

Axiata's internal controls are composed of three (3) key elements namely People Management, Process Management and Technology Management.

Statement on Risk Management and Internal Control

People Management

Integrity and Ethical Values

Code of Conduct and Practice

The Board, GCEO, and SLTs establish the tone at the top concerning behaviour and governance. Axiata employees must comply with the Axiata Code of Conduct, which outlines the principles for conducting themselves and fulfilling their responsibilities with the highest level of personal and corporate integrity while engaging with Axiata and external parties. The Code of Conduct encompasses various areas, including adherence to local laws and regulations, integrity, workplace conduct, business practices, asset protection, confidentiality, conflict of interest, and anti-competitive behaviour.

Guidelines on Misconduct and Discipline

Axiata has established and implemented guidelines for managing employee misconduct and disciplinary matters, which apply to breaches of the Code of Conduct or failure to meet employment terms and conditions. The Code of Conduct also extends to contractors, suppliers, and OpCo employees.

Whistleblowing Policy and Procedures

Axiata has a Whistleblowing Policy and Procedures that enable independent reporting of matters related to fraud, corruption, or other unethical practices. This includes an anonymous ethics and fraud whistleblowing channel managed by an independent third-party service provider under the supervision of the Group Internal Audit (GIA). The objective is to encourage good faith reporting while ensuring confidentiality, anonymity, and protection from reprisals for employees, vendors, and stakeholders.

Organisation Structure

Clear Organisation Structure

Axiata's SLT members lead the optimally designed organisational structure with clear responsibilities and reporting lines. Segregation of duties fosters risk ownership and accountability and delegated authority for planning, executing, controlling, and monitoring operations. Competent SLT members implement strategies and conduct regular reviews to adapt to business changes and emerging technologies, products, services, and areas of focus.

Commitment to Competency

Competency Framework

Axiata employs skilled and experienced personnel who exhibit professional integrity to drive operations.

Performance Management

Axiata has implemented programmes to develop its human capital function and broader organisation, focusing on ongoing performance management and employee development.

Additionally, the company employs a KPI performance measurement process to link performance and compensation, creating a high-performance work culture that aligns with Axiata's vision, mission, and culture. The KPI process aims to provide clarity, transparency, and consistency in planning, reviewing, and evaluating employee actions and behaviours.

Training and Development Framework

Axiata trains employees at all levels, enabling them to perform their current roles effectively and preparing them for future responsibilities aligned with Axiata's strategic goals.

Talent Development and Succession Planning

There is a Talent Management Framework in place to identify and develop a talent pipeline within Axiata and the OpCos as a pipeline for future leadership demands. In this respect, Axiata strives to achieve a target of identifying successors for Critical Leadership Positions across the Axiata Group that provides a cover ratio of 2:1 from within the organisation with its efforts in making these talents ready to succeed the current top management across Axiata and OpCos. 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 at Axiata and the OpCos, via internal and external benchmarks.

Succession plans and the robustness of the talent pipeline for various critical leadership positions across the Group are regularly reviewed by the Board Nomination and Remuneration Committee (BNRC) and the Board.

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Process Management

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 Axiata are as follows:

Policies and Procedures

Axiata has established and regularly reviews policies and procedures incorporating internal controls to ensure consistent implementation throughout the company. These documents serve as preventive controls and enable prompt identification and response to any significant control failures.

The Group Policies set the framework for developing procedures covering financials and controls, including management accounting, financial reporting, procurement, information systems security, compliance, risk management, and business continuity management, across the Group and OpCos.

Limits of Authority (LoA)

Axiata has a clearly defined and documented LoA, approved by the Board, to govern the business and day-to-day operations. Regular reviews and updates of the LoA are conducted to ensure continuous improvements, reflect changing risks, and resolve operational deficiencies, resulting in more efficient work processes and maintaining requisite checks and balances. This establishes a sound framework of authority and accountability within Axiata, including segregation of duties and facilitating timely, effective, and quality decision-making at the appropriate levels in the hierarchy.

Timely dissemination of the approved updated LoA to all stakeholders ensures seamless application and execution. The LoA sets out the matters reserved for the Board's consideration and decision-making, the authority delegated to the GCEO and other SLT members, the limits of the GCEO's authority, and guides the division of responsibilities between the Board and Management.

Budgeting Process

Axiata conducts a comprehensive annual budgeting process to align OpCos' plans with the company's strategic objectives. OpCos' budgets are prepared and discussed by their respective Boards and reviewed by the Axiata Board during their annual retreat. Final approval is obtained from the Board, and ongoing performance is monitored against approved budgets and forecasts.

A reporting system is in place to track and monitor performance against significant variances, and results are reviewed quarterly by the Board for potential remedial action. OpCos' Boards conduct similar performance reviews on a monthly or quarterly basis.

Insurance and Physical Safeguard

Axiata has an insurance programme to protect its assets and businesses against significant losses resulting from damage. Axiata regularly reviews the adequacy and type of insurance coverage to ensure alignment with its risk exposure and appetite. Additionally, Axiata takes measures to safeguard its critical assets.

Regulatory and Compliance

Group Regulatory Affairs (GRA)

The approach used is to proactively shape the landscape (external environment) at each OpCo market, thus enabling proper and effective management of regulatory issues confronting the respective OpCos.

This approach encompasses:

Regulatory Strategy:

- Constant monitoring of regulatory developments and identification of regulatory issues for each OpCo based on issues of highest strategic, financial and/or reputational impact
- 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.
- 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.
- Establishment of a Regulatory Experts Working Group across Axiata's OpCos to enable systematic sharing of expertise on best approaches in resolving common regulatory issues, including effective stakeholder management, developing core arguments and positions, build industry alignment and others.
- Appointment of Axiata representatives to champion shareholder interests in specific markets

Stakeholder Engagement:

- Engagement plan covering key government and political stakeholders in each OpCo market including key regulators with effective messages based on the regulatory strategy
- Engagement plan covering local, international and regional regulatory bodies, inter-governmental agencies and trade bodies with effective messages based on the regulatory strategy

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Regulatory Compliance Framework:

- Forms an essential part of Axiata's corporate governance and states the principles and the tone by which regulatory compliance is to be approached and implemented
- Underpinning the framework is the understanding that Axiata and OpCos 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
- 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.

Information and Communications

Information and communications are key elements that supports the other components to work effectively and efficiently to maintain and build a strong and positive image of Axiata across its operating footprint. In Axiata's efforts to transform to become The Next Generation Digital Champion, 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 across the footprint and to engage and keep employees informed of activities and corporate development exercises in a timely manner has become more important and relevant.

Employee Communications

Group People Division and Group Corporate Communications also functions as employee communications managers, proactively keep employees within Corporate Centre and across the OpCos informed and engaged on new developments, activities and announcements. This is achieved using face-to-face and online engagements such as quarterly Group-wide 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.

Media and Public Relations

The engagement of media fraternity which 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 Group's spokespersons to speak and engage with media and generally, ensuring the transparent and quality representation and position of the Group'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 Axiata'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. 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 Integrated Annual Report.

Statutory disclosure

Producing compliant, open, and transparent reports and communication materials based on Bursa Malaysia's Listing Requirements, and where possible, to go beyond minimum requirements such as preparing and publishing Axiata's performance and integrated financial and non-financial reports such as the Integrated Annual Report, Sustainability and National Contribution Report, Audited Financial Statements and other various communication materials.

Sustainability and Governance

The Group Sustainability Department is responsible for the development, implementation, and management of ESG related programmes and initiatives, including driving and ensuring alignment of these across Axiata and the OpCos, 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), and the Global Reporting Initiative (GRI). In addition, Group Sustainability works collaboratively with other key functions (e.g. Investor Relations) to engage with investors and respond to external ESG rating agencies or analysts for purposes of improving the position and ranking on sustainability indexes and recognised ESG ratings.

Statement on Risk Management and Internal Control

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 and sustainability reporting. In addition to ensure the standardisation and enhancement of data collection process, the Group has commenced implementation of digital data management systems or key data such as Greenhouse Gas (GHG) emissions, in order to develop, and promote sustainability related disclosure/ communications for internal and external stakeholders, utilising various media platforms. OpCos should align and localise the Axiata Sustainability Framework and Group Sustainability objectives to their local context, as well as 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 for the sustainability teams in 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 and National Contribution Report in compliance with the most current local regulatory requirements (e.g. stock exchanges) and GRI standard.

Crisis Communications

Axiata Group has developed a Crisis Communications Manual and Framework, which includes crisis simulation exercises and spokesperson training, to address industry-specific crisis scenarios.

Corporate Communications manages crisis incidents that could harm a company's reputation, such as network failures, cyber threats, regulatory disputes, and insider trading. They provide communication guidance to senior executives, manage media inquiries, prepare engagement platforms, and keep employees informed.

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:

Performance Reporting

SLT Meetings
The SLT convenes regularly to review and approve key strategic measures and policies, discuss business performance and financial and operating risks, and address any issues or exceptions

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 Axiata'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
Axiata uses a BCI Reporting Framework to learn from internal control incidents, preventing similar incidents across OpCos, and monitoring significant loss-causing incidents.

Headline Performance KPIs
Headline Performance KPIs have been set and agreed upon by the Board of Directors as part of the broader KPI framework that Axiata 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.

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 on the Group's performance.

Technology Management

Security (Application and Information Technology (IT) Network)

Business Continuity Management (BCM)

The Board ensures stakeholder interests are protected by maintaining business continuity during crises, supported by Axiata's BCM framework. The framework aligns with ISO 22301. Axiata has documented business recovery plans for critical processes, regularly tested and rehearsed to ensure employee readiness and coordination. Axiata conducts cyber crisis simulations and disaster recovery tests for critical systems to ensure business continuity.

Statement on Risk Management and Internal Control

Information Technology (IT)

IT modernisation and digital enablement for superior customer experience is identified as one of Axiata's key strategies. All OpCos have been focusing in line with this strategy by 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.

Axiata prioritises cyber security as an integral component of its digital strategy and risk management. The team reinforces cyber resilience through regular Vulnerability Assessments, independent maturity assessments, and structured system hardening activities.

CONCLUSION

The Board of Directors has obtained assurances from the GCEO and Group Chief Financial Officer on the effectiveness and adequacy of Axiata's and OpCos' risk management and internal control systems in all material aspects. Remedial actions have been implemented to address any identified weaknesses.

The Board of Directors is satisfied that the risk management and internal control systems have been effective and adequate for the year under review and up to the date of approval of this Integrated Annual Report.

JOINT VENTURES AND ASSOCIATES

The disclosures in this Statement do not include the risk management and internal control practices of Axiata's joint ventures and associates. In these entities, Axiata's interests are safeguarded through the appointment of SLT members to the relevant Board of Directors and, in certain cases, the management committees of these entities. Additionally, where necessary, key financial and other appropriate information on the performance of these entities is obtained and reviewed by the Board periodically.

REVIEW OF THIS STATEMENT BY EXTERNAL AUDITORS

As required by Paragraph 15.23 of the MMLR, Messrs. PwC have reviewed this Statement on Risk Management and Internal Control. Their limited assurance review was performed in accordance with Audit and Assurance Practice Guide (AAPG) 3 issued by the Malaysian Institute of Accountants. AAPG 3 does not require the external auditors to form an opinion on the adequacy and effectiveness of the risk management and internal control systems of Axiata and Opcos.

This statement is made in accordance with the resolution of the Board of Directors dated 28 March 2023.

Board Audit Committee Report

Summary of the Board Audit Committee's Key Activities in 2022

During the Financial Year ended 2022 (FY22), 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:

Activities Undertaken in 2022

- Initiated appropriate enhancements of Corporate Governance and Group oversight in relation to the MCCG 2021 and SC's Corporate Governance Strategic Priorities 2021-2023 (dated 24 November 2021)
- Completed the review and enhancements of BAC Terms of Reference (TOR) across the Group pursuant to MCCG 2021
- Reviewed the governance, risks, and internal controls on Environmental, Social and Governance (ESG) initiatives
- Reviewed the external auditors audit plan, auditors independence/ objectivity, and external audit findings
- Reviewed the Group Financial Statements prepared in accordance with IFRS and MFRS
- Continuous review of the Group foreign currency exposure, and debts level including restructuring of financial risks of the Group as a consequence to volatile economic environment, geo-political situations, oil price movement, interest rate movement, currency volatility and post pandemic effect
- Review of the Group Treasury risks and controls in relation to cash in hand, interest earnings, foreign and local debts, compliance to debt covenants, and interest expenses optimisation
- Reviewed the financial impacts to the Group arising from Sri Lanka political turmoil and economic crisis, as well as challenging market and regulatory environment faced by Ncell in Nepal
- Endorsed the governance and controls enhancements to Group Capex and Spectrum Committee which oversee the annual capex spending across the Group
- Completed the Review of Group-wide 3G Network Decommissioned & Fixed Assets Management
- Completed the Review of Group-wide Network Capex Efficiency & Capex Procurement under Collective Brain (CB) initiative
- Continuous review of the carrying value of assets and its useful life, and goodwill for impairment in particular those assets which are still on the older technology (2G, 3G and 3.5G) with 4G network expansion and the upcoming 5G technology rollout
- Reviewed Group Risk & Compliance (cyber security, data privacy, ERM, and ABAC compliance) initiatives, programmes and the progress during the year
- Reviewed SORMIC enhanced methodology/ framework for 2022
- Continuous review of the effectiveness of Anti-Bribery and Anti-Corruption (ABAC) controls and operationalisation
- Oversee the Group-wide Internal Audit Mobility Programme for IA talents development, movement and retention
- Continue to support the expansion of "Continuous Auditing" footprint in keeping up with the business digitalisation and IR 4.0 technologies
- Supported Internal Audit to explore Artificial Intelligence (AI) in audits as a pilot initiative to keep Internal Audit relevant with technologies evolution
- Completed the review of Whistleblow Policy, standard operating procedures (WB SOP) throughout the Group
- Continuous review of security, independence, and awareness of Whistleblowing (WB) channel established by Management for employees and other stakeholders including business partners/ suppliers
- Reviewed the waiver of intercompany advances from Reynolds Holdings Limited to Axiata Group Berhad
- Reviewed and approved changes to Corporate Policies and Limit of Authority (LOA) for Procurement, Corporate Development (Merger & Acquisition), Business Planning, Business Performance and Internal Audit

Other recurring work include:

- Reviewed and approved the Internal Audit Plan and Budget 2022
- Reviewed the execution of all 2022 Audit Plan across the Group in terms of audit findings and timely closure of major audit issues. A total of 135 internal audit reviews were completed across the Group
- Supported extensive internal audits assignments Group-wide in the area of Procurement, ABAC High Risk Transactions (HRT), Fixed Asset (FA) Management and Related Party Transactions which have contributed to improvements in controls across the Group
- Supported relevant competency development of auditors 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 (FS) for the year ended 2022, 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 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 by Axiata pursuant to the shareholders mandate on Recurrent Related Party Transactions (RRPT) procured at the 30th AGM of the Company held on 26 May 2022 and the reporting of these transactions in the 2022 Financial Statements

Board Audit Committee Report

- During the financial year ended 31 December 2022, Axiata has granted a total of 1,599,400 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 RM3.85 for 28 February 2022 Restricted Share Plan (RSP) grant. The BAC has reviewed the allocation of the above shares granted to eligible employees (as defined in the Bye- Laws of the Performance Based 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 17 February 2022 and 23 November 2022 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, competencies of the Group Finance personnel 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 the fees payable to the external auditors
- Reviewed and approved the non-audit services to the external auditors after due consideration that the transparency and independence of the external auditors remain intact
- Reviewed governance, risks management and internal controls implementation
- Reviewed the Internal Audit Function effectiveness, independence, objectivity, resources adequacy, competencies and Quality Assurance
- Continued to assess adequacy and effectiveness of cyber security programmes as cyber security risks continue to evolve and escalate as well as IT user management issues
- Reviewed the Whistleblowing Dashboard, investigations outcome and consequence management
- Reviewed business control incidents including fraud

Composition and Meetings

In 2022, the BAC, met ten (10) times on the following dates;

- 24 January, 2022
- 17 February, 2022
- 22 March, 2022
- 24 May, 2022
- 24 June, 2022
- 24 August, 2022
- 20 September, 2022
- 4 October, 2022
- 23 November, 2022
- 19 December, 2022

The composition and the attendance record of BAC members are listed below.

Name of Director	Status of Directorship/ Qualifications	No. of Meetings Attended
Thayaparan Sangarapillai (Chairman of BAC)	Independent Non-Executive Director	10 out of 10
Dr. David Dean	Independent Non-Executive Director	10 out of 10
Syed Ali Syed Salem Alsagoff*	Non-Independent Non-Executive Director	6 out of 6
Shahin Farouque Jammal Ahmad#	Non-Independent Non-Executive Director	1 out of 1

* Resigned on 26 August 2022
# Appointed on 24 November 2022

Financial Literacy

The BAC is chaired by Thayaparan Sangarapillai whom is a retired Senior Partner with 32 years tenure 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. In 2022, Thaya was also appointed as the Chairman of Risk Committee, Member of Audit Committee, and Independent Non-Executive Director of Petroliam Nasional 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.

Shahin Farouque Jammal Ahmad is currently the Group Head, Strategic Investments of Permodalan Nasional Berhad. He has over 20 years of investment banking experience. Previously, he was an Executive Director in Investments Division of Khazanah Nasional Berhad (Khazanah). He sat on the boards of various creative and media companies

Board Audit Committee Report

within the Khazanah portfolio companies. Prior to joining Khazanah in 2016, he worked with various commercial and investment banks in both domestic and regional roles.

Group Internal Audit

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

The internal audit reporting structure within the Group has been organised whereby the audit departments of the OpCos report directly to the BAC of the respective OpCo with a dotted reporting line to the GCIA. The GCIA also acts as the secretary to the BAC and 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 making digitalisation as part of the Internal Audit's DNA, AGIA in 2022 embarked on a continuous upskilling of Group-wide training programme, its auditors in the area of analytics and formed a Collective Brain to focus on Quality Assurance and Improvement Programme (QAIP) within the IA function. 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 design and 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, 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 2022 were:

- Global Audit on Goods Receipts (GR) Process-Non Capex
- Global Audit on Contract Document Management
- Global Audit on Related Party Transaction
- Global Audit on Procurement Process
- Global Audit on Network Capex Efficiency and Procurement under Collective Brain
- Global Audit on Fixed Assets Management – 3G Decommissioned & 3G Re-use for 4G
- Global Review on Statement on Risk Management and Internal Control (SORMIC)
- Employees Expense Claims
- Group Corporate Communications (Brands, Advertising, Marketing, Sponsorship)
- Axiata Foundation Corporate Social Responsibility (CSR)

The total cost incurred by AGIA in 2022, inclusive of all OpCos, was RM18.3 million. There are a total of 81 internal auditors across the Group whilst AGIA at Corporate Centre has eight headcounts. All the internal auditors have tertiary qualifications and the level of expertise and professionalism within AGIA at the end of 2022 is as follows:

Expertise Category	Percentage of total auditors
Finance/Accounting	37%
IT/MIS	25%
Network/ Engineering	17%
Marketing/Sales	11%
General/Others	16%

Professional Category	Percentage of total auditors
Institute of Internal Auditors Membership (IIA)	25%
Professional Certification	
• CPA, ACCA, CA, CIMA	33%
• CIA/Certified IS Auditor	12%
• Others	36%
• Undertaking Professional Certification	46%
Postgraduate	
MBA and Masters	37%

Building Digital Trust Through Data Privacy and Cyber Security

Strengthening digital trust is crucial to achieving Axiata's 5.0 Vision to become The Next Generation Digital Champion. As a leading regional telecommunication and digital company, Axiata is committed to building long-lasting relationships in serving the digital and connectivity needs of more than 174 million mobile customers and approximately 193,000 enterprises across ASEAN and South Asia. By upholding the values of Uncompromising Integrity, Exceptional Performance (UI.EP), Axiata has made significant efforts to strengthen and improve data privacy and cyber security capabilities to ensure customers' trust. This trust is vital for Axiata's long-term sustainability, adaptability and resilience, allowing us to maintain high-performance and uninterrupted operations.

OUR PRIVACY COMMITMENT

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

WE ARE GUIDED BY OUR

VISION

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

MISSION

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

AND FOUNDED ON PRINCIPLES OF

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

DATA PRIVACY

Ensuring data privacy and security is a key priority for us. We have established a strong culture of compliance and active data protection, recognising the significance of safeguarding the data privacy of all stakeholders. We adhere to rigorous Group-wide data privacy practices to handle data with respect, care, and diligence.

The Board Risk and Compliance Committee is responsible for overseeing data privacy, with support from the Risk and Compliance Department. Each of our Operating Companies (OpCos) has designated a Data Privacy Officer (DPO) or Privacy Lead to improve their data privacy capabilities. The Group conducts regular meetings and seminars to maintain the privacy maturity programme and explore new advancements and developments in data privacy technology and procedures that could enhance the programme's effectiveness.

Building Digital Trust Through Data Privacy and Cyber Security

Our Commitment to Data Privacy

Axiata's Privacy Commitment is founded on the T.R.U.S.T percepts (Transparent, Rights, Use, Security and Transfer), which is a set of guiding principles that emphasise our commitment to ethical business practices and responsible corporate behaviour. These principles serve to define Axiata's Privacy Commitment to establish robust security and privacy governance across our technology, processes, and people.

The Group's commitment to data privacy is reinforced by the establishment of policies and procedures such as the Group Data Privacy Policy and Privacy Notices, which have been published on our website to raise awareness and ensure accountability.

In 2020, we initiated the implementation of a three-year Privacy Programme that was driven in three phases, from 2020 to 2022. The Privacy Programme is intended to enhance data protection capabilities across all operations and integrate privacy measures into every aspect of the Group's business. This involves strengthening governance policies and monitoring activities to provide effective oversight and management of privacy risks, leading to an improved privacy stance.

The legislative landscape regarding personal data protection has been rapidly evolving in recent years following accelerated digital adoption. Governments and regulatory bodies have enhanced regulatory measures by enacting laws and regulations aimed at safeguarding the privacy and security of individuals' personal data.

In 2022, two personal data protection laws were passed in our operating markets of Sri Lanka and Indonesia.

On October 17, 2022, Indonesia enacted a specific law, namely Law No. 27 of 2022, regarding Personal Data Protection, which sets out guidelines for the collection, use, storage, and transmission of personal data by individuals and businesses. This law is an essential step towards enhancing data privacy and security in Indonesia, and it reinforces the growing importance of protecting personal data in the digital age.

With the passing of the Personal Data Protection Act (PDPA), No. 9 of 2022 in March 2022, Sri Lanka enacted its own comprehensive data privacy legislation. The PDPA aims to safeguard the rights of individuals and ensure consumer trust in information privacy in online transactions and information networks given the growth and innovation in the digital economy.

Countries without PDPA have related laws governing personal data processing and some are considering personal data protection bills. We believe that in the coming years, the jurisdictions where Axiata has operations will have their own personal data protection laws.

Key Highlights in 2022

In 2022, we completed our three-year Privacy Programme aimed at enhancing data protection capabilities across our operations. Throughout the programme, we embedded privacy measures into all aspects of the Group's business, while strengthening our governance policies and monitoring activities to ensure effective oversight and management of privacy risks.

In Phase three of the Privacy Programme, our focus was on disclosures to third parties, such as investigating authorities and/or courts, as well as vendors' due diligence.

The emphasis on data privacy is reflected in the incorporation of the Privacy-by-Design concept across all OpCos and is included as a Key Performance Indicator (KPI). This involved integrating privacy considerations into applications, processes and procurement practices for new projects involving third parties.

Additionally, a Group-aligned maturity rating capability model has been implemented as a self-assessment tool to review and improve performance, and privacy controls related to digital rights will be integrated into future KPIs to further improve privacy capabilities.

When the Privacy Programme was first implemented in 2020, the aggregate privacy maturity level of Axiata Group was 1.4. Based on the foundational activities and capabilities that we built throughout the three-year programme, Axiata Group's aggregate privacy maturity level, based on self-assessment, has grown to 3.1[1].

A culture of compliance is crucial for effectively managing data privacy as it ensures that all individuals within the Group are aware of their responsibilities and take the appropriate measures to protect data and personal information. We conduct training and awareness sessions to keep our people, vendors, and partners aware of the high priority we place on data privacy and matters of compliance and ethics. At the close of 2022, we achieved a completion rate of 97.7% among employees who successfully completed the training.

Outlook in 2023 and Beyond

Axiata aims to continue upskilling its data privacy personnel and equip them with Certified Information Privacy Manager (CIPM) credentials from the International Association of Privacy Professionals (IAPP). Achieving this certification demonstrates a deep understanding of privacy and data protection practices and the ability to apply them in the development, measurement, and improvement of a privacy programme, using a privacy programme operational lifecycle, to effectively manage privacy risks and protect data. We also continue to adopt and align data privacy practices across all OpCos with global benchmarks and internationally recognised standards such as the General Data Protection Regulation (GDPR).

[1] The Privacy Maturity Level is conducted internally based on self-assessment and excludes Boost, ADA, ADL and Link Net

Building Digital Trust Through Data Privacy and Cyber Security

We are currently developing a privacy programme that will span the next three years. This privacy programme will be in line with Axiata 5.0 Vision and will aim to go beyond compliance to enable responsible data monetisation and enhance ESG maturity.

We will continue with efforts to establish a comprehensive long-term Data Privacy and Cyber Security Strategy Framework and Roadmap to ensure that all OpCos will be aligned and standardised to meet their strategic objectives. Additionally, this framework will include embedding Cyber Security and Data Privacy controls across all business facets. This will be achieved by incorporating relevant standards and requirements into the design process, enabling controls to be embedded from the start. These efforts will ensure that all OpCos are well-equipped to manage data privacy and cyber security threats, keeping sensitive information secure and protected.

We are committed to continually strengthening our privacy capabilities as it not only complies with regulatory requirements but also drives our overall ESG score. Prioritising privacy can help us strengthen trust with stakeholders and demonstrate our commitment to responsible business practices.

CYBER SECURITY

Cyber security threats remain a major concern in today's vast digital landscape. Axiata has implemented a three-year cyber security strategy called Digital Trust and Resilience (DT&R) 2023 to sustain its cyber security position and manage emerging cyber threats and risks. The DT&R is based on global and industry best practices and provides a clear strategic intent to build customer trust and Axiata's cyber resilience.

Significant initiatives were implemented in 2022 in the second year of the DT&R strategy implementation, geared towards enhancing and introducing measures to tighten cyber security across the Group.

Key Highlights in 2022

Cyber Fusion Centre to Drive World-class Cyber Resilience

The Axiata Cyber Fusion Centre was launched and operationalised in August 2022, and forms a vital component of the Group's DT&R strategy. The Cyber Fusion Centre not only drives situational awareness in cyber security for consumers and organisations, but also serves as a platform to foster public-private partnerships and collaborations to enhance cyber resilience in the region.

The Cyber Fusion Centre is designed to provide enhanced support and protection for digital data in enterprises, enabling modern-day threat monitoring, and hunting and protecting monitored assets to ensure business continuity. The Centre offers comprehensive cyber security and business continuity solutions incorporating protective, detective and responsive capabilities.

Automation in Enhancing Cyber Security

The Group continued efforts to automate repeatable processes that streamline operations and maximises efficiencies, freeing up valuable time and resources to identify and mitigate emerging threats and vulnerabilities. The automated processes also offer increased speed and accuracy, enabling quicker response times and decision-making capabilities.

In 2022, the automation of repeatable processes focused on tasks such as attack surface discovery, operational reports and dashboards to improve efficiencies and enhance the ability to identify emerging threats and vulnerabilities.

Improving Threat Monitoring Capability

One of the key initiatives undertaken in 2022 is enhancing its threat monitoring capability by scanning the deep and dark web for threat intelligence.

This approach allows Axiata to identify emerging cyber threats and trends and enable proactive measures to mitigate risks before they can cause damage to critical assets and systems. Additionally, this approach helps safeguard Axiata's brand reputation, allowing for prompt identification and response to any reputational risks arising from online activities.

Embracing Risk-based and Research-driven Approach

Axiata implemented a risk-based and research-driven approach to identifying threats and vulnerabilities in emerging technologies such as blockchain, which has become integral to its overall cyber security strategy. By leveraging advanced tools such as machine learning (ML) and artificial intelligence (AI), Axiata can proactively detect and mitigate potential risks, safeguarding its critical assets and systems.

This approach is essential for enabling emerging businesses within Group that rely highly on digital technologies, such as FinTech, Digital Bank, and Analytics.

Building Digital Trust Through Data Privacy and Cyber Security

Adopting Zero Trust Principles

The Group adopted the Zero Trust principle, which is a critical component of the DT&R strategy to enhance cyber security. The Zero Trust Framework allows Axiata to build a layered defence architecture that safeguards its crown jewels by separating and protecting access to critical assets. With the Zero Trust Framework, access to sensitive and critical assets is strictly controlled, continuously monitored and validated to reduce the risk of data breaches and other cyber threats.

Axiata's adoption of Zero Trust principles also included the deployment of password-less access control and data leakage prevention technologies across the Group, which provides a more secure way of authenticating users and devices, and reduces the risk of stolen or compromised credentials. Additionally, the deployment of data leakage prevention technologies enhances Axiata's ability to monitor and control the flow of sensitive information within the network, reducing the risk of data breaches caused by unauthorised access or accidental leaks.

National-level Collaboration to Strengthen Cyber Security Landscape

Axiata's commitment to cyber security extends beyond its operations to include partnerships with national cyber security agencies in Malaysia and other operating countries. Collaborations conducted in 2022:

- Partnered with National Computer Emergency Response Team (CERT), in Malaysia and other operating countries, for threat intelligence sharing and leveraging of best practices
- Participated in cyber drills and Capture-The-Flag events organised by Bank Negara Malaysia (BNM), as part of strengthening cyber security engagements with BNM
- Engaged with organisations such as MDEC for cyber capability and skill development in the country
- Axiata Cyber Fusion Centre hosted students and lecturers/professors from educational institutions to promote cyber security skill development

Outlook in 2023 and Beyond

Axiata has identified several key strategies to strengthen its defences and reduce the risk of cyber threats in 2023, which include:

- Protecting technology and information processing assets
- Improving training and awareness across the Group
- Reducing third-party risk through the Supplier Code of Conduct and improved contract clauses
- Conducting periodic automated assessments and remediation to identify gaps

Axiata will also look to incorporate cyber security and data privacy performance metrics into OpCos' KPI scorecards. This will enable Axiata to track and measure the effectiveness of its cybersecurity initiatives and ensure that it is meeting its security goals. By implementing these strategies, Axiata is well-positioned to maintain a strong cybersecurity posture and effectively manage emerging cyber threats.

In 2023, the DT&R strategy will also be refreshed, to ensure Axiata has a cyber security roadmap ahead to proactively manage current and emerging cyber security threats, as well as respond to evolving attack vectors. This strategy refresh will continue to be a key enabler to the Group's vision of becoming a Digital Champion.

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 FY22 are RM4.2 million and RM8.7 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 2022 or entered into since the end of FY22 except the material contracts between Axiata and its major shareholder subsisting as at 31 December 2022 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 arising from the merger between Celcom Berhad (formerly known as Celcom Axiata Berhad) and CelcomDigi Berhad (formerly known as Digi.Com Berhad) which was completed on 30 November 2022 for a total cash consideration of RM2.8 billion were utilised for debt repayment, payment of merger related transaction expenses, working capital and other 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(a) of the Audited Financial Statements for FY22.

   Axiata PBLTIP shares granted, adjusted, vested, lapsed and outstanding since the implementation of the plan until FY22 are as follows:

   - Total number of Axiata PBLTIP shares granted: 19,170,000
   - Total number of Axiata PBLTIP shares adjusted: 5,927,165
   - Total number of Axiata PBLTIP shares vested: 13,698,900
   - Total number of Axiata PBLTIP shares lapsed/forfeited: 4,018,767
   - Total number of Axiata PBLTIP shares outstanding: 7,379,498

   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 at the FY2022, none of the Directors of Axiata have been granted Axiata PBLTIP shares.

Additional Compliance Information

5. **RECURRENT RELATED PARTY TRANSACTIONS OF REVENUE IN NATURE (RRPT)** [Disclosed in accordance with paragraph 10.09(2)(b) and paragraph 3.1.5 of Practice Note 12, Main LR]

At the last AGM held on 26 May 2022, 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 27 April 2022 (RRPT Mandate). This RRPT Mandate is valid until the conclusion of Axiata's forthcoming 31st AGM.

Axiata proposes to seek a new RRPT Mandate at its forthcoming 31st 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 32nd 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 FY22 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 - Eysa Zulkifli - EPF - Nurhisham Hussein	**REVENUE**	
			Telecommunication and related services	
			- Interconnect payment from TM Group	3,849
			- Dark fibre and leased line from Celcom Berhad (formerly known as Celcom Axiata Berhad) and/ or its subsidiaries (Celcom Group) to Fibrecomm Network (M) Sdn Bhd	1,909
			- Leased-line from Celcom Group to Fiberail Sdn Bhd	210
			- Transmission revenue on the services by Axiata Group to TM Group	2,084
			- Infrastructure leasing and related services including managed services receivable from TM Group to Axiata Group	61,112
			- Domestic roaming revenue and Provision of 4G Multi-Operator Core Network (MOCN) by Celcom Group to TM Group	14,038
			COSTS	
			Telecommunication and related services	
			- Interconnect cost to TM Group	4,809
			- Leased-line related costs to TM Group	12,207
			- Provision of data and bandwidth related services by TM Group to Axiata Group	97,474
			- Provision of contact centre and business process outsourcing services by VADS Berhad to Axiata Group	10,554
			- Leasing of fibre optic core and provision of bandwidth services from Fiberail Sdn Bhd to Celcom Group	(13)
			- Purchase of dark fibre, bandwidth, space and facility from Fibrecomm Network (M) Sdn Bhd by Axiata Group	2,780
			Non-telecommunications Services	
			- Site rental payable for telecommunication infrastructure, equipment and related charges by Axiata Group to TM Group	23,803
			TOTAL	**234,816**

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 - Khazanah - Ong King How - Eysa Zulkifli - EDOTCO Group - Khazanah through its wholly-owned subsidiary, Mount Bintang Sdn Bhd	**Revenue to Axiata Group/Cost to EDOTCO Group[1]**	
			- Repair and maintenance and other service charges by Axiata Group to EDOTCO Group	3,246
			- Technical and management services fees and other services charges by Axiata Group to EDOTCO Group	9,518
			Cost to Axiata Group/Revenue to EDOTCO Group[1]	
			- Infrastructure leasing and related services including managed services by EDOTCO Group to Axiata Group	603,002
			- Field Line Maintenance services by EDOTCO Group to Axiata Group	68,431
			TOTAL	**684,197**

Note:

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

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)	Khazanah Nasional Bhd and/or its other related entities (Khazanah Group)	- Khazanah - Ong King How - Eysa Zulkifli	**Revenue to Axiata Group/Cost to other related entities with Khazanah Group**	
			- Leased line services	8,815
			- Cybersecurity, Network and Managed Services	19,516
			- Disposal of Asset - Recycling services	722
			Cost to Axiata Group/Revenue to other related entities with Khazanah Group	
			- Provision of telecommunication services	1,718
			- Transportation and Dismantling Costs	1,566
			TOTAL	**32,337**

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

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

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

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

As at 31 March 2023, 17 outdoor structures were worked on for legalisation. Legalisation applications of 10 outdoor structures were submitted to Local Authorities, of which 2 applications were successfully approved and the remaining 8 were still pending approval. As for the other 6 outdoor structures, the documentation was still being worked on and it was targeted to be submitted to Local Authorities in 2023. It was also identified that 1 outdoor structure does not belong to EDOTCO.

AUDITED FINANCIAL STATEMENTS

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 2022 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.

Directors' Report

The Directors hereby submit their report together with the audited financial statements of the Group and the Company for the financial year ended 31 December 2022.

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 41 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 were as follows:

	Group RM'000	Company RM'000
(Loss)/Profit for the financial year attributable to:		
- owners of the Company:		
- continuing operations	(5,132,165)	11,614,082
- discontinued operations	14,883,242	-
	9,751,077	11,614,082
- non-controlling interests:		
- continuing operations	255,290	-
- discontinued operations	13,047	-
	268,337	-
	10,019,414	11,614,082

SHARE CAPITAL

During the financial year, the paid-up capital of the Company increased from 9,175.0 million ordinary shares to 9,177.2 million ordinary shares. The increase in paid-up capital of the Company was in line with the vesting of shares granted under the Axiata Group Performance Based Long Term Incentive Plan ("Axiata PBLTIP") by the employees of the Company and its subsidiaries as disclosed in Note 14(a) to the financial statements.

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

Directors' Report

DIVIDENDS

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

		Tax exempt dividend under single tier system	
		Per ordinary share Sen	Total RM'000
In respect of financial year ended 31 December:			
- 2021	Interim	5.5	504,724
- 2022*	Interim	5.0	458,862
- 2022*	Interim	4.0	367,090
		14.5	1,330,676

* The dividends were subsequently paid by the Company on 20 January 2023.

The Board of Directors had on 23 February 2023, 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 2022 amounting to RM458.9 million. The dividend was subsequently paid by the Company on 28 March 2023.

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(a) to the financial statements.

DIRECTORS

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

Tan Sri Shahril Ridza Ridzuan	
Dato Dr Nik Ramlah Nik Mahmood	
Dr David Robert Dean	
Khoo Gaik Bee	
Thayaparan S Sangarapillai	
Ong King How	
Tan Sri Dr Halim Shafie	
Nurhisham Hussein	Appointed on 25 January 2022
Shahin Farouque Jammal Ahmad	Appointed on 26 August 2022
Eysa Zulkifli (Alternate Director to Ong King How)	Appointed on 26 August 2022
Maya Hari	Appointed on 11 January 2023
Vivek Sood	Appointed on 24 March 2023
Dr Shridhir Sariputta Hansa Wijayasuriya	Appointed on 24 March 2023
Dato' Mohd Izzaddin Idris	Ceased from office on 31 May 2022
Syed Ali Syed Salem Alsagoff	Resigned on 26 August 2022

Directors' Report

DIRECTORS (CONTINUED)

By way of relief order dated 9 March 2023, granted by the Companies Commission of Malaysia, the names of Directors of subsidiary companies as required under Section 253(2) of the Companies Act 2016 are not disclosed in this Report. The names of Directors of subsidiaries are set out in the respective subsidiaries' audited financial statements and the said information is deemed incorporated herein by such reference and shall form part thereof.

In accordance with Clause 104 of the Constitution of the Company ("Constitution"), Khoo Gaik Bee and Ong King How retire from the Board of Directors at the Thirty-first ("31st") Annual General Meeting ("AGM") and being eligible, offer themselves for re-election.

In accordance with Clause 104 of the Constitution, Tan Sri Dr Halim Shafie retires from the Board of Directors at the 31st AGM and does not offer himself for re-election.

In accordance with Clause 110(ii) of the Constitution, Shahin Farouque Jammal Ahmad, Maya Hari, Vivek Sood and Dr Shridhir Sariputta Hansa Wijayasuriya retire from the Board of Directors at the 31st 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 1.1.2022	Addition	Transferred	As at 31.12.2022
Indirect interest				
Tan Sri Dr Halim Shafie	10,000	-	-	10,000[1]

[1] Shares held through his spouse

Other than as disclosed above, in accordance with the Register of Directors' Shareholdings, none of the 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' remunerations) 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(a) to the financial statements.

DIRECTORS' REMUNERATION

Total Directors' remuneration incurred by the Group and the Company for the financial year ended 31 December 2022 were RM11,222,000 (2021: RM8,773,000) and RM9,959,000 (2021: RM7,657,000) respectively. Further details are 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:

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

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

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

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

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

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

No contingent or other liability of the Group and 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 48 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

Total fees for statutory audits provided by the auditors amounted to RM14,916,000 (2021: RM13,229,000) and RM2,866,000 (2021: RM2,376,000) for the Group and the Company respectively, while total fees for audit related and non-audit services amounted to RM8,742,000 (2021: RM8,904,000) and RM4,192,000 (2021: RM3,762,000) for the Group and the Company respectively. Further details are disclosed in Note 7(c) to the financial statements.

Directors' Report

INDEMNITY AND INSURANCE FOR DIRECTORS AND OFFICERS

The Company maintains a group corporate 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 RM377,496 (2021: RM281,456).

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 28 March 2023. Signed on behalf of the Board of Directors:

TAN SRI SHAHRIL RIDZA RIDZUAN
DIRECTOR

DATO DR NIK RAMLAH NIK MAHMOOD
DIRECTOR

Kuala Lumpur

Statements of Comprehensive Income For the financial year ended 31 December 2022

	Note	Group 2022 RM'000	Group 2021 RM'000	Company 2022 RM'000	Company 2021 RM'000 Restated
Continuing operations					
Revenue	6	**21,700,151**	19,994,368	**1,360,470**	1,706,172
Operating costs:					
- depreciation, impairment and amortisation	7(a)	**(11,223,722)**	(6,657,846)	**(2,419,477)**	(759,274)
- foreign exchange (losses)/gains		**(372,300)**	58,050	**(8,630)**	17,641
- domestic interconnect, international outpayment and other direct costs		**(2,308,893)**	(1,972,088)	**-**	-
- marketing, advertising and promotion		**(1,862,175)**	(1,858,864)	**(10,297)**	(12,825)
- other operating costs	7(b)	**(6,152,359)**	(5,685,331)	**(139,128)**	(136,311)
- staff costs	7(d)	**(1,661,297)**	(1,536,728)	**(161,663)**	(145,004)
- provision for impairment on financial assets		**(118,215)**	(39,098)	**(138,865)**	(65,914)
Other gains/(losses) - net	8	**28,225**	17,026	**(148,463)**	-
Other income - net	9	**1,537**	107,224	**13,565,047**	6,156
		(1,969,048)	2,426,713	**11,898,994**	610,641
Finance income	10	**255,316**	179,684	**167,597**	95,588
Finance costs	10	**(1,826,257)**	(1,411,448)	**(420,064)**	(410,789)
Foreign exchange losses on financing activities		**(622,879)**	(234,355)	**(32,445)**	(20,857)
		(2,449,136)	(1,645,803)	**(452,509)**	(431,646)
Associates					
- share of results (net of tax)		**(56,817)**	(1,663)	**-**	-
Joint ventures					
- share of results (net of tax)		**(9,709)**	(7,706)	**-**	-
(Loss)/Profit before taxation from continuing operations		**(4,229,394)**	951,225	**11,614,082**	274,583
Taxation and zakat	11	**(647,481)**	(643,690)	**-**	-
(Loss)/Profit for the financial year from continuing operations		**(4,876,875)**	307,535	**11,614,082**	274,583
Discontinued operations					
Profit for the financial year from discontinued operations	5(a)(ii)	**14,896,289**	969,346	**-**	-
Profit for the financial year		**10,019,414**	1,276,881	**11,614,082**	274,583

Statements of Comprehensive Income For the financial year ended 31 December 2022

	Note	Group 2022 RM'000	Group 2021 RM'000	Company 2022 RM'000	Company 2021 RM'000 Restated
Other comprehensive income/(expense) (net of tax):					
Continuing operations					
Items that will not be reclassified to profit or loss:					
- actuarial gains on defined benefit plans (net of tax)		**656**	16,095	**-**	-
- fair value through other comprehensive income		**(47,698)**	(7,632)	**-**	-
Items that may be reclassified subsequently to profit or loss:					
- currency translation differences		**(1,840,499)**	303,572	**-**	-
- net cash flow hedge		**(341,266)**	7,717	**11,593**	-
- net cost of hedging		**63,913**	(84,949)	**4,515**	-
Discontinued operations					
- currency translation differences	5(a)(ii)	**273**	-	**-**	-
Other comprehensive (expense)/income for the financial year (net of tax)		**(2,164,621)**	234,803	**16,108**	-
Total comprehensive income for the financial year		**7,854,793**	1,511,684	**11,630,190**	274,583
(Loss)/Profit for the financial year attributable to:					
- owners of the Company					
- continuing operations		**(5,132,165)**	(136,913)	**11,614,082**	274,583
- discontinued operations		**14,883,242**	955,813	**-**	-
		9,751,077	818,900	**11,614,082**	274,583
- non-controlling interests					
- continuing operations		**255,290**	444,448	**-**	-
- discontinued operations		**13,047**	13,533	**-**	-
		268,337	457,981	**-**	-
		10,019,414	1,276,881	**11,614,082**	274,583

Statements of Comprehensive Income For the financial year ended 31 December 2022

	Note	Group 2022 RM'000	Group 2021 RM'000	Company 2022 RM'000	Company 2021 RM'000 Restated
Total comprehensive (expense)/ income for the financial year attributable to:					
- owners of the Company					
- continuing operations		**(6,839,214)**	(9,993)	**11,630,190**	274,583
- discontinued operations		**14,883,515**	955,813	**-**	-
		8,044,301	945,820	**11,630,190**	274,583
- non-controlling interests					
- continuing operations		**(202,555)**	552,331	**-**	-
- discontinued operations		**13,047**	13,533	**-**	-
		(189,508)	565,864	**-**	-
		7,854,793	1,511,684	**11,630,190**	274,583
Basic earnings per share (sen)					
- continuing operations	12(a)	**(55.9)**	(1.5)	**-**	-
- discontinued operations	12(a)	**162.2**	10.4	**-**	-
		106.3	8.9	**-**	-
Diluted earnings per share (sen)					
- continuing operations	12(b)	**(55.9)**	(1.5)	**-**	-
- discontinued operations	12(b)	**162.1**	10.4	**-**	-
		106.2	8.9	**-**	-

The above Statements of Comprehensive Income are to be read in conjunction with the notes to the financial statements on pages 67 to 251.

Statements of Financial Position As at 31 December 2022

	Note	Group 2022 RM'000	Group 2021 RM'000	Company 31.12.2022 RM'000	Company 31.12.2021 RM'000 Restated	Company 1.1.2021 RM'000 Restated
CAPITAL AND RESERVES ATTRIBUTABLE TO OWNERS OF THE COMPANY						
Share capital	13	**13,914,272**	13,905,207	**13,914,272**	13,905,207	13,883,028
Reserves	15	**10,020,787**	4,100,117	**9,641,173**	(659,967)	(107,910)
Total equity attributable to owners of the Company		**23,935,059**	18,005,324	**23,555,445**	13,245,240	13,775,118
Non-controlling interests		**6,745,291**	7,060,505	**-**	-	-
Total equity		**30,680,350**	25,065,829	**23,555,445**	13,245,240	13,775,118
NON-CURRENT LIABILITIES						
Borrowings	16	**18,347,504**	14,819,079	**1,993,956**	1,107,597	829,850
Derivative financial instruments	18	**168,717**	91,162	**6,363**	-	-
Deferred income	19	**3,403**	260,360	**-**	11,736	17,265
Deferred gain on sale and leaseback assets		**176,950**	307,754	**-**	-	-
Trade and other payables	20	**805,965**	1,116,080	**-**	-	-
Provision for asset retirement	21	**846,488**	747,795	**101**	829	804
Amounts due to subsidiaries	33	**-**	-	**7,941,380**	8,056,163	4,024,947
Deferred tax liabilities	22	**933,812**	1,377,516	**-**	-	-
Lease liabilities	23	**8,604,274**	8,412,149	**-**	6,600	10,730
Total non-current liabilities		**29,887,113**	27,131,895	**9,941,800**	9,182,925	4,883,596
		60,567,463	52,197,724	**33,497,245**	22,428,165	18,658,714
NON-CURRENT ASSETS						
Intangible assets	24	**13,442,150**	21,722,687	**-**	-	-
Contract cost assets	25	**138,210**	232,519	**-**	-	-
Property, plant and equipment	26	**27,200,975**	26,975,288	**16,869**	17,406	18,062
Right-of-use assets	27	**9,313,782**	8,983,213	**1,759**	10,260	14,366
Subsidiaries	28	**-**	-	**16,794,053**	19,362,654	20,112,079
Associates	29	**15,596,891**	257,898	**15,532,517**	-	-
Joint ventures	30	**15,682**	25,569	**-**	-	-
Financial assets at fair value through other comprehensive income	31	**179,180**	220,744	**-**	-	-
Financial assets at fair value through profit or loss		**5,758**	5,678	**-**	-	-
Derivative financial instruments	18	**25,945**	76,817	**3,010**	-	-
Trade and other receivables	34	**852,513**	1,280,866	**-**	-	2,000
Amounts due from subsidiaries	33	**-**	-	**518,252**	2,569,539	2,717,756
Deferred tax assets	22	**175,638**	358,530	**-**	-	-
Total non-current assets		**66,946,724**	60,139,809	**32,866,460**	21,959,859	22,864,263

Statements of Financial Position As at 31 December 2022

	Note	Group 2022 RM'000	Group 2021 RM'000	Company 31.12.2022 RM'000	Company 31.12.2021 RM'000 Restated	Company 1.1.2021 RM'000 Restated
CURRENT ASSETS						
Inventories	32	**216,351**	222,747	**-**	-	-
Amounts due from subsidiaries	33	**-**	-	**327,894**	1,089,814	443,233
Trade and other receivables	34	**6,943,592**	5,060,933	**2,461,042**	15,087	4,583
Derivative financial instruments	18	**14,931**	121	**14,931**	-	-
Financial assets at fair value through profit or loss		**34**	65	**-**	-	-
Tax recoverable		**67,356**	109,514	**-**	-	-
Deposits, cash and bank balances	35	**7,451,743**	6,969,352	**2,124,105**	886,387	1,231,872
		14,694,007	12,362,732	**4,927,972**	1,991,288	1,679,688
Assets classified as held-for-sale	37	**-**	47,889	**-**	-	-
Total current assets		**14,694,007**	12,410,621	**4,927,972**	1,991,288	1,679,688
LESS: CURRENT LIABILITIES						
Trade and other payables	20	**10,579,565**	13,555,061	**339,825**	101,620	102,930
Deferred income	19	**1,728**	3,609	**-**	-	-
Deferred gain on sale and leaseback assets		**119,251**	123,902	**-**	-	-
Borrowings	16	**7,088,128**	4,231,416	**2,162,987**	179,736	431,750
Lease liabilities	23	**1,839,617**	1,758,846	**1,881**	4,144	3,841
Derivative financial instruments	18	**17,925**	20,497	**52**	-	-
Amounts due to subsidiaries	33	**-**	-	**966,490**	1,237,482	5,346,716
Current tax liabilities		**601,102**	653,031	**-**	-	-
Dividend payable		**825,952**	-	**825,952**	-	-
		21,073,268	20,346,362	**4,297,187**	1,522,982	5,885,237
Liabilities classified as held-for-sale	37	**-**	6,344	**-**	-	-
Total current liabilities		**21,073,268**	20,352,706	**4,297,187**	1,522,982	5,885,237
Net current (liabilities)/assets		**(6,379,261)**	(7,942,085)	**630,785**	468,306	(4,205,549)
		60,567,463	52,197,724	**33,497,245**	22,428,165	18,658,714

The above Statements of Financial Position are to be read in conjunction with the notes to the financial statements on pages 67 to 251.

Consolidated Statement of Changes in Equity For the financial year ended 31 December 2022

	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 2022		13,905,207	(741,705)	(1,913,128)	6,754,950	18,005,324	7,060,505	25,065,829
Profit for the financial year		-	-	-	9,751,077	9,751,077	268,337	10,019,414
Other comprehensive (expense)/income:								
- Currency translation differences of subsidiaries		-	(1,378,827)	-	-	(1,378,827)	(461,399)	(1,840,226)
- Net cash flow hedge		-	-	(341,810)	-	(341,810)	544	(341,266)
- Net cost of hedging		-	-	64,044	-	64,044	(131)	63,913
- Actuarial (losses)/gains (net of tax)		-	-	(2,421)	-	(2,421)	3,077	656
- Revaluation of financial assets at FVTOCI		-	-	(47,762)	-	(47,762)	64	(47,698)
Total comprehensive (expense)/income for the financial year		-	(1,378,827)	(327,949)	9,751,077	8,044,301	(189,508)	7,854,793
Transactions with owners:								
- Dilutions/Accretion of equity interests in subsidiaries		-	20,410	(417)	(704,295)	(684,302)	(664,627)	(1,348,929)
- New/Additional investments in subsidiaries		-	-	-	(74,616)	(74,616)	669,085	594,469
- Disposal of a group of subsidiaries		-	(273)	-	-	(273)	(102,572)	(102,845)
- Rights issues of subsidiaries		-	(66,824)	1,918	26,945	(37,961)	205,958	167,997
- Dividends declared to:								
- shareholders of the Company	45	-	-	-	(1,330,676)	(1,330,676)	-	(1,330,676)
- NCI		-	-	-	-	-	(234,088)	(234,088)
- Share-based compensation expense		-	-	13,262	-	13,262	538	13,800
- Transferred from share-based payment reserve upon vesting/forfeiture		9,065	-	(9,065)	-	-	-	-
Total transactions with owners		9,065	(46,687)	5,698	(2,082,642)	(2,114,566)	(125,706)	(2,240,272)
At 31 December 2022		13,914,272	(2,167,219)	(2,235,379)	14,423,385	23,935,059	6,745,291	30,680,350

Other comprehensive income ("OCI"), Non-controlling interests ("NCI"), Fair value through other comprehensive income ("FVTOCI")

Consolidated Statement of Changes in Equity For the financial year ended 31 December 2022

	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 2021		13,883,028	(1,002,020)	(1,822,687)	6,582,821	17,641,142	6,238,288	23,879,430
Profit for the financial year		-	-	-	818,900	818,900	457,981	1,276,881
Other comprehensive income/(expense):								
- Currency translation differences of subsidiaries		-	200,934	-	-	200,934	102,638	303,572
- Net cash flow hedge		-	-	6,291	-	6,291	1,426	7,717
- Net cost of hedging		-	-	(83,419)	-	(83,419)	(1,530)	(84,949)
- Actuarial gains (net of tax)		-	-	10,674	-	10,674	5,421	16,095
- Revaluation of financial assets at FVTOCI		-	-	(7,560)	-	(7,560)	(72)	(7,632)
Total comprehensive income/(expense) for the financial year		-	200,934	(74,014)	818,900	945,820	565,864	1,511,684
Transactions with owners:								
- Dilutions of equity interests in subsidiaries		-	3,489	(10,080)	94,030	87,439	158,871	246,310
- New/Additional investments in subsidiaries		-	-	-	(3,707)	(3,707)	27,424	23,717
- Partial disposal of a subsidiary		-	55,892	(1,253)	81,456	136,095	285,838	421,933
- Accretion of equity interest in a subsidiary		-	-	-	808	808	(808)	-
- Dividends declared to:								
- shareholders of the Company	45	-	-	-	(825,539)	(825,539)	-	(825,539)
- NCI		-	-	-	-	-	(214,603)	(214,603)
- Share-based compensation expense		-	-	23,266	-	23,266	(369)	22,897
- Transferred from share-based payment reserve upon vesting/forfeiture		22,179	-	(28,360)	6,181	-	-	-
Total transactions with owners		22,179	59,381	(16,427)	(646,771)	(581,638)	256,353	(325,285)
At 31 December 2021		13,905,207	(741,705)	(1,913,128)	6,754,950	18,005,324	7,060,505	25,065,829

The above Consolidated Statement of Changes in Equity is to be read in conjunction with the notes to the financial statements on pages 67 to 251.

Company Statement of Changes in Equity
For the financial year ended 31 December 2022

	Note	Share capital RM'000	Capital contribution reserve RM'000	Share-based payment reserve RM'000	Other reserve RM'000	Retained earnings/ (Accumulated losses) RM'000	Total RM'000
At 1 January 2022:							
- as previously reported		**13,905,207**	**16,598**	**20,344**	**-**	**552,161**	**14,494,310**
- restatement of comparatives	47	**-**	**-**	**-**	**-**	**(1,249,070)**	**(1,249,070)**
- as restated		**13,905,207**	**16,598**	**20,344**	**-**	**(696,909)**	**13,245,240**
Profit for the financial year		**-**	**-**	**-**	**-**	**11,614,082**	**11,614,082**
Other comprehensive income:							
- Net cash flow hedge		**-**	**-**	**-**	**11,593**	**-**	**11,593**
- Net cost of hedging		**-**	**-**	**-**	**4,515**	**-**	**4,515**
Total comprehensive income for the financial year		**-**	**-**	**-**	**16,108**	**11,614,082**	**11,630,190**
Transactions with owners:							
- Dividends declared to shareholders	45	**-**	**-**	**-**	**-**	**(1,330,676)**	**(1,330,676)**
- Share-based compensation expense		**-**	**-**	**10,691**	**-**	**-**	**10,691**
- Transferred from share-based payment reserve upon vesting/ forfeiture		**9,065**	**-**	**(9,065)**	**-**	**-**	**-**
Total transactions with owners		**9,065**	**-**	**1,626**	**-**	**(1,330,676)**	**(1,319,985)**
At 31 December 2022		**13,914,272**	**16,598**	**21,970**	**16,108**	**9,586,497**	**23,555,445**
At 1 January 2021:							
- as previously reported		13,883,028	16,598	27,626	-	907,004	14,834,256
- restatement of comparatives	47	-	-	-	-	(1,059,138)	(1,059,138)
- as restated		13,883,028	16,598	27,626	-	(152,134)	13,775,118
Profit/Total comprehensive income for the financial year		-	-	-	-	274,583	274,583
Transactions with owners:							
- Dividends declared to shareholders	45	-	-	-	-	(825,539)	(825,539)
- Share-based compensation expense		-	-	21,078	-	-	21,078
- Transferred from share-based payment reserve upon vesting/ forfeiture		22,179	-	(28,360)	-	6,181	-
Total transactions with owners		22,179	-	(7,282)	-	(819,358)	(804,461)
At 31 December 2021		13,905,207	16,598	20,344	-	(696,909)	13,245,240

The above Consolidated Statement of Changes in Equity is to be read in conjunction with the notes to the financial statements on pages 67 to 251.

Statements of Cash Flows For the financial year ended 31 December 2022

	Note	Group 2022 RM'000	Group 2021 RM'000	Company 2022 RM'000	Company 2021 RM'000 Restated
Cash flows from/(used in) operating activities	36	**8,934,834**	8,837,014	**(621,927)**	(471,516)
Cash flows (used in)/from investing activities	36	**(11,584,996)**	(8,116,898)	**(1,121,619)**	761,681
Cash flows from/(used in) financing activities	36	**3,412,330**	(1,216,542)	**2,317,009**	(656,415)
Net increase/(decrease) in cash and cash equivalents		**762,168**	(496,426)	**573,463**	(366,250)
Effect of exchange (losses)/gains on cash and cash equivalents		**(729,603)**	116,784	**(5,948)**	20,765
Net increase in restricted cash and cash equivalents		**(18,701)**	(30,190)	**-**	-
Cash and cash equivalents at the beginning of the financial year		**6,312,330**	6,722,162	**886,387**	1,231,872
Cash and cash equivalents at the end of the financial year		**6,326,194**	6,312,330	**1,453,902**	886,387

Cash and cash equivalents at the end of the financial year consist of the following:

	Note	Group 2022 RM'000	Group 2021 RM'000	Company 2022 RM'000	Company 2021 RM'000 Restated
Cash and cash equivalents in banks	35	**6,468,675**	6,525,962	**1,453,902**	886,387
Bank overdraft		**(142,481)**	(213,632)	**-**	-
Cash and cash equivalents at the end of the financial year		**6,326,194**	6,312,330	**1,453,902**	886,387

The above Statements of Cash Flows are to be read in conjunction with the notes to the financial statements on pages 67 to 251.

Notes to the Financial Statements For the financial year ended 31 December 2022

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 41 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 28 March 2023.

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 Note 3 to the financial statements.

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 Board of 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 Board of 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.

Notes to the Financial Statements For the financial year ended 31 December 2022

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

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

The following amendments and annual improvements to published standards have been adopted by the Group and the Company for the first time for the financial year beginning on 1 January 2022:

- Amendments to MFRS 3 - Business Combinations ("MFRS 3"): Reference to Conceptual Framework
- Amendment to MFRS 16 - Leases ("MFRS 16"): COVID-19 - Related Rent Concessions beyond 30 June 2021
- Amendments to MFRS 116 - Property, Plant and Equipment ("MFRS 116"): Proceeds before Intended Use
- Amendments to MFRS 137 - Onerous Contracts: Cost of Fulfilling a Contract
- Annual improvements of MFRSs 2018 - 2020 on the following:

  (i) Illustrative Example accompanying MFRS 16: Lease Incentives
  (ii) MFRS 9 - Financial Instruments: Fees in the '10 per cent' Test for Derecognition of Financial Liabilities

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

(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 standards in the financial year beginning on/after 1 January 2023:

- Amendments on disclosure of accounting policies - Amendments to MFRS 101 and MFRS Practice Statement 2

  The amendments to MFRS 101 require companies to disclose material accounting policies rather than significant accounting policies. Entities are expected to make disclosure of accounting policies specific to the entity and not generic disclosures on MFRS applications.

  The amendment explains an accounting policy is material if, when considered together with other information included in an entity's financial statements, it can reasonably be expected to influence decisions that the primary users of general-purpose financial statements make on the basis of those financial statements.

  Also, accounting policy information is expected to be material if, without it, the users of the financial statements would be unable to understand other material information in the financial statements. Accordingly, immaterial accounting policy information need not be disclosed. However, if it is disclosed, it should not obscure material accounting policy information.

  MFRS Practice Statement 2 was amended to provide guidance on how to apply the concept of materiality to accounting policy disclosures.

  The amendments to MFRS 101 and MFRS Practice Statement 2 are not expected to have material impact to the Group and the Company.

Notes to the Financial Statements For the financial year ended 31 December 2022

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 2023: (continued)

- Amendments on definition of accounting estimates - Amendments to MFRS 108 - Accounting Policies, Changes in Accounting Estimates and Errors ("MFRS 108")

  The amendments to MFRS 108, redefined accounting estimates as "monetary amounts in financial statements that are subject to measurement uncertainty". To distinguish from changes in accounting policies, the amendments clarify that effects of a change in an input or measurement technique used to develop an accounting estimate is a change in accounting estimate, if they do not arise from prior period errors.

  Examples of accounting estimates include expected credit losses; net realisable value of inventory; fair value of an asset or liability; depreciation for property, plant and equipment; and provision for warranty obligations.

  The amendments to MFRS 108 are not expected to have material impact to the Group and the Company.

- Amendments to MFRS 112 - Income Taxes ("MFRS 112") - Deferred Tax related to Assets and Liabilities arising from a Single Transaction clarify that the initial exemption rule does not apply to transactions where both an asset and a liability are recognised at the same time such as leases and decommissioning obligations. Accordingly, entities are required to recognise both deferred tax assets and liabilities for all deductible and taxable temporary differences arising from such transactions.

  The amendments to MFRS 112 are not expected to have material impact to the Group and the Company.

The Group and the Company will apply the following amendments to standards in the financial year beginning on/after 1 January 2024:

- Amendments to MFRS 101

  There are two amendments to MFRS 101. The first amendments, "Classification of liabilities as current or non-current" clarify that liabilities are classified as either current or non-current, depending on the rights that exist at the end of the reporting period. Classification is unaffected by the entity's expectations or events after the reporting date (e.g. the receipt of a waiver or a breach of covenant). 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 meeting the definition of an equity instrument in MFRS 132 – Financial Instruments: Presentation ("MFRS 132") does not impact the current or non-current classification of the convertible instrument.

  The second amendments, "Non-current Liabilities with Covenants" specify that covenants of loan arrangements which an entity must comply with only after the reporting date would not affect classification of a liability as current or non-current at the reporting date. However, those covenants that an entity is required to comply with on or before the reporting date would affect classification of a liability as current or non-current, even if the covenant is only assessed after the reporting date.

  Both amendments are effective for annual reporting periods beginning on or after 1 January 2024 and shall be applied retrospectively.

  The amendments to MFRS 101 are being assessed by the Group and the Company.

Notes to the Financial Statements For the financial year ended 31 December 2022

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 2024: (continued)

- Amendments to MFRS 16 - "Lease Liability in a Sale and Leaseback" specify the measurement of the lease liability arises in a sale and leaseback transaction that satisfies the requirements in MFRS 15 - Revenue from Contracts with Customers to be accounted for as a sale. In accordance with the amendments, the seller-lessee shall determine the "lease payments" or "revised lease payments" in a way that it does not result in the seller-lessee recognising any amount of the gain or loss that relates to the right of use it retains.

  The amendments shall be applied retrospectively to sale and leaseback transactions entered into after the date when the seller-lessee initially applied MFRS 16.

  The amendments to MFRS 16 are being assessed by the Group and the Company.

3. SIGNIFICANT ACCOUNTING POLICIES

The significant 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 when the acquired set of activities and assets meet the definition of a business. The Group determines that it has acquired a business when the acquired set of activities and assets include and input and substantive process that together significantly contribute to the ability to create outputs. 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 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.

Notes to the Financial Statements For the financial year ended 31 December 2022

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(a) Economic entities in the Group (continued)

(i) Subsidiaries (continued)

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.

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 NCI. The charge to equity is recognised separately as written put options over NCI.

Notes to the Financial Statements For the financial year ended 31 December 2022

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(a) Economic entities in the Group (continued)

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

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

(iii) Disposal of subsidiaries

When the Group ceases to 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 interests 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 costs in the consolidated statements 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 equal or exceed its interest in the joint venture, including any long-term interests that, in substance, form part of the Group's net investment in the joint venture, the Group does not recognise further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the joint venture.

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

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

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(a) Economic entities in the Group (continued)

(iv) Joint arrangements (continued)

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

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

(v) Associates

Associates are entities which the Group has significant influence, but 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 equal or exceed its interest 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 investments in associates include 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.

Notes to the Financial Statements For the financial year ended 31 December 2022

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(a) Economic entities in the Group (continued)

(v) Associates (continued)

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 different 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.

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.

As the Group recognises goodwill based on a partial goodwill method, for the purposes of impairment testing, goodwill includes the portion attributable to the NCI. The Group adopted the method of using NCI based on the current ownership interests as at the date of the goodwill impairment test.

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. 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 2022

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(b) Intangible assets (continued)

(ii) Licences

The Group's licences mainly consist of acquired telecommunication licences with allocated spectrum rights and tower operating licences. Acquired licences are shown at cost. Licences acquired in a business combination are recognised at fair value at the acquisition date. Licences 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. Licences are not revalued. The estimated useful lives of the acquired telecommunication licences with allocated spectrum rights and tower operating licence of the Group are as follows:

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:	
- Nepal	10 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:

Mobile segment:	
- Cambodia	25 years
- Nepal	10 years
Fixed broadband segment	9 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.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(b) Intangible assets (continued)

(v) Computer software (continued)

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 is 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.

(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 - 40 years
Telecommunication network equipment	2 - 25 years
Movable plant and equipment	3 - 10 years
Computer support systems	2 - 10 years

Notes to the Financial Statements For the financial year ended 31 December 2022

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

(ii) Depreciation and residual value (continued)

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. The accounting policy on impairment of non-financial assets is disclosed in Note 3(e) to the financial statements.

(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.

(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. The accounting policy on impairment of non-financial assets is disclosed in Note 3(e) to the financial statements.

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

Notes to the Financial Statements For the financial year ended 31 December 2022

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

Assets with definite useful life are reviewed for impairment losses whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the carrying amount of the asset exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less cost to sell ("FVLCTS") 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 associate, when assessing FVLCTS, the unit of account is the investment in associate as a whole.

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 statements 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 within "Other gains/(losses) - net". Interest income from these financial assets is included in finance income using the effective interest rate method. Foreign exchange gains and losses are presented net within "Other gains/(losses) - net" and impairment expenses are presented within "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) - net" 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 investments. 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) - net" 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 (5) 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)

Notes to the Financial Statements For the financial year ended 31 December 2022

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(f) Financial assets (continued)

(iv) Impairment (continued)

The Company has three (3) types of financial instruments that are subject to the ECL model:

- Other receivables (including deposits)
- Amounts 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.

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 ("MFRS 15")

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 34(g) 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) months 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 33 and Note 34(g) 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.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(f) Financial assets (continued)

(iv) Impairment (continued)

Significant increase in credit risk (continued)

The following indicators are incorporated:

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

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

Regardless of the analysis above, a significant increase in credit risk is presumed if a debtor is more than thirty (30) to ninety (90) 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 to three hundred and sixty-five (365) days after they fall due.

Qualitative criteria: The debtor meets unlikeliness to pay criteria, which indicates the debtor is in significant financial difficulty. The Group and the Company consider the following instances:

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

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

Groupings of instruments of ECL measured on collective basis

- Collective assessment

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

Notes to the Financial Statements For the financial year ended 31 December 2022

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(f) Financial assets (continued)

(iv) Impairment (continued)

Groupings of instruments of ECL measured on collective basis (continued)

- 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 writeback 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.

Notes to the Financial Statements For the financial year ended 31 December 2022

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(h) Derivatives and hedging activities (continued)

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

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

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

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

(i) Fair value hedge

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

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

(ii) Cash flow hedge

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

Amounts accumulated in equity (including the cost of hedging reserve) are reclassified to profit or loss in the periods when the hedged cash flows affect 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".

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(h) Derivatives and hedging activities (continued)

(ii) Cash flow hedge (continued)

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). The accounting policy on derivatives and hedging activities is disclosed in Note 3(h) to the financial statements.

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

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

Derecognition

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

Notes to the Financial Statements For the financial year ended 31 December 2022

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(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. The accounting policy on impairment of financial assets is disclosed in Note 3(f) to the financial statements.

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 statements of cash flows, cash and cash equivalents are held for the purpose of meeting short-term cash commitments rather than for investments 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 statements of cash flows. Bank overdrafts are included within "Borrowings" in current liabilities in the statements of financial position.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(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.

(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 facilities will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extend there is no evidence that it is probable that some or all of the facilities 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 statements 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.

When the basis to determine the future contractual cash flows of the borrowings are modified entirely as a result of interbank lending rate ("IBOR") reform, the Group and the Company apply the practical expedient provided by the Phase 2 amendments related to IBOR reform to adjust the effective interest rate of the borrowings, with no immediate gain or loss is recognised.

The practical expedient is only applicable to changes to the basis for determining the contractual cash flows that are required by IBOR reform when both of these conditions are met:

(a) the change is necessary as a direct consequence of IBOR reform; and
(b) the new basis for determining the contractual cash flows is economically equivalent to the previous basis (that is, the basis immediately preceding the change).

In situations where some or all of a change in the basis for determining the contractual cash flows of the borrowings does not meet the criteria of the Phase 2 amendments, the Group and the Company first apply the practical expedient to the changes required by IBOR reform, including updating the effective interest rate of the borrowings. Any additional changes are accounted for as modification of borrowings in accordance with the requirement in MFRS 9 (that is, assessed for modification or derecognition, with the resulting modification gain / loss recognised immediately in profit or loss where the borrowings are not derecognised).

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(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 based 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 based 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 asset is 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.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(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.

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 benefit is 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.

Notes to the Financial Statements For the financial year ended 31 December 2022

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(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.

(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.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(s) Leases (continued)

Accounting by lessee (continued)

(ii) Lease liabilities (continued)

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 principals and finance costs. 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 statements of financial position. Interest expenses on lease liabilities are presented within "Finance costs" in profit or loss.

Lease liabilities shall be remeasured when:

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

  The Group and the Company are also exposed to potential future increases in variable lease payments that depend on an index or rate, which are not included in the lease liability until they take effect. When adjustments to lease payments based on an index or rate take effect, the lease liability is remeasured and adjusted against the ROU assets.

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

  In determining the lease term, the Group and the Company consider all facts and circumstances that create an economic incentive to exercise an extension option, or not to exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not to be terminated).

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

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

Short-term leases are leases with a lease term of twelve (12) months or less. Low-value assets comprise information technology ("IT") equipment and small items of office furniture. Payments associated with short-term leases of equipment and vehicles and all leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss.

Accounting by lessor

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

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

Notes to the Financial Statements For the financial year ended 31 December 2022

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(s) Leases (continued)

Accounting by lessor (continued)

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 retained in the statements 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.

Mobile and interconnect services and sale of devices

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 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.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(t) Revenue (continued)

(i) Revenue from contracts with customers (continued)

Mobile and interconnect services and sale of devices (continued)

Mobile services are offered separately and/or as a bundle along with other services and/or devices. The length of bundled contracts is 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 is 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.

Digital business

Mobile advertising

The Group offers mobile advertising through SMS, MMS and display channel. The Group sells the mobile advertising slots to the customers. Revenue is recognised as a single performance obligation at a point in time when the advertising slots are transferred to the customer.

Web channel network income

Web channel network income consists of media buying and campaign management.

Under media buying, the Group purchases advertising slots or space from media companies and provide them to customers for their advertising requirements. Performance obligations are satisfied and revenue is recognised at a point in time when the advertising slots are successfully transferred to the customers.

Under campaign management, the Group provides consultation services to manage customers' advertising mix based on the insights generated from different digital platforms. Performance obligations are satisfied and revenue is recognised over time as customers simultaneously consume the benefits of the data analysis and insights provided by the Group and the Company over the respective contract periods.

Billings are typically issued to customers on a periodic basis based on intervals agreed within each customer contract, with credit terms of thirty (30) days. Certain contracts require customers to pay consideration in advance of the Group and the Company fulfilling the performance obligations, for which contract liabilities will be recognised.

Notes to the Financial Statements For the financial year ended 31 December 2022

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(t) Revenue (continued)

(i) Revenue from contracts with customers (continued)

Digital business (continued)

Web channel network income (continued)

Some contracts include multiple deliverables, such as content creation, content strategy and campaigns, which may include both media buying and campaign management performance obligations. In most cases, the customer can benefit from each content deliverable on its own and each deliverable could also be performed separately by another party, therefore it is accounted for as a separate performance obligation. The transaction price will be allocated to each performance obligation based on the stand-alone selling prices and recognised accordingly when the performance obligations are satisfied.

Television transmission and broadband services

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.

Technical and management services fees

Technical and management services fees comprise fees for provision of support services to certain subsidiaries, which are recognised over the period the service is rendered.

Others

Infrastructure services

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.

(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.

Notes to the Financial Statements For the financial year ended 31 December 2022

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(t) Revenue (continued)

(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 investments in subsidiaries, joint ventures, associates and other investments is recognised in the profit or loss in separate financial statements when a right to receive payment is established. This applies even if they are paid out of pre-acquisition profits.

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 within "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 and the Company operate a number of equity-settled and cash-settled share-based compensation plans. For equity-settled share-based compensation plans, the entity receives services from employees as consideration for equity instruments of the Group and certain subsidiaries. The fair value of the shares granted in exchange for the services of the employees are recognised as equity-settled share-based compensation expense within "Staff costs" in profit or loss with a corresponding increase to share-based payment reserve within equity. The total amount to be expensed is determined by reference to the fair value of the shares 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 shares that are expected to vest.

The fair value of shares granted to employees under the equity-settled share-based compensation plans of the Group and the Company is recognised as an expense 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 shares 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-based payment reserve within equity. On vesting date, the Group and the Company revise the estimate to equal the number of shares that ultimately vested based on the non-market vesting conditions and service conditions.

Having recognised the services received, the Group and the Company make no subsequent adjustment to total equity after vesting date. If the shares are later forfeited by an employee or lapse in accordance with the terms of the share-based compensation plans, the Group and the Company recognise a transfer from the share-based payment reserve to retained earnings within equity.

For cash settled share-based compensation plans, 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 the separate financial statements of the Company, the grant by the Company of its shares to the employees of subsidiaries in the Group is treated as services provided to the subsidiaries. The fair value of shares granted to employees of the subsidiaries in exchange for the services of the employees to the subsidiaries are recognised as payables by subsidiaries, with a corresponding credit to the share-based payment reserve in equity.

(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.

Notes to the Financial Statements For the financial year ended 31 December 2022

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(u) Employee benefits (continued)

(v) Post-employment benefit obligations (continued)

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 "Finance 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.

(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) 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.

Notes to the Financial Statements For the financial year ended 31 December 2022

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(w) Foreign currencies (continued)

(ii) Transactions and balances (continued)

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

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

(iii) Group companies (Consolidated financial statements)

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

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

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

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

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 is re-attributed to NCIs and is not recognised in consolidated profit or loss. For all other partial disposals (that is, reductions in the Group's ownership interests 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.

(x) 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.

Notes to the Financial Statements For the financial year ended 31 December 2022

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(y) Government grants

As a Universal Service Provider ("USP"), the Group is entitled to claim certain qualified expenses from the relevant authorities in relation to USP projects. The claim qualifies as a government grant and is recognised at fair value where there is a reasonable assurance that the grant will be received and the Group will comply with all qualifying conditions.

Government grants relating to costs are recognised in the profit or loss over the period necessary to match them with the costs they are intended to compensate.

Government grants relating to the purchase of assets are included in non-current liabilities as deferred income and are credited to the profit or loss on the straight-line basis over the expected life of the related assets.

(z) Non-current assets (or disposal groups) classified as held-for-sale and discontinued operations

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 statements 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 of such a line of business or area of operations, or is a subsidiary acquired exclusively with a view to resale. The results of discontinued operations are presented separately in the statements of comprehensive income.

In analysing intercompany eliminations, the Group has adopted a policy to look at the situation post-disposal and determine whether it is more appropriate to eliminate against the discontinued operation or the continuing business with the view that such policy can better reflect the financial performance of the continuing operations in the future. If the situation is to continue post-disposal, the intercompany transaction will be eliminated against the discontinued operations and vice versa.

(aa) 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 statements of financial position.

Notes to the Financial Statements For the financial year ended 31 December 2022

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(ab) 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.

(ac) 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 fulfiling 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.

(ad) Financial guarantee

Financial guarantee contracts are recognised as a financial liability at the time the guarantee is issued.

The liability is initially measured at fair value and subsequently at the higher of:

- the amount determined in accordance with the expected credit loss model under MFRS 9 - Financial Instruments, and

- the amount initially recognised less, where appropriate, the cumulative amount of income recognised in accordance with the principles of MFRS 15 - Revenue from Contracts with Customers.

The fair value of financial guarantees is determined based on the present value of the difference in cash flows between the contractual payments required under the debt instrument and the payments that would be required without the guarantee, or the estimated amount that would be payable to a third party for assuming the obligations.

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 the 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.

(i) Intangible assets – acquired telecommunication licences 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 licence 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 licence. The Group considered the annual payment to be usage fees based on interpretation of the licence 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 licence.

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 licence, 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.

(ii) Intangible assets – estimated useful life of telecommunication licences with allocated spectrum rights

The telecommunication licences 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 licences can be renewed in perpetuity at negligible cost and the associated spectrum rights, 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 licences.

(iii) Intangible assets – expiry of telecommunication licence of a subsidiary

The Group has considered handover of the entire assets (land, building, plant, equipment and other structures related to the telecommunications service) of a subsidiary to the Government of Nepal once the maximum licence period of twenty-five (25) years has expired, in which a buyback of these assets can take place in 2029. The Group has assumed the cost of buyback is nil and the licence allocated to the subsidiary will be extended in perpetuity in the impairment test of Nepal CGU as disclosed in Note 24(d) to the financial statements.

(iv) 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 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.

The outcome of ongoing legal, regulatory and taxation claims and disputes are dependent on future events and the Group makes estimates and judgements 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.

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONTINUED)

(a) Critical judgements in applying the Group's and the Company's accounting policies (continued)

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. (continued)

(iv) Legal, regulatory and taxation claims and disputes across the Group (continued)

The ongoing legal, regulatory and taxation claims and disputes of the Group as at reporting date are disclosed in Note 38(d) and Note 38(e) to the financial statements.

(v) 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.

(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 its 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. 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 below:

(i) Impairment assessment of goodwill

The Group tests goodwill for impairment annually in accordance with its accounting policy or more frequently if events or change in circumstances indicate that this is necessary within the financial year. Recoverable amount is measured at the higher of the FVLCTS for that asset and its VIU.

Notes to the Financial Statements For the financial year ended 31 December 2022

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONTINUED)

(b) Critical accounting estimates and assumptions (continued)

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next year are mentioned below: (continued)

(i) Impairment assessment of goodwill (continued)

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, EBITDA margin, capital expenditure ("capex") to revenue ratio, colocation ratio average, an appropriate discount rate and terminal growth rate.

The assumptions used, results and sensitivity analysis of the impairment assessment of goodwill are disclosed in Note 24 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 FVLCTS 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 FVLCTS 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 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.

(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 results 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.

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONTINUED)

(b) Critical accounting estimates and assumptions (continued)

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next year are mentioned below: (continued)

(iv) Taxation (continued)

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) 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 date are disclosed in Note 34, Note 38(d) and Note 38(e) to the financial statements.

(vi) 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.

(vii) 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.

Notes to the Financial Statements For the financial year ended 31 December 2022

5. SIGNIFICANT CHANGES IN COMPOSITION OF THE GROUP

(a) Significant changes in composition of the Group during the financial year

(i) Acquisition of equity interest in PT Link Net Tbk ("Link Net") and its subsidiaries

On 27 January 2022, Axiata Investments Indonesia Sdn Bhd ("AII"), an indirect wholly owned subsidiary of the Company, and PT XL Axiata Tbk ("XL"), an indirect 61.48% owned subsidiary of the Company, signed a conditional share purchase agreement to jointly acquire an aggregate 1,816,735,484 ordinary shares representing 46.03% and 20.00% respectively equity interest in Link Net and its subsidiaries from Asia Link Dewa Pte Ltd and PT First Media Tbk at IDR4,800 per ordinary share in Link Net for a total consideration of IDR8,720.3 billion (RM2,590.0 million). The acquisition was completed on 22 June 2022 and Link Net became an effective owned 58.33% subsidiary of the Group.

The following summarises the purchase consideration, the fair value of the identifiable assets acquired, liabilities assumed and NCI at the acquisition date on a consolidated basis.

	RM'000
PPE	2,587,174
Intangible assets	490,895
ROU assets	199,407
Trade and other receivables	274,814
Cash and bank balances	48,310
Trade and other payables	(532,975)
Borrowings	(885,504)
Lease liabilities	(146,680)
Current tax liabilities	(13,530)
Deferred tax liabilities	(65,111)
Fair value of net identifiable assets acquired	1,956,800
Less: NCI	(664,726)
	1,292,074
Goodwill on acquisition	1,297,864
Purchase consideration	2,589,938
Less:	
Cash and bank balances acquired	(48,310)
Purchase consideration paid in cash	2,541,628

The Group had assessed the fair value of the identified assets acquired and liabilities assumed on the date of acquisition via a purchase price allocation ("PPA") exercise.

The acquisition is to reinforce the Group's strategic move into the underpenetrated fixed broadband market and fuels its expansion in Indonesia, create significant synergies for Link Net and XL through their combined position in wireless communication services, sharing of backbone and transmission networks and extensive relationships with customers in Indonesia and strong strategic alignment between the two businesses.

Notes to the Financial Statements For the financial year ended 31 December 2022

5. SIGNIFICANT CHANGES IN COMPOSITION OF THE GROUP (CONTINUED)

(a) Significant changes in composition of the Group during the financial year (continued)

(i) Acquisition of equity interest in PT Link Net Tbk ("Link Net") and its subsidiaries (continued)

Goodwill arising from the acquisition was attributable to the market share of fixed broadband in Indonesia.

Acquisition-related costs of RM31.9 million had been recognised in profit or loss within "Other operating costs" during the financial year.

If the acquisition had occurred at the beginning of the financial year, the Group's pro forma revenue and loss for the financial year ended 31 December 2022 from continuing operations would have been RM22,324.5 million and RM4,833.0 million respectively.

(ii) Merger between Celcom Berhad ("Celcom") [formerly known as Celcom Axiata Berhad] and CelcomDigi Berhad ("Digi") [formerly known as Digi.Com Berhad]

On 21 June 2021, the Company, Digi, Telenor ASA and Telenor Asia Pte Ltd ("Telenor Asia") entered into several definitive agreements to combine respective telecommunications businesses in Malaysia ("Merger"). On 30 November 2022, the Merger was completed. Accordingly, Celcom and its subsidiaries ("Celcom Group") ceased to be subsidiaries of the Group and the financial result for the period ended 30 November 2022 of Celcom Group were classified as discontinued operations as Celcom Group represented a separate major line of business of the Group.

The comparative figures in the consolidated statement of comprehensive income and its related notes have been re-presented to show Celcom Group as discontinued in the previous financial year.

As part of completion of the Merger, Celcom and Digi were merged by way of a transfer of the Company's entire equity interest in Celcom to Digi, where the Company received:

(A) the Consideration Shares, comprising 3,883,129,144 new ordinary shares in Digi ("Digi Shares") representing 33.10% of the enlarged issued Digi Shares issued by Digi, valued at RM15,532.5 million based on the closing price of Digi as at 30 November 2022 of RM4.00 per ordinary share;

(B) the Digi Cash Consideration, comprising cash consideration of RM2,468.9 million from Digi which is subject to the finalisation of completion adjustments under the terms of the share purchase agreement or such other extended period as may be mutually agreed by the Company and Digi; and

(C) the Digi Shares Cash Consideration of RM297.9 million from Telenor Asia as consideration for the subscription of 73,378,844 new Digi Shares representing 0.63% of the enlarged issued share capital of Digi in accordance with the terms of the master transaction agreement to facilitate the equalisation of the Merger between Telenor Asia and the Company. Upon completion of the Merger, Telenor Asia and the Company have equal shareholding of 33.10% in Digi.

Notes to the Financial Statements For the financial year ended 31 December 2022

5. SIGNIFICANT CHANGES IN COMPOSITION OF THE GROUP (CONTINUED)

(a) Significant changes in composition of the Group during the financial year (continued)

(ii) Merger between Celcom Berhad ("Celcom") [formerly known as Celcom Axiata Berhad] and CelcomDigi Berhad ("Digi") [formerly known as Digi.Com Berhad] (continued)

Details of the disposal of Celcom Group upon completion are as follows:

	Group RM'000	Company RM'000
Consideration received:		
- Consideration Shares	15,532,517	15,532,517
- Digi Cash Consideration	2,468,900	2,468,900
- Digi Shares Cash Consideration	297,918	297,918
Transaction costs	(78,878)	(78,878)
Total net disposal consideration	18,220,457	18,220,457
Carrying amount of net assets of Celcom Group disposed	(4,690,649)	(4,677,000)
Reclassification of foreign currency translation reserve	273	-
Net gain on disposal of Celcom Group	13,530,081	13,543,457

The carrying amount of assets and liabilities as at the date of disposal was:

	Group RM'000	Company RM'000
Intangible assets	4,669,964	-
PPE	4,539,071	-
ROU assets	1,163,119	-
Investment in a subsidiary	-	4,677,000
Trade and other receivables	1,905,017	-
Cash and bank balances	934,900	-
Deferred tax assets	45,507	-
Others	420,432	-
Total assets	13,678,010	4,677,000
Trade and other payables	(4,644,806)	-
Borrowings	(1,628,635)	-
Lease liabilities	(1,208,155)	-
Deferred income	(590,608)	-
Deferred tax liabilities	(612,270)	-
Others	(200,315)	-
Total liabilities	(8,884,789)	-
Total net assets of Celcom Group disposed	4,793,221	4,677,000
Less: NCI	(102,572)	-
Total net assets of Celcom Group disposed attributable to the owners of the Company	4,690,649	4,677,000

5. SIGNIFICANT CHANGES IN COMPOSITION OF THE GROUP (CONTINUED)

(a) Significant changes in composition of the Group during the financial year (continued)

(ii) Merger between Celcom Berhad ("Celcom") [formerly known as Celcom Axiata Berhad] and CelcomDigi Berhad ("Digi") [formerly known as Digi.Com Berhad] (continued)

The financial performance and cash flow information presented are for the financial period ended 30 November 2022 and the financial year ended 31 December 2021.

	Group	
	2022 RM'000	**2021 RM'000**
Revenue	**5,795,919**	5,906,293
Expenses	**(3,982,971)**	(4,683,900)
Profit before tax from discontinued operations	**1,812,948**	1,222,393
Taxation and zakat	**(446,740)**	(253,047)
Profit after tax from discontinued operations	**1,366,208**	969,346
Gain on disposal of Celcom Group, net of tax	**13,530,081**	-
Total profit for the financial year from discontinued operations	**14,896,289**	969,346
Currency translation differences	**273**	-
Total comprehensive income from discontinued operations	**14,896,562**	969,346

Net cash flows from/(used in) discontinued operations are as follows:

	Group	
	2022 RM'000	**2021 RM'000**
Cash flows from operating activities	2,145,880	2,599,853
Cash flows from/(used in) investing activities*	1,649,693	(1,028,207)
Cash flows used in financing activities	(579,500)	(968,805)
Net increase in cash and cash equivalents	3,216,073	602,841

* Includes gross inflow of RM2,687.9 million from the disposal of Celcom Group during the financial year.

(iii) Acquisition of equity interest in PT Hipernet Indodata ("Hypernet")

On 2 June 2022, XL completed the acquisition of 2,805 ordinary shares in Hypernet representing 51.00% of the issued and paid-up share capital of Hypernet for a cash consideration of IDR335.3 billion (RM100.9 million). Effectively, Hypernet became a subsidiary of the Group.

During the financial year, the Group recognised goodwill of RM66.1 million arising from the acquisition.

5. SIGNIFICANT CHANGES IN COMPOSITION OF THE GROUP (CONTINUED)

(a) Significant changes in composition of the Group during the financial year (continued)

(iv) Additional investment in a subsidiary

- edotco Investments (Labuan) Limited had on 13 April 2022 completed the subscription of 250,000,000 common shares of Philippine Peso ("PHP") 1.00 each, representing 49.00% of the issued and paid-up share capital of Edotco Towers, Inc. [formerly known as ISOC edotco Towers, Inc.] ("ISOC") for a cash consideration of PHP1,398.0 million (RM113.6 million). Accordingly, the Group's equity interest in ISOC increased from 32.13% to 63.00%.

  Accordingly, the Group recognised a decrease in the consolidated retained earnings and NCI of RM74.6 million and RM53.4 million respectively during the financial year.

(v) Accretion of equity interests in subsidiaries

- Dialog Axiata Digital Innovation Fund (Private) Limited ("DADIF"), a subsidiary of Digital Holdings Lanka (Private) Limited ("DHL") had issued 307,555 preference shares out of which 302,423 were issued to DHL and the remaining shares were issued to an individual shareholder during the financial year. Accordingly, the Group's equity interest in DADIF increased from 73.67% to 76.45%.

- Headstart Private Limited ("Headstart"), a subsidiary of DHL, issued 608 ordinary shares to DHL on 24 May 2022 pursuant to the conversion of intercompany loan granted by Dialog Axiata Plc ("Dialog") to Headstart as equity. Accordingly, the Group's equity interest in Headstart increased from 41.86% to 51.31%.

  On 7 October 2022, the existing shareholders of Headstart, Messrs. S W W M R H Dela, S A D K H Senadheera and RAC Human Capital (Private) Limited transferred their ordinary shares held in Headstart to DADIF, at a consideration of LKR51,120,460 (RM0.6 million). Accordingly, the Group's equity interest in Headstart increased from 51.02% (post dilution of equity interest in Dialog) to 80.06%.

- In conjunction with the acquisition of Link Net as disclosed in Note 5(a)(i) to the financial statements, AII was obligated to undertake a mandatory tender offer ("MTO") to acquire the remaining 33.97% of equity interest in Link Net pursuant to regulatory requirements in Indonesia. The MTO began on 30 August 2022 and ended on 28 September 2022. On 6 October 2022, AII completed the settlement for the additional acquisition of 921,503,429 ordinary shares representing 33.49% of equity interest of Link Net pursuant to the MTO at IDR4,800 per ordinary share for a total of IDR4,423.2 billion (RM1,349.1 million). As a result, the Group's effective equity interest increased from 58.33% to 91.82%.

  The Group recognised an increase in consolidated currency translation differences of RM14.0 million, consolidated actuarial reserve of RM4.8 million and decrease of RM695.0 million and RM672.9 million in consolidated retained earnings and NCI respectively.

- Axiata Digital Services Sdn Bhd ("ADS") issued an additional 166,386 ordinary shares to the Company on 30 September 2022 by way of conversion of the shareholder loan made by the Company to ADS to equity. Accordingly, the Company's equity interest in ADS increased from 96.47% to 96.56%.

- PT Creative Mobile Adventure ("CMA") issued an additional 2,250 Series B shares to Boost Holdings Sdn Bhd ("Boost Holdings") on 19 October 2022 by way of conversion of intercompany advances made by Boost Holdings to CMA to equity. Accordingly, the Group's effective equity interest in CMA increased from 51.86% to 57.47%.

Notes to the Financial Statements For the financial year ended 31 December 2022

5. SIGNIFICANT CHANGES IN COMPOSITION OF THE GROUP (CONTINUED)

(a) Significant changes in composition of the Group during the financial year (continued)

(v) Accretion of equity interests in subsidiaries (continued)

- In December 2022, XL carried out a rights issue exercise by issuing 2,403,755,889 new shares with a nominal value of IDR100 per share at the exercise price of IDR2,080 per share. AII had subscribed to 2,137,916,499 of XL's shares under the rights issue exercise for a total consideration of RM1,255.7 million. The remaining 265,839,390 of XL's new shares have been fully subscribed at a total consideration of RM137.0 million. As a result, the Group's effective equity interest in XL increased from 61.48% to 66.53%.

  The Group recognised a decrease in consolidated currency translation differences of RM66.8 million and increase of RM1.9 million, RM26.9 million and RM174.9 million in consolidated actuarial reserve, consolidated retained earnings and NCI respectively.

- In conjunction with the accretion of equity interest in XL via XL's rights issue as disclosed above, the Group's effective shareholding in Link Net increased from 91.82% to 92.83%.

Other than as stated above, the accretion of equity interests in other subsidiaries did not have a material impact to the Group during the financial year.

(vi) Dilution of equity interests in subsidiaries

- Boost Holdings had on 9 August 2022, completed the acquisition of 100 ordinary shares, representing the entire share capital of Boost Biz Sdn Bhd ("Boost Biz") [formerly known as ADS Digital Ventures Sdn Bhd] from ADS at a purchase consideration of RM1,000. As the result, the Group's effective shareholding in Boost Biz decreased from 96.47% to 75.43%.

- On 30 September 2022, the Group's equity interest in Dialog decreased from 82.74% to 82.27% following the issuance of new ordinary shares under its Performance Based Restricted Share Plan as disclosed in Note 14(c) to the financial statements.

The dilution of equity interests above did not have a material impact to the Group during the financial year.

(vii) Incorporation of a subsidiary

Robi Axiata Limited ("Robi"), had on 3 October 2022 completed the incorporation of Smart Pay Limited ("Smart Pay") (Registration No. C-184259/2022), a private company limited by shares, under the Bangladesh Companies Act 1994. Smart Pay was incorporated with an issued and paid-up share capital of BDT200.0 million (RM9.2 million).

The incorporation above did not have a material impact to the Group during the financial year.

(viii) Dilution of equity interest in an associate

On 4 August 2022, XL's equity interest in PT Princeton Digital Group Data Centres ("PDGDC") decreased from 30.00% to 14.82% following the issuance of new ordinary shares by PDGDC to Princeton Digital Group (Indonesia Alpha) Pte Ltd.

The dilution of equity interest above did not have a material impact to the Group during the financial year.

Notes to the Financial Statements For the financial year ended 31 December 2022

5. SIGNIFICANT CHANGES IN COMPOSITION OF THE GROUP (CONTINUED)

(b) Significant changes in composition of the Group in the previous financial year

(i) Disposal of equity interest in XL

AII, had on 27 October 2021 completed the disposal of 533,409,349 ordinary shares in XL, representing approximately 5% equity interest in XL for a consideration of IDR1,440,205.2 million (RM421.9 million), to Ferrymount Investments Limited. Accordingly, the Group's equity interest in XL decreased from 66.48% to 61.48%.

The Group recognised a decrease of RM1.3 million in the consolidated actuarial reserve and increase of RM55.9 million, RM81.5 million and RM285.8 million in the consolidated currency translation differences, consolidated retained earnings and NCI respectively.

(ii) Acquisition of equity interest in Touch Mindscape Sdn Bhd and its subsidiaries ("Touch Mindscape Group")

On 30 November 2021, edotco Malaysia Sdn Bhd ("edotco Malaysia"), a wholly owned subsidiary of edotco Group Sdn Bhd ("EDOTCO"), entered into a Share Sale Agreement ("SSA") with Touch Group Holdings Sdn Bhd ("Vendor") for the acquisition of the 14,100,000 ordinary shares and 10,900,000 preference shares representing 100.00% equity interest in Touch Mindscape Sdn Bhd, together with its subsidiaries, for a net purchase consideration of RM1,586.4 million after adjustments provided under the terms and conditions of SSA. The acquisition was completed on 20 December 2021 ("Completion Date"). Accordingly, the Group's effective equity interest in Touch Mindscape Sdn Bhd is 63.00%.

The following summarises the net purchase consideration, the fair value of the identifiable assets acquired, liabilities assumed and NCI at the acquisition date on a consolidated basis.

		RM'000
Total purchase consideration before adjustments	(I)	1,700,000
Completion adjustments and others	(II)	(113,551)
Net purchase consideration		1,586,449

(I) Included contingent consideration of RM200.0 million payable to the Vendor upon fulfilment of certain conditions within twelve (12) months from the Completion Date, or such other extended period as may be mutually agreed by both parties.

(II) Included estimated completion adjustments of RM107.1 million which was finalised within four (4) months from the Completion Date.

5. SIGNIFICANT CHANGES IN COMPOSITION OF THE GROUP (CONTINUED)

(b) Significant changes in composition of the Group in the previous financial year (continued)

(ii) Acquisition of equity interest in Touch Mindscape Sdn Bhd and its subsidiaries ("Touch Mindscape Group") (continued)

The following summarises the net purchase consideration, the fair value of the identifiable assets acquired, liabilities assumed and NCI at the acquisition date on a consolidated basis. (continued)

	RM'000
PPE	246,807
Intangible assets	428,894
ROU assets	44,306
Trade and other receivables	26,189
Cash and bank balances	64,816
Trade and other payables	(45,681)
Borrowings	(104,847)
Lease liabilities	(46,089)
Provision for asset retirement	(10,580)
Current tax liabilities	(10,959)
Deferred tax liabilities	(128,803)
Fair value of net identifiable assets acquired	464,053
Less: NCI	(23,930)
Goodwill on acquisition	1,146,326
Purchase consideration	1,586,449
Less:	
Contingent consideration	(200,000)
Cash and bank balances acquired	(64,816)
Receivables from estimated closing adjustments and others	34,399
Purchase consideration paid in cash	1,356,032

The Group has assessed the fair value of the identified assets acquired and liabilities assumed on the date of acquisition via a PPA exercise. The finalisation of PPA exercise during the financial year did not have a material impact to the Group.

The acquisition of Touch Mindscape Group and its high-quality attractive tower and tenancy portfolio cements EDOTCO's home market leadership and is complementary to its existing presence in the states of Pahang, Negeri Sembilan and Melaka in Malaysia. It also enabled EDOTCO to achieve inorganic growth via acquisition of tower portfolios in Malaysia and secure a strategic fibre network to be able to create operational synergies.

Goodwill arising from the acquisition was attributable to the expansion of market share of tower business and fibre footprint in Malaysia.

Acquisition-related costs of RM4.2 million had been recognised in profit or loss within "Other operating costs" in the previous financial year.

If the acquisition had occurred at the beginning of the previous financial year, the Group's pro forma revenue and profit for the financial year ended 31 December 2021 from continuing operations would have been RM20,109.5 million and RM364.2 million respectively.

Notes to the Financial Statements For the financial year ended 31 December 2022

5. SIGNIFICANT CHANGES IN COMPOSITION OF THE GROUP (CONTINUED)

(b) Significant changes in composition of the Group in the previous financial year (continued)

(iii) Other acquisition of equity interests in subsidiaries

- 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 100.00% of the issued share capital of H One (Private) Limited ("H One") for a consideration of LKR481.7 million (RM10.0 million). The acquisition of H One was completed on 7 January 2021. Accordingly, the Group's equity interest in H One was 82.74%.

  In the previous financial year, the Group recognised goodwill of RM4.5 million arising from the acquisition above.

- Digital Health (Private) Limited ("DH"), an indirect subsidiary of Dialog, had on 20 February 2021, acquired 100.00% of the issued share capital of My Health Solutions (Private) Limited from DADIF and Aartiz Technologies (Private) Limited ("Aartiz") via the issuance of DH's ordinary shares to DADIF and Aartiz.

  In the previous financial year, the Group recognised goodwill of RM1.9 million arising from the acquisition above.

- Boost Holdings completed its acquisition of CMA

  (i) via the purchase of Series A secondary shares of 2,250 Series A shares in CMA for a consideration of USD2.3 million (RM9.3 million) from existing shareholders. The said purchase of secondary shares was completed on 19 April 2021; and

  (ii) via the subscription of Series B primary shares of 2,700 newly issued Series B shares in CMA for a consideration of USD3.0 million (RM12.3 million). The said subscription of the primary shares was completed on 21 April 2021.

  Accordingly, the Group's equity interest in CMA was 51.81%.

  In the previous financial year, the Group recognised goodwill of RM5.5 million arising from the acquisition above.

- ADA Digital Singapore Pte Ltd, an indirect subsidiary of ADS held via Axiata Digital & Analytics Sdn Bhd ("ADA"), had on 31 May 2021, completed its acquisition of 20,000,000 ordinary shares representing 100.00% interest in AAD Holdings Pte Ltd ("AADH"), together with its subsidiaries held by TheScaleGroup Pte Ltd for a consideration of USD19.6 million (RM81.9 million). Accordingly, the Group's equity interest in AADH is 61.23%.

  In the previous financial year, the Group recognised goodwill of RM71.5 million arising from the acquisition above.

Other than as stated above, acquisition of equity interests in other subsidiaries did not have a material impact to the Group in the previous financial year.

(iv) Dilution of equity interests in subsidiaries

- 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.

- On 19 April 2021, the Group's equity interest in Dialog decreased from 83.01% to 82.74% following to the issuance of new ordinary shares by Dialog under its Performance Based Restrictive Share Plan as disclosed in Note 14(c) to the financial statements.

5. SIGNIFICANT CHANGES IN COMPOSITION OF THE GROUP (CONTINUED)

(b) Significant changes in composition of the Group in the previous financial year (continued)

(iv) Dilution of equity interests in subsidiaries (continued)

- On 17 May 2021, SoftBank Corp. ("SoftBank") invested in ADA, a subsidiary of ADS via the subscription of 6,622,517 ordinary shares for a consideration of USD60.0 million (RM246.4 million) representing 23.07% of the total issued and paid-up share capital of ADA. Subsequent to the said investment, the shareholdings of ADA held by ADS, SoftBank and Sumitomo Corporation are 63.47%, 23.07% and 13.46% respectively. Accordingly, the Group's equity interest in ADA decreased from 78.81% to 61.23%.

  In the previous financial year, the Group recognised an increase of RM98.8 million and RM147.6 million in the consolidated retained earnings and NCI respectively.

Other than as stated, the dilution of equity interests in other subsidiaries did not have a material impact to the Group in the previous financial year.

6. REVENUE

	Group		Company	
	2022 RM'000	**2021 RM'000**	**2022 RM'000**	**2021 RM'000**
Revenue from contracts with customers:				
Mobile services	**15,214,121**	14,940,978	**-**	-
Interconnect services	**1,135,777**	1,214,515	**-**	-
Sale of devices	**243,080**	92,869	**-**	-
Digital business	**1,409,096**	1,270,730	**-**	-
Television transmission and broadband services	**1,077,827**	703,846	**-**	-
Others[1]	**1,138,272**	744,645	**-**	-
Technical and management services fees ("TMSA")	**-**	-	**67,704**	71,120
	20,218,173	18,967,583	**67,704**	71,120
Revenue under other MFRSs:				
Dividend income	**-**	-	**1,292,766**	1,635,052
Lease of passive infrastructure	**1,440,958**	1,003,667	**-**	-
Interest income from financial services	**41,020**	23,118	**-**	-
Total	**21,700,151**	19,994,368	**1,360,470**	1,706,172

1 Others include revenue from infrastructure services and fibre optic transmission.

Notes to the Financial Statements For the financial year ended 31 December 2022

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
2022				
Mobile services	**-**	**15,214,121**	**15,214,121**	**-**
Interconnect services	**3,434**	**1,132,343**	**1,135,777**	**-**
Sale of devices	**243,080**	**-**	**243,080**	**-**
Digital business	**910,581**	**498,515**	**1,409,096**	**-**
Television transmission and broadband services	**-**	**1,077,827**	**1,077,827**	**-**
Others	**185,173**	**953,099**	**1,138,272**	**-**
TMSA	**-**	**-**	**-**	**67,704**
Total	**1,342,268**	**18,875,905**	**20,218,173**	**67,704**
2021				
Mobile services	-	14,940,978	14,940,978	-
Interconnect services	229,601	984,914	1,214,515	-
Sale of devices	92,869	-	92,869	-
Digital business	853,153	417,577	1,270,730	-
Television transmission and broadband services	-	703,846	703,846	-
Others	9,032	735,613	744,645	-
TMSA	-	-	-	71,120
Total	1,184,655	17,782,928	18,967,583	71,120

Notes to the Financial Statements For the financial year ended 31 December 2022

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: (continued)

	By segments			
	Group			Company
	At a point in time RM'000	Over time RM'000	Total RM'000	Over time RM'000
2022				
Mobile:				
- Indonesia	**311,250**	**8,300,950**	**8,612,200**	**-**
- Bangladesh	**21,666**	**3,921,662**	**3,943,328**	**-**
- Sri Lanka	**9,611**	**2,393,186**	**2,402,797**	**-**
- Nepal	**-**	**1,363,461**	**1,363,461**	**-**
- Cambodia	**14,073**	**1,593,579**	**1,607,652**	**-**
Fixed broadband (Indonesia)	**78,809**	**590,461**	**669,270**	**-**
Infrastructure	**-**	**543,455**	**543,455**	**-**
Others	**906,859**	**169,151**	**1,076,010**	**67,704**
Total	**1,342,268**	**18,875,905**	**20,218,173**	**67,704**
2021				
Mobile:				
- Indonesia	20,258	7,727,966	7,748,224	-
- Bangladesh	43,233	3,795,266	3,838,499	-
- Sri Lanka	71,034	2,841,525	2,912,559	-
- Nepal	-	1,437,762	1,437,762	-
- Cambodia	13,174	1,403,894	1,417,068	-
Infrastructure	-	426,845	426,845	-
Others	1,036,956	149,670	1,186,626	71,120
Total	1,184,655	17,782,928	18,967,583	71,120

Notes to the Financial Statements For the financial year ended 31 December 2022

6. REVENUE (CONTINUED)

The transaction price allocated to the performance obligations that are unsatisfied as at reporting date are as follows:

	Group	
	2022 RM'000	2021 RM'000
Mobile services	**1,213,498**	1,319,488
Digital business	**55,630**	14,539
Others	**1,396,406**	930,055

The Group expects the transaction price allocated to the performance obligations that are unsatisfied as at reporting date to be recognised as revenue within the following periods:

	Group	
	2022	2021
Mobile services	**1 - 3 years**	1 - 3 years
Digital business	**1 - 10 years**	1 - 7 years
Others	**1 - 19 years**	1 - 20 years

7(a). DEPRECIATION, IMPAIRMENT AND AMORTISATION

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Amortisation of:				
- contract cost assets	**108,348**	133,058	**-**	-
- intangible assets	**927,642**	799,411	**-**	-
Depreciation of:				
- PPE	**4,162,438**	3,833,973	**5,224**	5,743
- ROU assets	**1,734,891**	1,506,182	**4,104**	4,106
Impairment of:				
- intangible assets	**4,152,772**	344,436	**-**	-
- PPE	**117,329**	22,734	**-**	-
- subsidiaries	**-**	-	**2,410,018**	749,425
- associates	**-**	27,982	**-**	-
Reversal of impairment of:				
- PPE	**-**	(10,977)	**-**	-
Write-off/(Writeback) of:				
- intangible assets	**145**	1,670	**-**	-
- PPE	**20,035**	(623)	**7**	-
- Others	**122**	-	**124**	-
Total	**11,223,722**	6,657,846	**2,419,477**	759,274

Notes to the Financial Statements For the financial year ended 31 December 2022

7(b). OTHER OPERATING COSTS

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Repair and maintenance	**1,702,343**	1,887,769	**14,642**	13,814
Business licence and spectrum fees	**1,617,584**	1,448,394	**-**	-
Regulatory related outpayments and contributions	**793,858**	820,980	**-**	-
Cost of devices and accessories including charges and commissions	**485,228**	242,007	**-**	-
Leased circuit charges	**341,935**	341,620	**-**	-
Professional fees	**199,673**	180,372	**87,173**	85,604
Outsourcing costs	**116,845**	96,463	**-**	-
Rental:				
- network infrastructure and equipment	**308,484**	211,847	**254**	282
- land and buildings	**98,239**	35,566	**1,697**	847
- others	**16,807**	15,391	**-**	17
Others[1]	**471,363**	404,922	**33,806**	30,218
Write-off of amount due from a subsidiary	**-**	-	**1,556**	5,529
Total	**6,152,359**	5,685,331	**139,128**	136,311

[1] Others include fees paid to foreign channels, USP costs, transportation, satellite expenses, utilities, travelling and business licence fees.

Notes to the Financial Statements For the financial year ended 31 December 2022

7(c). AUDITORS' REMUNERATION

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Continuing operations:				
Audit fees:				
- PricewaterhouseCoopers Malaysia ("PwCM"):				
- current year	**6,223**	5,404	**2,786**	2,361
- under provision in prior year	**190**	109	**80**	15
- Member firms of PricewaterhouseCoopers International Limited ("PwCI")[1]	**6,844**	6,360	**-**	-
- Others	**583**	239	**-**	-
	13,840	12,112	**2,866**	2,376
Audit related fees[2]:				
- PwCM and PwCI	**5,916**	2,355	**3,633**	2,104
Other fees paid to PwCM and PwCI:				
- Tax and tax related services[3]	**609**	1,142	**329**	918
- Other non-audit services[4]	**1,173**	2,886	**230**	740
Total	**21,538**	18,495	**7,058**	6,138
Discontinued operations:				
Audit fees:				
- PricewaterhouseCoopers Malaysia ("PwCM"):				
- current year	**1,076**	1,117	**-**	-
Audit related fees[2] :				
- PwCM and PwCI	**473**	529	**-**	-
Other fees paid to PwCM and PwCI:				
- Tax and tax related services[3]	**271**	382	**-**	-
- Other non-audit services[4]	**300**	1,610	**-**	-
Total	**2,120**	3,638	**-**	-

1 Separate and independent legal entity from PwCM.

2 Fees incurred in connection with performance of quarterly reviews, reporting accountant services, audits other than statutory audits, agreed-upon procedures and regulatory compliance.

3 Fees incurred for assisting the Group in connection with tax compliance and advisory services.

4 Fees incurred primarily in connection to financial due diligences on corporate exercise, 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 2022

7(d). STAFF COSTS

		Group		Company	
	Note	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Salaries, allowances, overtime and bonus:					
- current financial year		**1,346,819**	1,256,955	**128,310**	107,647
- prior financial year		**(21,467)**	(12,785)	**-**	-
Termination benefits/restructuring cost		**68,115**	38,959	**-**	-
Contribution to EPF:					
- current year		**81,511**	84,859	**10,851**	11,738
- prior financial year		**(1,616)**	(786)	**-**	-
Other staff benefits		**161,509**	132,833	**5,157**	8,353
Equity-settled share-based compensation expense:					
- scheme of the Company	14(a)	**11,361**	20,527	**10,486**	12,558
- schemes of subsidiaries		**3,111**	1,819	**-**	-
Cash-settled share-based compensation expense:					
- schemes of subsidiaries	14(b),(d)	**5,095**	9,639	**-**	-
Remuneration of Executive Director of the Company	7(e)	**6,859**	4,708	**6,859**	4,708
Total		**1,661,297**	1,536,728	**161,663**	145,004

7(e). DIRECTORS' REMUNERATION

		Group		Company	
	Note	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Remuneration of Executive Director of the Company:					
- salaries, allowances and bonus:					
- current financial year		**5,646**	3,926	**5,646**	3,926
- prior financial year		**903**	(310)	**903**	(310)
- contribution to EPF		**982**	541	**982**	541
- share-based payment expense	14(a)	**(672)**	551	**(672)**	551
		6,859	4,708	**6,859**	4,708
Remuneration of Non-Executive Directors of the Company:					
- fees and allowances		**4,363**	4,065	**3,100**	2,949
Total		**11,222**	8,773	**9,959**	7,657

Estimated monetary value of benefits of Directors amounting to RM865,220 (2021: RM613,612) for the Group and the Company.

Notes to the Financial Statements For the financial year ended 31 December 2022

8. OTHER GAINS/(LOSSES) - NET

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Financial assets at FVTPL	**13**	552	**-**	-
Deposits at FVTPL	**28,212**	16,474	**-**	-
Financial guarantee	**-**	-	**(148,463)**	-
Total	**28,225**	17,026	**(148,463)**	-

9. OTHER INCOME - NET

		Group		Company	
	Note	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Gain/(Loss) on disposal of PPE		**4,841**	69,231	**-**	(913)
Net gain on disposal of Celcom Group	5(a)(ii)	**-**	-	**13,543,457**	-
Deferred gain on sale and leaseback assets[1]		**125,171**	122,634	**-**	-
Amortised deferred income		**11,736**	5,529	**11,736**	5,529
Other taxes[2]		**(142,463)**	(118,205)	**-**	-
Penalty charge		**(71,513)**	-	**-**	-
Others		**73,765**	28,035	**9,854**	1,540
Total		**1,537**	107,224	**13,565,047**	6,156

1 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 two (2) to four (4) years (2021: three (3) to five (5) years).

2 Other taxes consist of withholding tax on dividend and minimum tax on gross receipts and interest income of certain subsidiaries which are out of scope of MFRS 112.

10. FINANCE INCOME/(COSTS)

		Group		Company	
	Note	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000 Restated
Finance income					
Islamic financial instruments		**21,710**	14,548	**20,617**	3,056
Deposits, cash and bank balances		**143,138**	74,236	**3,619**	2,519
Finance lease receivables	34(a)	**5,336**	6,194	**-**	-
Others		**85,132**	84,706	**-**	-
Amounts due from subsidiaries		**-**	-	**143,361**	90,013
Total		**255,316**	179,684	**167,597**	95,588

Notes to the Financial Statements For the financial year ended 31 December 2022

10. FINANCE INCOME/(COSTS) (CONTINUED)

	Note	Group 2022 RM'000	Group 2021 RM'000	Company 2022 RM'000	Company 2021 RM'000
Finance costs					
Borrowings		**(789,779)**	(424,444)	**(102,447)**	(29,478)
Profit on Sukuks		**(197,193)**	(191,244)	**-**	-
Cash flow hedge		**(51,081)**	(56,125)	**559**	-
Provision for asset retirement		**(40,704)**	(15,786)	**(27)**	(25)
Lease liabilities		**(704,945)**	(615,818)	**(425)**	(618)
Others		**(42,555)**	(108,031)	**-**	-
Amounts due to subsidiaries	33	**-**	-	**(317,724)**	(380,668)
Total		**(1,826,257)**	(1,411,448)	**(420,064)**	(410,789)

11. TAXATION AND ZAKAT

	Group 2022 RM'000	Group 2021 RM'000	Company 2022 RM'000	Company 2021 RM'000
Income taxation	**616,480**	666,584	**-**	-
Deferred taxation	**31,001**	(22,984)	**-**	-
Taxation	**647,481**	643,600	**-**	-
Zakat	**-**	90	**-**	-
Total	**647,481**	643,690	-	**-**
Income taxation:				
- Current financial year	**593,646**	458,539	**-**	-
- Prior financial years*	**22,834**	208,045	**-**	-
	616,480	666,584	**-**	-
Deferred taxation:				
- Net origination of temporary differences	**24,835**	(63,095)	**-**	-
- Others	**6,166**	40,111	**-**	-
	31,001	(22,984)	**-**	-
Taxation	**647,481**	643,600	**-**	-
Zakat	**-**	90	**-**	-
Total	**647,481**	643,690	**-**	-

* During the financial year, the Group adjusted Surcharge Tax in Sri Lanka amounting to RM53.9 million.

In the previous financial year, under provision of income tax mainly related to the reassessment of a foreign subsidiary's uncertain income tax position as disclosed in Note 38(d)(5) to the financial statements.

Notes to the Financial Statements For the financial year ended 31 December 2022

11. TAXATION AND ZAKAT (CONTINUED)

Numerical reconciliation between taxation and the product of accounting profit multiplied by the Malaysian tax rate:

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000 Restated
(Loss)/Profit before taxation	**(4,229,394)**	951,225	**11,614,082**	274,583
Taxation calculated at the applicable Malaysian tax rate of 24%	**(1,015,055)**	228,294	**2,787,380**	65,900
Tax effects of:				
- income not subject to tax	**(26,312)**	(63,610)	**(3,523,294)**	(397,973)
- share of results of associates	**13,636**	399	**-**	-
- share of results of joint ventures	**2,330**	1,849	**-**	-
- change in statutory tax rate	**-**	27,150	**-**	-
- approved tax credit of a subsidiary	**(29,107)**	(60,166)	**-**	-
- different tax rates in other countries	**(5,435)**	9,469	**-**	-
- utilisation of previously unrecognised deferred tax assets	**(8,950)**	(35,145)	**-**	-
- unrecognised deferred tax assets	**82,990**	108,370	**7,845**	20,904
- expenses not deductible for tax purposes	**1,610,550**	218,945	**728,069**	311,169
- prior financial years income tax	**22,834**	208,045	**-**	-
- zakat	**-**	90	**-**	-
Total	**647,481**	643,690	**-**	-

Notes to the Financial Statements For the financial year ended 31 December 2022

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	
	2022	**2021**
(Loss)/Profit attributable to owners of the Company (RM'000)		
- continuing operations	**(5,132,165)**	(136,913)
- discontinued operations	**14,883,242**	955,813
	9,751,077	818,900
Weighted average number of ordinary shares in issue ('000)	**9,176,519**	9,172,317
Basic EPS (sen)		
- continuing operations	**(55.9)**	(1.5)
- discontinued operations	**162.2**	10.4
	106.3	8.9

(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(a) to the financial statements which are dilutive potential ordinary shares and is assumed to have been converted into ordinary shares.

	Group	
	2022	**2021**
(Loss)/Profit attributable to owners of the Company (RM'000)		
- continuing operations	**(5,132,165)**	(136,913)
- discontinued operations	**14,883,242**	955,813
	9,751,077	818,900
Weighted average number of ordinary shares in issue ('000)	**9,176,519**	9,172,317
Adjusted for diluted effect of Axiata PBLTIP shares ('000)	**7,380**	8,005
Adjusted weighted average number of ordinary shares ('000)	**9,183,899**	9,180,322
Diluted EPS (sen)		
- continuing operations	**(55.9)**	(1.5)
- discontinued operations	**162.1**	10.4
	106.2	8.9

13. SHARE CAPITAL

		Group and Company			
		2022		2021	
	Note	No. of shares '000	Value RM'000	No. of shares '000	Value RM'000
Ordinary shares paid-up capital:					
At 1 January		**9,174,986**	**13,905,207**	9,169,541	13,883,028
Additions	(a)	**2,251**	**9,065**	5,445	22,179
At 31 December		**9,177,237**	**13,914,272**	9,174,986	13,905,207

(a) The increase in paid-up capital of the Company was in line with the vesting of shares granted under Axiata PBLTIP by the employees of the Company and its subsidiaries as disclosed in Note 14(a) to the financial statements. The above ordinary shares rank pari passu in all respects with existing ordinary shares of the Company.

14. SHARE-BASED COMPENSATION PLANS

(a) Axiata Group Performance Based Long Term Incentive Plan

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 Axiata PBLTIP shares to eligible employees.

The reference dates and prices, vesting dates, percentage ("%") of shares to be vested and number of Axiata PBLTIP shares granted are as follows:

	Entitlement over the Company's shares				
	Reference date	Vesting date	% of shares to be vested[1]	Number of shares granted[3]	Reference price[4] RM
Grant 1(a), 2017	28 Feb 2017	28 Feb 2020[6]	100	4,680,100	4.43
Grant 1(b), 2017[2]	15 Aug 2017	15 Aug 2020[6]	100	496,600	4.83
Grant 2, 2018	28 Feb 2018	28 Feb 2021[6]	100	1,992,100	5.56
Grant 3(a), 2019	21 Feb 2019	21 Feb 2020[6]	100	607,600	4.12
Grant 3(b), 2019	21 Feb 2019	21 Feb 2022[6]	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[2]	15 Aug 2020	15 Aug 2023	100	78,800	3.15
Grant 5(a), 2021	28 Feb 2021	28 Feb 2024	100	2,680,900	3.45
Grant 5(b), 2021[2]	15 Aug 2021	15 Aug 2024	100	442,800	3.79
Grant 5(c), 2021[5]	28 Feb 2021	10 Nov 2021	100	2,275,800	3.50
Grant 6(a), 2022	28 Feb 2022	28 Feb 2025	100	1,599,400	3.85
Grant 6(b), 2022[5]	28 Feb 2022	10 Nov 2022	100	224,500	3.90

1 The shares granted under Axiata PBLTIP shall become vested only upon the fulfilment of certain performance conditions.

2 The grant was made to newly hired employees who did not receive the main cycle grant.

Notes to the Financial Statements For the financial year ended 31 December 2022

14. SHARE-BASED COMPENSATION PLANS (CONTINUED)

(a) Axiata Group Performance Based Long Term Incentive Plan (continued)

The reference dates and prices, vesting dates, percentage ("%") of shares to be vested and number of Axiata PBLTIP shares granted are as follows: (continued)

[3] Eligible employees can only vest the Axiata PBLTIP shares at the end of the third (3rd) year except for Grant 5(c), 2021 and Grant 6(b), 2022. Number of shares initially granted excludes additional shares that may vest due to multiplier effect from achieving performance targets.

[4] Refers to the five-day average share price preceding reference date for the purpose of granting the number of shares to the employees except for Grant 5(c), 2021 and Grant 6(b), 2022.

[5] Vesting of a subsidiary's long term incentive plan via the allotment and issuance of the Company's shares in accordance with the Bye-Laws governing the Axiata PBLTIP and approved by the Board of Directors.

[6] The unvested Axiata PBLTIP shares are subject to retesting as disclosed in Note 14(a)(v) to the financial statements.

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, 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 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 Nomination and Remuneration Committee ("BNRC") 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 BNRC at their absolute discretion.

Not more than 10% of the Company's new ordinary shares available under the Axiata PBLTIP will be allocated to any individual eligible employee who, either singly or collectively through persons connected with the eligible employees, holds 20% or more of the Company's paid-up share capital.

(iii) Eligibility

Any employee of the Group (other than subsidiaries which are dormant) shall be eligible to participate in the Axiata PBLTIP if the employee, as at the dates of the respective offers of shares:

(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 BNRC in its absolute discretion.

Notes to the Financial Statements For the financial year ended 31 December 2022

14. SHARE-BASED COMPENSATION PLANS (CONTINUED)

(a) Axiata Group Performance Based Long Term Incentive Plan (continued)

(iii) Eligibility (continued)

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 BNRC 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) 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 Axiata PBLTIP. All unvested shares under the Axiata PBLTIP which are not vested shall forthwith lapse upon the expiry of the Axiata PBLTIP on 30 September 2026.

(v) Retesting of unvested Axiata PBLTIP shares

The Axiata PBLTIP shares that remain unvested after the vesting date will be subject to retesting on a yearly basis until certain unmet performance conditions are met or expiry of the Axiata PBLTIP, whichever is earlier. The retest for unvested Axiata PBLTIP shares will also be subject to the Board of Director's approval.

The movements in the number of Axiata PBLTIP shares, in which the employees of the Group and the Company are entitled to, are as follows:

	At 1 January	Granted	Adjusted[1]	Vested	Lapsed/ Forfeited[1]	At 31 December	Weighted average fair value at grant date RM
Group							
2022							
Grant 1(a), 2017	**1,220,260**	**-**	**-**	**-**	**(32,950)**	**1,187,310**	**4.31**
Grant 1(b), 2017	**264,350**	**-**	**-**	**-**	**-**	**264,350**	**4.56**
Grant 2, 2018	**733,249**	**-**	**-**	**-**	**-**	**733,249**	**4.67**
Grant 3(b), 2019	**1,498,400**	**-**	**824,089**	**(1,817,400)**	**(39,400)**	**465,689**	**4.36**
Grant 4(a), 2020	**1,464,900**	**-**	**32,300**	**(76,500)**	**(201,700)**	**1,219,000**	**3.44**
Grant 4(b), 2020	**78,800**	**-**	**-**	**-**	**-**	**78,800**	**2.75**
Grant 5(a), 2021	**2,603,600**	**-**	**33,900**	**(110,200)**	**(155,700)**	**2,371,600**	**3.54**
Grant 5(b), 2021	**442,800**	**-**	**-**	**-**	**(442,800)**	**-**	**3.68**
Grant 6(a), 2022	**-**	**1,599,400**	**8,800**	**(21,900)**	**(526,800)**	**1,059,500**	**3.18**
Grant 6(b), 2022[2]	**-**	**224,500**	**-**	**(224,500)**	**-**	**-**	**3.90**
Total	**8,306,359**	**1,823,900**	**899,089**	**(2,250,500)**	**(1,399,350)**	**7,379,498**	

[1] Being additional number of shares vested due to multiplier effect from achieving performance targets.

[2] Vesting of a subsidiary's long term incentive plan via the allotment and issuance of the Company's shares in accordance with the Bye-Laws governing the Axiata PBLTIP and approved by the Board of Directors.

Notes to the Financial Statements For the financial year ended 31 December 2022

14. SHARE-BASED COMPENSATION PLANS (CONTINUED)

(a) Axiata Group Performance Based Long Term Incentive Plan (continued)

The movements in the number of Axiata PBLTIP shares, in which the employees of the Group and the Company are entitled to, are as follows: (continued)

	At 1 January	Granted	Adjusted[1]	Vested	Lapsed/ Forfeited[1]	At 31 December	Weighted average fair value at grant date RM
Group							
2021							
Grant 1(a), 2017	1,458,960	-	-	-	(238,700)	1,220,260	4.31
Grant 1(b), 2017	282,900	-	-	-	(18,550)	264,350	4.56
Grant 2, 2018	1,840,200	-	1,208,966	(2,013,000)	(302,917)	733,249	4.67
Grant 3(b), 2019	2,215,500	-	548,700	(895,100)	(370,700)	1,498,400	4.36
Grant 4(a), 2020	1,712,800	-	77,500	(261,400)	(64,000)	1,464,900	3.44
Grant 4(b), 2020	78,800	-	-	-	-	78,800	2.75
Grant 5(a), 2021	-	2,680,900	-	-	(77,300)	2,603,600	3.54
Grant 5(b), 2021	-	442,800	-	-	-	442,800	3.68
Grant 5(c), 2021[2]	-	2,275,800	-	(2,275,800)	-	-	3.50
Total	7,589,160	5,399,500	1,835,166	(5,445,300)	(1,072,167)	8,306,359	

1 Being additional number of shares vested due to multiplier effect from achieving performance targets.

2 Vesting of a subsidiary's long term incentive plan via the allotment and issuance of the Company's shares in accordance with the Bye-Laws governing the Axiata PBLTIP and approved by the Board of Directors.

Notes to the Financial Statements For the financial year ended 31 December 2022

14. SHARE-BASED COMPENSATION PLANS (CONTINUED)

(a) Axiata Group Performance Based Long Term Incentive Plan (continued)

The movements in the number of Axiata PBLTIP shares, in which the employees of the Group and the Company are entitled to, are as follows: (continued)

	At 1 January	Granted	Adjusted[1]	Vested	Lapsed/ Forfeited[1]	At 31 December	Weighted average fair value at grant date RM
Company							
2022							
Grant 1(a), 2017	**999,810**	**-**	**-**	**-**	**-**	**999,810**	**4.31**
Grant 1(b), 2017	**264,350**	**-**	**-**	**-**	**-**	**264,350**	**4.56**
Grant 2, 2018	**733,249**	**-**	**-**	**-**	**-**	**733,249**	**4.67**
Grant 3(b), 2019	**1,498,400**	**-**	**824,089**	**(1,817,400)**	**(39,400)**	**465,689**	**4.36**
Grant 4(a), 2020	**1,464,900**	**-**	**32,300**	**(76,500)**	**(201,700)**	**1,219,000**	**3.44**
Grant 4(b), 2020	**78,800**	**-**	**-**	**-**	**-**	**78,800**	**2.75**
Grant 5(a), 2021	**2,603,600**	**-**	**33,900**	**(110,200)**	**(155,700)**	**2,371,600**	**3.54**
Grant 5(b), 2021	**442,800**	**-**	**-**	**-**	**(442,800)**	**-**	**3.68**
Grant 6(a), 2022	**-**	**1,599,400**	**8,800**	**(21,900)**	**(526,800)**	**1,059,500**	**3.18**
Total	**8,085,909**	**1,599,400**	**899,089**	**(2,026,000)**	**(1,366,400)**	**7,191,998**	
2021							
Grant 1(a), 2017	1,060,360	-	-	-	(60,550)	999,810	4.31
Grant 1(b), 2017	282,900	-	-	-	(18,550)	264,350	4.56
Grant 2, 2018	1,840,200	-	1,208,966	(2,013,000)	(302,917)	733,249	4.67
Grant 3(b), 2019	2,215,500	-	548,700	(895,100)	(370,700)	1,498,400	4.36
Grant 4(a), 2020	1,712,800	-	77,500	(261,400)	(64,000)	1,464,900	3.44
Grant 4(b), 2020	78,800	-	-	-	-	78,800	2.75
Grant 5(a), 2021	-	2,680,900	-	-	(77,300)	2,603,600	3.54
Grant 5(b), 2021	-	442,800	-	-	-	442,800	3.68
Total	7,190,560	3,123,700	1,835,166	(3,169,500)	(894,017)	8,085,909	

[1] 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 2022

14. SHARE-BASED COMPENSATION PLANS (CONTINUED)

(a) Axiata Group Performance Based Long Term Incentive Plan (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:

Grant	Reference price	Grant date at valuation[1]	Vesting date	Closing share price at grant date[1]	Expected dividend yield[2]	Risk free interest rates	Expected volatility[3]
Grant 1(a),2017	4.43	14 Apr 2017	28 Feb 2020	RM5.06	2.02%	3.48%	20.56%
Grant 1(b), 2017	4.83	13 Oct 2017	15 Aug 2020	RM5.27	2.02%	3.46%	22.06%
Grant 2, 2018	5.56	27 Apr 2018	28 Feb 2021	RM5.30	3.42%	3.73%	22.84%
Grant 3(a), 2019	4.12	20 May 2019	21 Feb 2020	RM4.44	2.79%	3.18%	43.10%
Grant 3(b), 2019	4.12	27 May 2019	21 Feb 2022	RM4.44	2.79%	3.42%	31.10%
Grant 4(a), 2020	4.17	27 Apr 2020	28 Feb 2023	RM3.70	2.64%	2.46%	33.38%
Grant 4(b), 2020	3.15	12 Oct 2020	15 Aug 2023	RM2.96	2.64%	1.89%	33.56%
Grant 5(a), 2021	3.45	27 Apr 2021	28 Feb 2024	RM3.87	3.06%	2.32%	37.15%
Grant 5(b), 2021	3.79	14 Oct 2021	15 Aug 2024	RM4.01	3.06%	2.63%	35.12%
Grant 6(a), 2022	3.85	27 Apr 2022	28 Feb 2025	RM3.07	4.46%	3.55%	32.95%

1 Grant date refers to the date where majority of employees accepted the offer.

2 Yield of Malaysian Government Securities.

3 The expected volatility is measured based on historical volatility over a three (3) year period on a daily basis.

14. SHARE-BASED COMPENSATION PLANS (CONTINUED)

(a) Axiata Group Performance Based Long Term Incentive Plan (continued)

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	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Share-based compensation expense[1]	**10,689**	21,078	**9,814**	13,109

[1] Includes adjustments relating to additional number of shares vested due to multiplier effect from achieving performance targets.

(b) Long-Term Incentive Plan ("LTIP") of EDOTCO

EDOTCO 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 events during the vesting period, otherwise, the award will be settled in cash, based on an independent valuation.

The number of shares granted together with their respective grant dates and vesting dates are summarised as follows:

LTIP for senior management	Grant date	Number of shares granted[1]	Vesting date
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 2020	31 Mar 2020	721,100	31 Dec 2022
Grant 2021	31 Mar 2021	656,200	31 Dec 2023
Grant 2022	31 Mar 2022	488,400	31 Dec 2024

[1] Number of equity instruments initially granted excludes multiplier effects which will be offered to eligible employees based on the consolidated performance of EDOTCO and individual performance for the award period.

Notes to the Financial Statements For the financial year ended 31 December 2022

14. SHARE-BASED COMPENSATION PLANS (CONTINUED)

(b) Long-Term Incentive Plan ("LTIP") of EDOTCO (continued)

The movements in the number of ordinary shares granted, in which the employees of EDOTCO and its subsidiaries are entitled to is as follows:

	At 1 January	Granted	Forfeited	Paid	At 31 December
2022					
Grant 4(a), 2019	**1,479,980**	**-**	**(28,600)**	**(1,451,380)**	**-**
Grant 4(b), 2019	**104,000**	**-**	**-**	**(104,000)**	**-**
Grant 2020	**441,800**	**-**	**(125,400)**	**-**	**316,400**
Grant 2021	**519,400**	**-**	**(111,500)**	**-**	**407,900**
Grant 2022	**-**	**488,400**	**(67,900)**	**-**	**420,500**
Total	**2,545,180**	**488,400**	**(333,400)**	**(1,555,380)**	**1,144,800**
2021					
Grant 3(a), 2018	1,585,663	-	-	(1,585,663)	-
Grant 3(b), 2018	106,700	-	-	(106,700)	-
Grant 4(a), 2019	1,926,130	-	(446,150)	-	1,479,980
Grant 4(b), 2019	147,300	-	(43,300)	-	104,000
Grant 2020	595,700	-	(153,900)	-	441,800
Grant 2021	-	656,200	(136,800)	-	519,400
Total	4,361,493	656,200	(780,150)	(1,692,363)	2,545,180

The share-based compensation expense recognised in the profit or loss was RM5.8 million (2021: RM7.6 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 2022 was RM7.2 million (2021: RM19.4 million).

(c) Performance Based Restrictive Share Plan of Dialog

The Board of Directors of Dialog had approved the implementation of a Performance Based Restrictive Share Plan of Dialog as part of Dialog's LTIP 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 (18) 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 Dialog and its subsidiaries; 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.

14. SHARE-BASED COMPENSATION PLANS (CONTINUED)

(c) Performance Based Restrictive Share Plan of Dialog (continued)

The movements in the number of ordinary shares granted, in which the employees of Dialog are entitled to is as follows:

	At 1 January	Granted	Lapsed	Vested	At 31 December
2022	**66,447,014**	**-**	**(733,844)**	**(47,032,800)**	**18,680,370**
2021	74,385,300	18,860,114	-	(26,798,400)	66,447,014

The grant dates, vesting dates and number of outstanding shares granted as at 31 December are summarised as follows:

Grant date	Vesting date	Volume weighted average share price in LKR per ordinary share	Number of ordinary shares 2022	Number of ordinary shares 2021
1 Oct 2019	30 Sep 2022	10.50	**-**	47,766,644
1 Oct 2021	30 Apr 2023	10.77	**18,680,370**	18,680,370
Total			**18,680,370**	66,447,014

The share-based compensation expense recognised in the profit or loss was RM3.1 million (2021: RM5.9 million).

(d) 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 reversal of share-based compensation expenses recognised in the profit or loss as disclosed in Note 7(d) to the financial statements amounting to RM0.7 million (2021: expense of RM2.0 million); and

- total share-based payment liabilities recognised within "Trade and other payables" in the statements of financial position of the Group amounting to RM8.0 million (2021: RM10.2 million).

Notes to the Financial Statements For the financial year ended 31 December 2022

15. RESERVES

	Note	Group 2022 RM'000	Group 2021 RM'000	Company 31.12.2022 RM'000	Company 31.12.2021 RM'000 Restated	Company 1.1.2021 RM'000 Restated
Retained earnings		**14,423,385**	6,754,950	9,586,497	(696,909)	(152,134)
Currency translation differences arising from translation of subsidiaries		**(2,167,219)**	(741,705)	-	-	-
Reserves:						
- Capital contribution	(a)	**16,598**	16,598	16,598	16,598	16,598
- Merger	(b)	**346,774**	346,774	-	-	-
- Hedging	(c)	**(316,584)**	25,226	11,593	-	-
- Cost of hedging	(d)	**(18,212)**	(82,256)	4,515	-	-
- Actuarial	(e)	**18,925**	14,626	-	-	-
- Share-based payment	(f)	**28,241**	29,265	21,970	20,344	27,626
- FVTOCI	(g)	**(2,311,121)**	(2,263,361)	-	-	-
		(2,235,379)	(1,913,128)	54,676	36,942	44,224
Total		**10,020,787**	4,100,117	9,641,173	(659,967)	(107,910)

(a) The Group's and the Company's capital contribution reserve relates to the Employee Share Option Scheme of Telekom Malaysia Berhad, a former holding company, which was 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 and the Company's hedging reserve mainly consists of cash flow hedge arising from effective hedges as disclosed in Note 18(b), Note 18(c) and Note 18(d) to the financial statements.

(d) The Group's and the Company's cost of hedging reserve represents the change in the foreign currency basis spread of the CCIRS and IRS as disclosed in Note 18(b) and 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 relates 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 cumulative fair value change of financial assets as FVTOCI since the inception of the assets being designated as FVTOCI.

Notes to the Financial Statements For the financial year ended 31 December 2022

15. RESERVES (CONTINUED)

The movements of Reserves of the Group attributable to the owners of the Company are as follows:

	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	Total RM'000
Group								
At 1 January 2022	16,598	346,774	25,226	(82,256)	14,626	29,265	(2,263,361)	(1,913,128)
Other comprehensive (expense)/ income:								
- Net cash flow hedge	-	-	(341,810)	-	-	-	-	(341,810)
- Net cost of hedging	-	-	-	64,044	-	-	-	64,044
- Actuarial losses (net of tax)	-	-	-	-	(2,421)	-	-	(2,421)
- Revaluation of financial assets at FVTOCI	-	-	-	-	-	-	(47,762)	(47,762)
Total other comprehensive (expense)/ income for the financial year	-	-	(341,810)	64,044	(2,421)	-	(47,762)	(327,949)
Transactions with owners:								
- Dilutions/Accretion of equity interests in subsidiaries	-	-	-	-	4,802	(5,221)	2	(417)
- Rights issues of subsidiaries	-	-	-	-	1,918	-	-	1,918
- Share-based compensation expense	-	-	-	-	-	13,262	-	13,262
- Transferred from share-based payment reserve upon vesting/ forfeiture	-	-	-	-	-	(9,065)	-	(9,065)
Total transaction with owners	-	-	-	-	6,720	(1,024)	2	5,698
At 31 December 2022	16,598	346,774	(316,584)	(18,212)	18,925	28,241	(2,311,121)	(2,235,379)

15. RESERVES (CONTINUED)

The movements of Reserves of the Group attributable to the owners of the Company are as follows: (continued)

	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	Total RM'000
Group								
At 1 January 2021	16,598	346,774	18,935	1,163	5,232	44,413	(2,255,802)	(1,822,687)
Other comprehensive income/ (expense):								
- Net cash flow hedge	-	-	6,291	-	-	-	-	6,291
- Net cost of hedging	-	-	-	(83,419)	-	-	-	(83,419)
- Actuarial gains (net of tax)	-	-	-	-	10,674	-	-	10,674
- Revaluation of financial assets at FVTOCI	-	-	-	-	-	-	(7,560)	(7,560)
Total other comprehensive income/ (expense) for the financial year	-	-	6,291	(83,419)	10,674	-	(7,560)	(74,014)
Transactions with owners:								
- Dilutions of equity interests in subsidiaries	-	-	-	-	(30)	(10,051)	1	(10,080)
- Partial disposal of a subsidiary	-	-	-	-	(1,250)	(3)	-	(1,253)
- Share-based compensation expense	-	-	-	-	-	23,266	-	23,266
- Transferred from share-based payment reserve upon vesting	-	-	-	-	-	(28,360)	-	(28,360)
Total transactions with owners	-	-	-	-	(1,280)	(15,148)	1	(16,427)
At 31 December 2021	16,598	346,774	25,226	(82,256)	14,626	29,265	(2,263,361)	(1,913,128)

Notes to the Financial Statements For the financial year ended 31 December 2022

16. BORROWINGS

	Note	2022 W.A.R.F %	2022 Non-current RM'000	2022 Current RM'000	2022 Total RM'000	2021 W.A.R.F %	2021 Non-current RM'000	2021 Current RM'000	2021 Total RM'000
Group									
Overseas									
Secured:									
- Borrowings from financial institutions	(a)	**7.82**	**2,414,336**	**251,313**	**2,665,649**	8.16	637,242	168,305	805,547
- Bank overdrafts	(a)	**17.57**	**-**	**42,865**	**42,865**	8.62	-	67,881	67,881
Unsecured:									
- Borrowings from financial institutions	(g)	**6.50**	**2,279,015**	**2,806,486**	**5,085,501**	4.26	2,703,683	1,240,459	3,944,142
- Sukuk Ijarah	(b)(ii)	**8.17**	**665,753**	**49,532**	**715,285**	9.71	297,844	205,502	503,346
- Bonds	(c)	**7.74**	**483,825**	**41,389**	**525,214**	9.42	103,742	58,584	162,326
- Bank overdrafts		**10.47**	**-**	**99,616**	**99,616**	9.50	-	145,751	145,751
Total overseas		**7.18**	**5,842,929**	**3,291,201**	**9,134,130**	5.40	3,742,511	1,886,482	5,628,993

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 2022

16. BORROWINGS (CONTINUED)

	Note	2022 W.A.R.F %	2022 Non-current RM'000	2022 Current RM'000	2022 Total RM'000	2021 W.A.R.F %	2021 Non-current RM'000	2021 Current RM'000	2021 Total RM'000
Group									
Malaysia									
Secured:									
- Notes	(d)(ii)	**7.33**	**19,635**	**-**	**19,635**	-	-	-	-
- Borrowings from financial institutions	(a)	**5.13**	**243,577**	**67,764**	**311,341**	2.83	387,675	43,937	431,612
Unsecured:									
- Notes	(d)(i),(g)	**3.04**	**4,375,634**	**48,976**	**4,424,610**	3.04	4,163,505	46,676	4,210,181
- Borrowings from financial institutions		**4.20**	**2,085,238**	**3,619,821**	**5,705,059**	2.56	1,206,932	1,589,836	2,796,768
- Sukuk	(b)(i),(iii), (g)	**3.50**	**5,780,491**	**60,366**	**5,840,857**	3.71	5,318,456	664,485	5,982,941
Total Malaysia		**3.65**	**12,504,575**	**3,796,927**	**16,301,502**	3.23	11,076,568	2,344,934	13,421,502
Total		**4.92**	**18,347,504**	**7,088,128**	**25,435,632**	3.87	14,819,079	4,231,416	19,050,495
Company									
Unsecured:									
- Borrowings from financial institutions		**4.26**	**1,993,956**	**2,162,987**	**4,156,943**	1.84	1,107,597	179,736	1,287,333

Notes to the Financial Statements For the financial year ended 31 December 2022

16. BORROWINGS (CONTINUED)

(a) Secured by charges of shares, assets, PPE and deposits with financial institutions of certain subsidiaries, as disclosed in Note 24, Note 26(a) and Note 35 to the financial statements respectively.

(b) Sukuk

Sukuk of the Group consist of a Multi-Currency Sukuk Programme ("Multi-Currency Sukuk"), a Sukuk Ijarah Programme ("Sukuk Ijarah") and Sukuk Wakalah Programme ("Sukuk Wakalah") as follows:

(i) Multi-Currency Sukuk

The Group established a Multi-Currency Sukuk Programme involving the issuance of up to USD1.5 billion (or its equivalent in other currencies based on Islamic Principles).

On 24 March 2016, the Group issued USD0.5 billion Sukuk ("Sukuk 2026") pursuant to the Sukuk Programme. Sukuk 2026, 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 24 March 2026. Subsequently, on 24 March 2016, Sukuk 2026 was listed and quoted on Bursa Securities (under the Exempt Regime) and on the Singapore Exchange Securities Trading Limited ("SGX-ST").

On 19 August 2020, the Group issued USD0.5 billion Sukuk ("Sukuk 2030") pursuant to the Sukuk Programme. Sukuk 2030, 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, Sukuk 2030 was listed but not quoted for trading, on Bursa Securities (under the Exempt Regime) and listed and quoted on the SGX-ST.

The details of the Multi-Currency Sukuk as at 31 December are as follows:

	Contractual profit rate[1] %	Maturity date	Nominal value 2022 RM'million	Nominal value 2021 RM'million
Sukuk 2026	4.357	24 Mar 2026	**2,195.0**	2,088.8
Sukuk 2030	2.163	19 Aug 2030	**2,195.0**	2,088.8
			4,390.0	4,177.6

[1] Payable semi-annually

(ii) Sukuk Ijarah

On 23 November 2015, XL issued the Shelf Sukuk Ijarah I XL Axiata Tranche I Year 2015 ("Sukuk Ijarah I, Tranche I") amounting to IDR1.5 trillion with maturity period between three hundred and seventy (370) days and seven (7) years. Sukuk Ijarah I, Tranche I was listed and quoted on IDX on 3 December 2015.

The details of Sukuk Ijarah I, Tranche I are as follows:

	Annual fixed Sukuk Ijarah return IDR'million	Annual fixed Sukuk Ijarah return RM'million	Maturity date	Nominal value 2022 RM'million	Nominal value 2021 RM'million
Series D	46,750	13.2	2 Dec 2022	-	124.5

Notes to the Financial Statements For the financial year ended 31 December 2022

16. BORROWINGS (CONTINUED)

(b) Sukuk (continued)

(ii) Sukuk Ijarah (continued)

Revenue sharing of Sukuk Ijarah I, Tranche I is paid on a quarterly basis with the first payment 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 the Shelf Sukuk Ijarah I XL Axiata Tranche II Year 2017 ("Sukuk Ijarah I, Tranche II") amounting to IDR2.2 trillion with maturity period between three hundred and seventy (370) days and ten (10) years. Sukuk Ijarah I, Tranche II was listed and quoted on IDX on 2 May 2017.

The details of Sukuk Ijarah I, Tranche II are as follows:

	Annual fixed Sukuk Ijarah return		Maturity date	Nominal value	
	IDR'million	RM'million		2022 RM'million	2021 RM'million
Series C	12,425	3.5	28 Apr 2022	-	41.6
Series D	23,660	6.7	28 Apr 2024	**73.3**	76.2
Series E	31,584	8.9	28 Apr 2027	**94.8**	98.4
				168.1	216.2

Revenue sharing of Sukuk Ijarah I, Tranche II is paid on a quarterly basis with the first payment on 28 July 2017 and the last payment will be paid simultaneously with payment of principal of each series of the Sukuk Ijarah.

On 8 October 2018, XL issued the Shelf Sukuk Ijarah II XL Axiata Tranche I Year 2018 ("Sukuk Ijarah II, Tranche I") amounting to IDR1.0 trillion with maturity period between three hundred and seventy (370) days and ten (10) years. Sukuk Ijarah II, Tranche I was listed and quoted on IDX on 17 October 2018.

The details of Sukuk Ijarah II, Tranche I are as follows:

	Annual fixed Sukuk Ijarah return		Maturity date	Nominal value	
	IDR'million	RM'million		2022 RM'million	2021 RM'million
Series C	14,304	4.0	16 Oct 2023	**42.0**	43.7
Series D	3,434	1.0	16 Oct 2025	**9.6**	10.0
Series E	6,180	1.7	16 Oct 2028	**16.9**	17.6
				68.5	71.3

Revenue sharing of Sukuk Ijarah II, Tranche I is paid on a quarterly basis with the first payment on 16 January 2019 and the last payment will be paid simultaneously with payment of principal of each series of the Sukuk Ijarah.

On 8 February 2019, XL issued the Shelf Sukuk Ijarah II XL Axiata Tranche II Year 2019 ("Sukuk Ijarah II, Tranche II") amounting to IDR640.0 billion with maturity period between three hundred and seventy (370) days and ten (10) years. Sukuk Ijarah II, Tranche II was listed and quoted on IDX on 11 February 2019.

Notes to the Financial Statements For the financial year ended 31 December 2022

16. BORROWINGS (CONTINUED)

(b) Sukuk (continued)

(ii) Sukuk Ijarah (continued)

The details of Sukuk Ijarah II, Tranche II are as follows:

	Annual fixed Sukuk Ijarah return		Maturity date	Nominal value	
	IDR'million	RM'million		2022 RM'million	2021 RM'million
Series B	9,515	2.7	8 Feb 2022	-	32.2
Series C	12,765	3.6	8 Feb 2024	**38.9**	40.4
Series D	1,455	0.4	8 Feb 2026	**4.2**	4.4
Series E	2,600	0.7	8 Feb 2029	**7.3**	7.6
				50.4	84.6

Revenue sharing of Sukuk Ijarah II, Tranche II is paid on a quarterly basis with the first payment on 8 May 2019 and the last payment will be paid simultaneously with payment of principal of each series of the Sukuk Ijarah.

On 1 September 2022, XL issued the Shelf Sukuk Ijarah III XL Axiata Tranche I Year 2022 ("Sukuk Ijarah III, Tranche I") amounting to IDR1.5 trillion with maturity period between three (3) and ten (10) years. Sukuk Ijarah III, Tranche I was listed and quoted on IDX on 2 September 2022.

The details of Sukuk Ijarah III, Tranche I are as follows:

	Annual fixed Sukuk Ijarah return		Maturity date	Nominal value
	IDR'million	RM'million		2022 RM'million
Series A	45,962	13.0	1 Sep 2025	**192.0**
Series B	31,176	8.8	1 Sep 2027	**118.8**
Series C	10,676	3.0	1 Sep 2029	**38.1**
Series D	21,669	6.1	1 Sep 2032	**74.1**
				423.0

Revenue sharing of Sukuk Ijarah III, Tranche I is paid on a quarterly basis with the first payment on 1 December 2022 and the last payment will be paid simultaneously with payment of principal of each series of the Sukuk Ijarah.

(iii) Sukuk Wakalah

On 23 August 2022, EDOTCO via its wholly owned subsidiary, edotco Malaysia established a Sukuk Wakalah Programme of up to RM3.0 billion in nominal value. On 9 September 2022, edotco Malaysia has successfully issued RM1.4 billion series of Sukuk at par with maturity period between three (3) and ten (10) years.

16. BORROWINGS (CONTINUED)

(b) Sukuk (continued)

(iii) Sukuk Wakalah (continued)

The details of the Sukuk Wakalah as at 31 December are as follows:

	Period distribution rate[1]	Maturity date	Nominal value
			2022
	%		RM'million
Tranche 1	3.93	9 Sep 2025	**100.0**
Tranche 2	4.27	9 Sep 2027	**600.0**
Tranche 3	4.44	7 Sep 2029	**300.0**
Tranche 4	4.54	9 Sep 2032	**400.0**
			1,400.0

[1] Payable semi-annually

(c) Bonds

On 8 October 2018, XL issued a series of bonds namely Shelf Bond I XL Axiata Tranche I Year 2018 ("Bond I, Tranche I") amounting to IDR1.0 trillion with maturity period between three hundred and twenty eight (328) days and ten (10) years. Bond I, Tranche I was listed and quoted on IDX on 17 October 2018.

The details of Bond I, Tranche I are as follows:

	Annual fixed interest rate	Maturity date	Nominal value	
			2022	2021
	%		RM'million	RM'million
Series C	9.60	16 Oct 2023	**36.9**	38.4
Series D	10.10	16 Oct 2025	**5.4**	5.6
Series E	10.30	16 Oct 2028	**20.3**	21.1
			62.6	65.1

Interest payment of Bond I, Tranche I is paid on a quarterly basis with the first payment on 16 January 2019 and the last payment will be paid 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 XL Axiata Tranche II Year 2019 ("Bond I, Tranche II") amounting to IDR634.0 billion with maturity period between three hundred and seventy (370) days and ten (10) years. Bond I, Tranche II was listed and quoted on IDX on 11 February 2019.

16. BORROWINGS (CONTINUED)

(c) Bonds (continued)

The details of Bond I, Tranche II are as follows:

	Annual fixed interest rate	Maturity date	Nominal value	
			2022	2021
	%		RM'million	RM'million
Series B	8.65	8 Feb 2022	-	56.0
Series C	9.25	8 Feb 2024	**11.3**	11.7
Series D	10.00	8 Feb 2029	**26.2**	27.2
			37.5	94.9

Interest payment of Bond I, Tranche II is paid on a quarterly basis with the first payment on 8 May 2019 and the last payment will be paid simultaneously with payment of principal of each series of the Bond.

On 1 September 2022, XL issued a series of bonds namely Shelf Bond II XL Axiata Tranche I Year 2022 ("Bond II, Tranche I") amounting to IDR1.5 trillion with maturity period between three (3) and ten (10) years. Bond II, Tranche I was listed and quoted on IDX on 2 September 2022.

The details of Bond II, Tranche I are as follows:

	Annual fixed interest rate	Maturity date	Nominal value
			2022
	%		RM'million
Series A	6.75	1 Sep 2025	**207.3**
Series B	7.40	1 Sep 2027	**116.1**
Series C	7.90	1 Sep 2029	**50.2**
Series D	8.25	1 Sep 2032	**49.4**
			423.0

Interest payment of Bond II, Tranche I is paid on a quarterly basis with the first payment on 1 December 2022 and the last payment will be paid simultaneously with payment of principal of each series of the Bond.

(d) Notes of the Group consist of Euro Medium Term Note ("EMTN") and Medium Term Note ("MTN") as follows:

(i) EMTN

The Company via its wholly owned subsidiary Axiata SPV5 (Labuan) Limited ("SPV5") established a Euro Medium Term Note Programme ("EMTN Programme") involving issuance of up to USD1.5 billion or its equivalent in other currencies.

On 19 August 2020, SPV5 issued USD1.0 billion EMTN at par and has a tenure of thirty (30) years from the date of issuance. On 21 August 2020, the EMTN was listed and quoted on the SGX-ST.

Notes to the Financial Statements For the financial year ended 31 December 2022

16. BORROWINGS (CONTINUED)

(d) Notes of the Group consist of Euro Medium Term Note ("EMTN") and Medium Term Note ("MTN") as follows: (continued)

(i) EMTN (continued)

The details of the EMTN as at 31 December are as follows:

	Annual fixed interest rate[1]	Maturity date	Nominal value	
			2022	2021
	%		RM'million	RM'million
EMTN	3.064	19 Aug 2050	**4,390.0**	4,177.5

[1] Payable semi-annually

(ii) MTN

On 31 March 2022, Salvare Asset Berhad ("SAB"), a subsidiary of the Group issued RM39.0 million (which the Company subscribed RM19.0 million) Class A Senior Notes pursuant to the MTN Programme. The MTN, which was issued at par, carries a coupon rate of 7.20% p.a. (payable quarterly in arrears) and has a tenure of thirty (30) months from the date of issuance, maturing on 30 September 2024.

The MTN is secured by way of the following:

(i) first fixed and floating charge over the whole of the SAB's undertaking and its cash and bank balances, both present and future, as disclosed in Note 35 to the financial statements;

(ii) first legal charge by the share trustee over the entire issued and paid-up share capital of the SAB;

(iii) a legal assignment of the SAB's rights under the master sale and purchase agreement and the administration agreement; and

(iv) such other security as may be advised by the solicitors.

The Note is secured via bank balance as disclosed in Note 35 to the financial statements.

(e) Borrowings of the Group are subject to certain covenants. These covenants require that certain ratios (Debts to Earnings Before Interest, Taxes, Depreciation and Amortisation ("EBITDA"), Debts to Equity, Debt Service Coverage Ratio, Positive net worth and EBITDA to interest repayment) 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.

(f) Total floating interest rate borrowings of the Group and the Company are RM11,000.8 million (2021: RM7,149.4 million) and RM4,174.0 million (2021: RM1,287.3 million) respectively as at the reporting date.

(g) The Company provides financial guarantee to licensed banks in respect of banking facilities granted to its subsidiaries amounting to USD2,231.5 million (RM9,796.3 million).

16. BORROWINGS (CONTINUED)

(h) The Group's and the Company's net movements in borrowings are analysed as follows:

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
At 1 January	**19,050,495**	17,745,439	**1,287,333**	1,261,600
Proceeds from borrowings and Sukuk	**19,104,030**	4,557,752	**4,627,234**	-
Acquisition of subsidiaries	**846,574**	104,847	**-**	-
Disposal of a group of subsidiaries	**(1,628,635)**	-	**-**	-
Repayments of borrowings and Sukuk	**(12,109,945)**	(3,889,511)	**(1,811,943)**	-
Bank overdrafts	**(71,151)**	97,077	**-**	-
Foreign exchange losses	**828,228**	372,605	**25,295**	20,857
Finance costs on borrowings and Sukuk	**1,058,442**	720,260	**102,447**	29,478
Payment of finance costs	**(902,720)**	(690,379)	**(73,423)**	(24,602)
Currency translation differences	**(739,686)**	32,405	**-**	-
At 31 December	**25,435,632**	19,050,495	**4,156,943**	1,287,333

Notes to the Financial Statements For the financial year ended 31 December 2022

16. BORROWINGS (CONTINUED)

The currencies profile of borrowings of the Group and the Company are as follows:

	2022							2021						
	Functional currency							Functional currency						
	RM RM'000	IDR RM'000	LKR RM'000	BDT RM'000	NPR RM'000	Others RM'000	Total RM'000	RM RM'000	IDR RM'000	LKR RM'000	BDT RM'000	NPR RM'000	Others RM'000	Total RM'000
Group														
RM	**3,007,691**	**-**	**-**	**-**	**-**	**-**	**3,007,691**	4,056,734	-	-	-	-	-	4,056,734
USD	**13,293,811**	**-**	**602,927**	**410,916**	**-**	**12,246**	**14,319,900**	9,364,768	-	371,687	474,214	-	19,622	10,230,291
IDR	**-**	**4,864,119**	**-**	**-**	**-**	**-**	**4,864,119**	-	3,030,562	-	-	-	-	3,030,562
LKR	**-**	**-**	**231,270**	**-**	**-**	**-**	**231,270**	-	-	485,941	-	-	-	485,941
BDT	**-**	**-**	**-**	**378,759**	**-**	**-**	**378,759**	-	-	-	393,160	-	-	393,160
NPR	**-**	**-**	**-**	**-**	**652,766**	**-**	**652,766**	-	-	-	-	716,297	-	716,297
PKR	**-**	**-**	**-**	**-**	**-**	**80,162**	**80,162**	-	-	-	-	-	137,510	137,510
PHP	**-**	**-**	**-**	**-**	**-**	**1,900,965**	**1,900,965**	-	-	-	-	-	-	-
Total	**16,301,502**	**4,864,119**	**834,197**	**789,675**	**652,766**	**1,993,373**	**25,435,632**	13,421,502	3,030,562	857,628	867,374	716,297	157,132	19,050,495
Company														
RM	**1,371,983**	**-**	**-**	**-**	**-**	**-**	**1,371,983**	667,485	-	-	-	-	-	667,485
USD	**2,784,960**	**-**	**-**	**-**	**-**	**-**	**2,784,960**	619,848	-	-	-	-	-	619,848
Total	**4,156,943**	**-**	**-**	**-**	**-**	**-**	**4,156,943**	1,287,333	-	-	-	-	-	1,287,333

USD: United States Dollar
IDR: Indonesian Rupiah
LKR: Sri Lankan Rupee
BDT: Bangladeshi Taka
NPR: Nepalese Rupee
PKR: Pakistani Rupee
PHP: Philippine Peso

Notes to the Financial Statements For the financial year ended 31 December 2022

16. BORROWINGS (CONTINUED)

The carrying amounts of borrowings of the Group and the Company at the reporting date approximated their fair values except as set out below:

	2022		2021	
	Carrying amount RM'000	Fair value RM'000	Carrying amount RM'000	Fair value RM'000
Group				
- Sukuk Ijarah[1]	**715,285**	**733,923**	503,346	529,583
- Bonds[1]	**525,214**	**532,206**	162,326	171,324
- EMTN[1]	**4,424,610**	**2,909,604**	4,210,181	4,050,253
- Multi-Currency Sukuk[1]	**4,423,604**	**3,904,510**	4,207,971	4,354,939
- Sukuk Wakalah[2]	**1,417,253**	**1,396,360**	-	-
- Sukuk Murabahah[2]	**-**	**-**	1,774,970	1,821,835

[1] Fair value is based on quoted prices in an active market and is within level 1 of the fair value hierarchy.

[2] Fair value is based on quoted prices in a market that is not active and is within level 2 of the fair value hierarchy.

Notes to the Financial Statements For the financial year ended 31 December 2022

17. FINANCIAL INSTRUMENTS BY CATEGORIES

		2022				2021			
	Note	Financial assets classified as amortised cost RM'000	Assets at FVTPL RM'000	Assets at FVTOCI RM'000	Total RM'000	Financial assets classified as amortised cost RM'000	Assets at FVTPL RM'000	Assets at FVTOCI RM'000	Total RM'000
Group									
Financial assets									
Derivative financial instruments	18	**-**	**40,876**	**-**	**40,876**	-	76,938	-	76,938
Trade and other receivables		**4,843,617**	**-**	**-**	**4,843,617**	3,062,196	-	-	3,062,196
Financial assets at FVTPL		**-**	**5,792**	**-**	**5,792**	-	5,743	-	5,743
Financial assets at FVTOCI	31	**-**	**-**	**179,180**	**179,180**	-	-	220,744	220,744
Deposits, cash and bank balances	35	**7,451,743**	**-**	**-**	**7,451,743**	6,969,352	-	-	6,969,352
Total		**12,295,360**	**46,668**	**179,180**	**12,521,208**	10,031,548	82,681	220,744	10,334,973

		2022			2021		
	Note	Financial assets classified as amortised cost RM'000	Liabilities at FVTPL RM'000	Total RM'000	Financial assets classified as amortised cost RM'000	Liabilities at FVTPL RM'000	Total RM'000
Group							
Financial liabilities							
Borrowings	16	**25,435,632**	**-**	**25,435,632**	19,050,495	-	19,050,495
Derivative financial instruments	18	**-**	**186,642**	**186,642**	-	111,659	111,659
Trade and other payables		**7,609,857**	**-**	**7,609,857**	9,465,092	-	9,465,092
Total		**33,045,489**	**186,642**	**33,232,131**	28,515,587	111,659	28,627,246

17. FINANCIAL INSTRUMENTS BY CATEGORIES (CONTINUED)

	Note	31.12.2022 RM'000	31.12.2021 RM'000 Restated	1.1.2021 RM'000 Restated
Company				
Financial assets				
Financial assets classified as amortised cost				
Amounts due from subsidiaries	33	**846,146**	3,659,353	3,160,989
Other receivables and deposits		**2,432,307**	12,758	5,024
Deposits, cash and bank balances	35	**2,124,105**	886,387	1,231,872
Assets at FVTPL				
Derivative financial instruments	18	**17,941**	-	-
Total		**5,420,499**	4,558,498	4,397,885
Financial liabilities				
Financial liabilities classified as amortised cost				
Accruals and other payables		**142,858**	58,554	46,500
Borrowings	16	**4,156,943**	1,287,333	1,261,600
Amounts due to subsidiaries	33	**8,907,870**	9,293,645	9,371,663
Liabilities at FVTPL				
Derivative financial instruments	18	**6,415**	-	-
Financial guarantee contracts		**148,463**	-	-
Total		**13,362,549**	10,639,532	10,679,763

Notes to the Financial Statements For the financial year ended 31 December 2022

18. DERIVATIVE FINANCIAL INSTRUMENTS

		2022		2021	
	Note	Assets RM'000	Liabilities RM'000	Assets RM'000	Liabilities RM'000
Group					
Non-current					
Non-hedging derivatives:					
- Convertible warrants in an associate		**-**	**-**	43,342	-
- Call option over shares held by NCI	(a)	**2,311**	**-**	2,311	-
Derivatives designated as hedging instrument:					
- Interest rate swap ("IRS")	(c)	**3,844**	**-**	486	-
- CCIRS	(b)	**19,790**	**(162,354)**	30,678	(91,162)
- Foreign exchange forward ("FX Forward")	(d)	**-**	**(6,363)**	-	-
Total non-current		**25,945**	**(168,717)**	76,817	(91,162)
Current					
Derivatives designated as hedging instrument:					
- IRS	(c)	**9,940**	**-**	121	-
- CCIRS	(b)	**4,991**	**(17,873)**	-	(20,497)
- FX Forward	(d)	**-**	**(52)**	-	-
Total current		**14,931**	**(17,925)**	121	(20,497)
Total		**40,876**	**(186,642)**	76,938	(111,659)
Company					
Non-current					
Derivatives designated as hedging instrument:					
- IRS	(c)	**3,010**	**-**	-	-
- FX Forward	(d)	**-**	**(6,363)**	-	-
Total non-current		**3,010**	**(6,363)**	-	-
Current					
Derivatives designated as hedging instrument:					
- IRS	(c)	**9,940**	**-**	-	-
- CCIRS	(b)	**4,991**	**-**	-	-
- FX Forward	(d)	**-**	**(52)**	-	-
Total current		**14,931**	**(52)**	-	-
Total		**17,941**	**(6,415)**	-	-

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 derivative

(a) Call option over shares held by NCI

Boost Holdings has been granted with a call option to purchase the shares in CMA owned by PT Monetrans Mitra Indonesia at a price equal to 90.00% of the exit price to increase its shareholding up to 85.00% of the issued and paid-up shares of CMA.

The fair value of the call options was estimated using the Black-Scholes valuation model, taking into account the terms and conditions upon which the options were granted.

Derivatives designated as hedging instrument

(b) Cash flow hedge – CCIRS

The Group and the Company entered 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 and the Company 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 and the Company's borrowings from financial institutions as disclosed in Note 16 and Note 16(b)(i) to the financial statements. The hedging instrument is designed to hedge against foreign currency and interest rate risks.

The CCIRS is designated as cash flow hedge to hedge the currency and interest rate risks of borrowings denominated in USD. The hedge has been fully effective from inception and during the financial year. Hedge ineffectiveness may occur due to:

- the credit value/debit value adjustment on the interest rate swaps which is not matched by the borrowings, and
- differences in critical terms between the interest rate swaps and loans.

The fair value changes of the derivative of the Group and the Company are attributable to future exchange rates and interest rate movements.

Group

During the financial year, the Group recognised a loss of RM299.5 million (2021: loss of RM76.9 million) in OCI after reclassification of fair value gain of RM220.2 million (2021: gain of RM138.3 million) on the CCIRS from the OCI to the profit or loss – foreign exchange gain/(loss) on financing activities.

Company

During the financial year, the Company recognised a loss of RM4.9 million in OCI after reclassification of fair value gain of RM7.7 million on the CCIRS from the OCI to the profit or loss – foreign exchange gain/(loss) on financing activities.

Notes to the Financial Statements For the financial year ended 31 December 2022

18. DERIVATIVE FINANCIAL INSTRUMENTS (CONTINUED)

Derivatives designated as hedging instrument (continued)

(b) Cash flow hedge – CCIRS (continued)

Information relating to the CCIRS of a subsidiary of the Group as at 31 December is as follows:

Counterparties	Notional amount USD'million	Exchange rate	Notional amount RM'million	Notional carrying amount 2022 RM'million	Notional carrying amount 2021 RM'million	Period	Semi-annually fixed interest rate paid on RM notional %	Semi-annually fixed interest rate received on USD notional %	Fair value assets/ (liabilities) 2022 RM'000	Fair value assets/ (liabilities) 2021 RM'000
Sukuk maturing on 24 March 2026										
CIMB Bank Berhad	130.0	4.193	545.1	**570.7**	543.1	20 Dec 2016- 24 Mar 2026	6.656	4.357	**(26,260)**	(32,138)
	50.0	4.070	203.5	**219.5**	208.9	25 Mar 2019- 24 Mar 2026	5.600	4.357	**3,929**	4,399
	46.0	4.080	187.7	**201.9**	192.1	25 Mar 2019- 24 Mar 2026	5.480	4.357	**3,859**	4,487
HSBC Bank Malaysia Berhad	20.0	4.160	83.2	**87.8**	83.6	28 Oct 2016- 24 Mar 2026	6.730	4.357	**(3,499)**	(4,410)
	50.0	4.060	203.0	**219.5**	208.9	25 Mar 2019- 24 Mar 2026	5.470	4.357	**5,204**	5,941
MUFG Bank (Malaysia) Berhad	154.0	4.160	640.7	**676.1**	643.3	27 Dec 2016- 24 Mar 2026	6.641	4.357	**(25,192)**	(31,641)
	50.0	4.060	203.0	**219.5**	208.9	25 Mar 2019- 24 Mar 2026	5.470	4.357	**5,204**	5,940
	500.0		2,066.2	**2,195.0**	2,088.8				**(36,755)**	(47,422)
Weighted average		4.132					6.210	4.357		

18. DERIVATIVE FINANCIAL INSTRUMENTS (CONTINUED)

Derivatives designated as hedging instrument (continued)

(b) Cash flow hedge – CCIRS (continued)

Information relating to the CCIRS of a subsidiary of the Group as at 31 December is as follows: (continued)

Counterparties	Notional amount USD'million	Exchange rate	Notional amount RM'million	Notional carrying amount 2022 RM'million	Notional carrying amount 2021 RM'million	Period	Semi-annually fixed interest rate paid on RM notional %	Semi-annually fixed interest rate received on USD notional %	Fair value assets/ (liabilities) 2022 RM'000	Fair value assets/ (liabilities) 2021 RM'000
Sukuk maturing on 19 August 2030										
CIMB Bank Berhad	50.0	4.045	202.3	**219.5**	208.9	19 Feb 2021- 19 Aug 2030	3.350	2.163	**(6,755)**	2,982
	50.0	4.071	203.5	**219.5**	208.9	19 Feb 2021- 19 Aug 2030	3.580	2.163	**(11,319)**	(2,208)
	70.0	4.118	288.3	**307.3**	292.4	19 Feb 2021- 19 Aug 2030	3.700	2.163	**(21,670)**	(9,560)
MUFG Bank (Malaysia) Berhad	30.0	4.044	121.3	**131.7**	125.3	19 Feb 2021- 19 Aug 2030	3.330	2.163	**(3,853)**	2,019
	50.0	4.070	203.5	**219.5**	208.9	19 Feb 2021- 19 Aug 2030	3.580	2.163	**(11,268)**	(2,153)
Standard Chartered Bank Malaysia Berhad	50.0	4.055	202.8	**219.5**	208.9	19 Feb 2021- 19 Aug 2030	3.470	2.163	**(8,964)**	460
Malayan Banking Berhad	200.0	4.108	821.6	**878.0**	835.5	19 Feb 2021- 19 Aug 2030	3.700	2.163	**(59,853)**	(25,099)
	500.0		2,043.3	**2,195.0**	2,088.8				**(123,682)**	(33,559)
Weighted average		4.087					3.596	2.163		

18. DERIVATIVE FINANCIAL INSTRUMENTS (CONTINUED)

Derivatives designated as hedging instrument (continued)

(b) Cash flow hedge – CCIRS (continued)

Information relating to the CCIRS of the Company as at 31 December is as follows:

Counterparties	Notional amount USD'million	Exchange rate	Notional amount RM'million	Notional carrying amount 2022 RM'million	Notional carrying amount 2021 RM'million	Period	Semi-annually fixed interest rate paid on RM notional %	Semi-annually fixed interest rate received on USD notional %	Fair value assets/ (liabilities) 2022 RM'000	Fair value assets/ (liabilities) 2021 RM'000
Sukuk maturing on 8 May 2023										
CIMB Bank Berhad	180.0	4.400	792.0	**790.2**	-	6 May 2022- 8 May 2023	3.450	3M LIBOR + 0.81%	**4,991**	-
	180.0		792.0	**790.2**	**-**				**4,991**	-
Weighted average		4.400					3.450			

18. DERIVATIVE FINANCIAL INSTRUMENTS (CONTINUED)

Derivatives designated as hedging instrument (continued)

(c) Cash flow hedge – IRS

The underlying debt instrument for the IRS is the Group's and the Company's borrowings from financial institutions as disclosed in Note 16 to the financial statements. The hedging instrument is designed to hedge against interest rate risks.

Information relating to the IRS of the Group and the Company as at 31 December is as follows:

Counterparties	Notional amount USD'million	Period	Payment frequency	Floating/ Fixed interest rate paid %	Floating interest rate received %	Fair value assets/ (liabilities) 2022 RM'000	Fair value assets/ (liabilities) 2021 RM'000
<u>Borrowings from financial institutions maturing on 24 June 2024</u>							
Deutsche Bank AG	80.0	3 Sep 2021- 24 Jun 2024	Quarterly	3M LIBOR + 1.785%	3M LIBOR + 1.47%, capped at 2.00%	**833**	607
<u>Borrowings from financial institutions maturing on 17 June 2025</u>							
United Overseas Bank (Malaysia) Berhad	80.0	19 Sep 2022- 17 Jun 2025	Quarterly	4.120	3M SOFR daily compounded + 0.65%	**6,000**	-
CIMB Bank Berhad	90.0	19 Dec 2022- 17 Jun 2025	Quarterly	4.120	3M SOFR daily compounded + 0.65%	**6,951**	-
	250.0					**13,784**	607

18. DERIVATIVE FINANCIAL INSTRUMENTS (CONTINUED)

Derivatives designated as hedging instrument (continued)

(d) Cash flow hedge – FX Forward

The underlying debt instrument for the FX Forward is the Company's borrowings from financial institutions as disclosed in Note 16 to the financial statements. The hedging instrument is designed to hedge against foreign currency risks.

Information relating to the FX Forward of the Company as at 31 December is as follows:

Counterparties	Notional amount USD'million	Exchange rate	Notional amount RM'million	Notional carrying amount 2022 RM'million	Notional carrying amount 2021 RM'million	Period	Fair value assets/ (liabilities) 2022 RM'000	Fair value assets/ (liabilities) 2021 RM'000
<u>Borrowings from financial institutions maturing on 17 June 2025</u>								
United Overseas Bank (Malaysia) Berhad	80.0	4.378	350.2	351.2	-	24 Nov 2022- 17 Jun 2025	**(6,415)**	-

Notes to the Financial Statements For the financial year ended 31 December 2022

19. DEFERRED INCOME

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
At 1 January	**263,969**	449,057	**11,736**	17,265
Received	**477,963**	32,806	**-**	-
Released to profit or loss	**(141,557)**	(217,052)	**(11,736)**	(5,529)
Disposal of a group of subsidiaries	**(590,608)**	-	**-**	-
Currency translation differences	**(4,636)**	(842)	**-**	-
At 31 December	**5,131**	263,969	**-**	11,736
Current	**1,728**	3,609	**-**	-
Non-current	**3,403**	260,360	**-**	11,736
	5,131	263,969	**-**	11,736

Deferred income of the Group mainly relates to the government grants received/receivable by subsidiaries for the purchase of certain qualifying assets.

Deferred income of the Company relates to government grant under PRIHATIN - Program Kredit Mikro Kepada Perusahaan Kecil dan Sederhana Mikro. The government grant was to provide subsidy for the Company's COVID-19 Micro SME support initiatives.

Notes to the Financial Statements For the financial year ended 31 December 2022

20. TRADE AND OTHER PAYABLES

	Note	2022 Non-current RM'000	2022 Current RM'000	2022 Total RM'000	2021 Non-current RM'000	2021 Current RM'000	2021 Total RM'000
Group							
Trade payables		**-**	**4,258,013**	**4,258,013**	-	4,119,037	4,119,037
Customer deposits		**-**	**270,658**	**270,658**	-	268,608	268,608
Business licence payable	(c)	**382,926**	**359,039**	**741,965**	682,594	342,936	1,025,530
Payroll liabilities		**21,328**	**398,248**	**419,576**	35,113	686,975	722,088
Accruals		**-**	**3,064,352**	**3,064,352**	-	4,993,473	4,993,473
Other payables	(c)	**197,876**	**325,604**	**523,480**	245,200	491,095	736,295
USP payables		**-**	**233,635**	**233,635**	-	489,178	489,178
Defined benefit plans	(a)	**138,529**	**6,636**	**145,165**	112,114	-	112,114
Contract liabilities	(b)	**65,306**	**1,270,400**	**1,335,706**	41,059	1,833,771	1,874,830
Taxes		**-**	**299,319**	**299,319**	-	288,654	288,654
Deferred revenue		**-**	**93,661**	**93,661**	-	41,334	41,334
Total		**805,965**	**10,579,565**	**11,385,530**	1,116,080	13,555,061	14,671,141
Company							
Payroll liabilities		**-**	**38,475**	**38,475**	-	33,927	33,927
Accruals		**-**	**124,060**	**124,060**	-	51,071	51,071
Other payables		**-**	**18,798**	**18,798**	-	7,483	7,483
Financial guarantee contracts	(d)	**-**	**148,463**	**148,463**	-	-	-
Taxes		**-**	**10,029**	**10,029**	-	9,139	9,139
Total		**-**	**339,825**	**339,825**	-	101,620	101,620

Notes to the Financial Statements For the financial year ended 31 December 2022

20. TRADE AND OTHER PAYABLES (CONTINUED)

(a) The Group's defined benefit plans are mainly from Indonesia, Sri Lanka and Bangladesh under the mobile segment, infrastructure segment and others. Movements in the present value of defined benefit obligations of the defined benefit plans are as follows:

	Group	
	2022 RM'000	2021 RM'000
At 1 January	**112,114**	160,976
Acquisition of a subsidiary	**44,579**	384
Charge/(Credit) to profit or loss:		
- current services	**31,694**	34,175
- interest costs	**6,544**	7,512
- past service costs	**2,622**	(27,400)
	40,860	14,287
Benefit paid	**(20,825)**	(43,568)
Settlement gains	**(1,150)**	-
Credit to OCI:		
- actuarial gains	**(8,342)**	(18,709)
Currency translation differences	**(22,071)**	(1,256)
At 31 December	**145,165**	112,114

Present value of the defined benefit obligations is calculated annually by independent actuaries using the projected unit credit method. The principal actuarial valuation assumptions used are as follows:

	Group			
	2022		2021	
	Discount rate (p.a.)	Salary increment rate (p.a.)	Discount rate (p.a.)	Salary increment rate (p.a.)
Mobile segment:				
- Indonesia	**7.2%**	**8.0%**	7.0%	8.5%
- Sri Lanka	**12.8% - 17.8%**	**17.0%**	10.6% - 11.8%	10.0%
- Bangladesh	**8.3% - 8.5%**	**6.0% - 10.0%**	6.8%	6.0%
Fixed Broadband (Indonesia)	**5.0% - 7.0%**	**6.0%**	N/A	N/A
Others	**2.0% - 12.1%**	**5.0% - 10.0%**	2.2% - 7.8%	5.0% - 10.0%

Notes to the Financial Statements For the financial year ended 31 December 2022

20. TRADE AND OTHER PAYABLES (CONTINUED)

(b) The movements of contract liabilities are as follows:

	Group	
	2022 RM'000	2021 RM'000
At 1 January	**1,874,830**	1,986,524
Revenue recognised that was included in the contract liability balance at the beginning of the financial year	**(1,433,063)**	(1,950,248)
Increases due to cash received, excluding amounts recognised as revenue during the financial year	**1,300,826**	1,840,140
Disposal of a group of subsidiaries	**(392,006)**	-
Currency translation differences	**(14,881)**	(1,586)
At 31 December	**1,335,706**	1,874,830

(c) Non-current business licence payables and other payables are classified as non-current based on payment schedule as per contractual terms.

(d) Financial guarantee contracts

The Company provides financial guarantees to banks in respect of borrowing granted to certain subsidiaries. The Company monitors the ability of the subsidiaries to service their loans on an individual basis annually.

20. TRADE AND OTHER PAYABLES (CONTINUED)

The currencies profiles of trade and other payables are as follows:

	2022								2021							
	Functional currency								Functional currency							
	RM RM'000	IDR RM'000	LKR RM'000	BDT RM'000	NPR RM'000	USD RM'000	Others RM'000	Total RM'000	RM RM'000	IDR RM'000	LKR RM'000	BDT RM'000	NPR RM'000	USD RM'000	Others RM'000	Total RM'000
Group																
RM	**999,864**	**66**	**53,929**	**-**	**-**	**-**	**-**	**1,053,859**	3,591,996	3,903	-	-	-	39	-	3,595,938
USD	**142,395**	**188,003**	**482,107**	**250,068**	**131,666**	**819,911**	**4,297**	**2,018,447**	52,077	155,610	364	415,746	93,045	846,120	167	1,563,129
IDR	**-**	**4,391,971**	**-**	**-**	**-**	**96**	**-**	**4,392,067**	-	4,031,083	-	-	-	10	-	4,031,093
LKR	**-**	**-**	**516,015**	**-**	**-**	**208**	**-**	**516,223**	-	-	1,439,275	-	-	360	-	1,439,635
BDT	**-**	**-**	**-**	**2,464,278**	**-**	**-**	**23**	**2,464,301**	-	-	-	3,000,040	-	-	-	3,000,040
NPR	**11,850**	**-**	**-**	**-**	**669,528**	**-**	**-**	**681,378**	3,736	-	-	-	814,016	-	-	817,752
MMK	**-**	**-**	**-**	**-**	**-**	**20,727**	**-**	**20,727**	-	-	-	-	-	22,721	-	22,721
PKR	**-**	**-**	**-**	**-**	**-**	**-**	**47,250**	**47,250**	-	-	-	-	-	-	95,978	95,978
PHP	**-**	**-**	**-**	**-**	**-**	**-**	**98,580**	**98,580**	-	-	-	-	-	-	19,207	19,207
Others	**-**	**71**	**39,093**	**-**	**-**	**3,514**	**50,020**	**92,698**	3,288	70	-	-	40,464	2,574	39,252	85,648
Total	**1,154,109**	**4,580,111**	**1,091,144**	**2,714,346**	**801,194**	**844,456**	**200,170**	**11,385,530**	3,651,097	4,190,666	1,439,639	3,415,786	947,525	871,824	154,604	14,671,141
Company																
RM	**267,549**	**-**	**-**	**-**	**-**	**-**	**-**	**267,549**	79,698	-	-	-	-	-	-	79,698
USD	**59,727**	**-**	**-**	**-**	**-**	**-**	**-**	**59,727**	16,642	-	-	-	-	-	-	16,642
NPR	**11,850**	**-**	**-**	**-**	**-**	**-**	**-**	**11,850**	3,736	-	-	-	-	-	-	3,736
Others	**699**	**-**	**-**	**-**	**-**	**-**	**-**	**699**	1,544	-	-	-	-	-	-	1,544
Total	**339,825**	**-**	**-**	**-**	**-**	**-**	**-**	**339,825**	101,620	-	-	-	-	-	-	101,620

MMK: Myanmar Kyat

Credit terms of trade and other payables for the Group and the Company vary from thirty (30) to ninety (90) days (2021: thirty (30) to ninety (90) days) depending on the terms of the contracts respectively.

Notes to the Financial Statements For the financial year ended 31 December 2022

21. PROVISION FOR ASSET RETIREMENT

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
At 1 January	**747,795**	640,507	**829**	804
Acquisition of a subsidiary	**-**	10,580	**-**	-
Disposal of a group of subsidiaries	**(172,371)**	-	**-**	-
Additions	**269,375**	85,738	**1,086**	-
Utilised during the financial year	**(11,508)**	(11,647)	**(1,841)**	-
Accretion of interest	**44,157**	18,777	**27**	25
Reclassified to liabilities classified as held-for-sale	**399**	(3,675)	**-**	-
Currency translation differences	**(31,359)**	7,515	**-**	-
At 31 December	**846,488**	747,795	**101**	829

The provision of asset retirement of the Group relates to provision for dismantling costs of existing telecommunication network equipment and buildings.

22. 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	
	2022 RM'000	2021 RM'000
Deferred tax assets:		
- To be recovered within twelve (12) months	**63,240**	295,240
- To be recovered after more than twelve (12) months	**112,398**	63,290
Deferred tax assets	**175,638**	358,530
Deferred tax liabilities:		
- To be recovered within twelve (12) months	**245,426**	288,804
- To be recovered after more than twelve (12) months	**688,386**	1,088,712
Deferred tax liabilities	**933,812**	1,377,516
Net deferred tax liabilities	**758,174**	1,018,986

Notes to the Financial Statements For the financial year ended 31 December 2022

22. DEFERRED TAXATION (CONTINUED)

The movements in net deferred tax liabilities are as follows:

	Group	
	2022 RM'000	2021 RM'000
At 1 January	**1,018,986**	776,456
Acquisition of subsidiaries	**96,203**	129,254
Disposal of Celcom Group	**(566,763)**	-
Charge/(Credit) to profit or loss:		
- PPE and intangible assets	**111,555**	(36,529)
- Tax losses	**26,401**	158,236
- Leases	**(37,279)**	(65,687)
- Provision and others	**148,816**	37,422
	249,493	93,442
Debit to OCI:		
- actuarial losses	**7,686**	2,614
Currency translation differences	**(47,431)**	17,220
At 31 December	**758,174**	1,018,986

Breakdown of cumulative balances by each type of temporary differences are as follows:

	Group	
	2022 RM'000	2021 RM'000
Deferred tax assets:		
- PPE and intangible assets	**63,685**	97,512
- Tax losses	**35,292**	84,597
- Leases	**180,237**	175,197
- Provision and others	**284,580**	643,992
	563,794	1,001,298
Offsetting	**(388,156)**	(642,768)
Total	**175,638**	358,530
Deferred tax liabilities:		
- PPE and intangible assets	**1,310,402**	1,965,464
- Others	**11,566**	54,820
	1,321,968	2,020,284
Offsetting	**(388,156)**	(642,768)
Total	**933,812**	1,377,516

Notes to the Financial Statements For the financial year ended 31 December 2022

22. DEFERRED TAXATION (CONTINUED)

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	
	2022 RM'000	2021 RM'000 Restated[1]	2022 RM'000	2021 RM'000 Restated[1]
Unutilised tax losses	**2,272,084**	2,143,130	**500,047**	474,949
Deductible temporary differences[2]	**682,792**	503,246	**87,050**	79,461
	2,954,876	2,646,376	**587,097**	554,410

1 Restated to be consistent with actual tax submission.

2 The unabsorbed capital allowances and investment tax allowance do not expire under current tax legislation.

The unutilised tax losses for which no deferred tax asset is recognised in the statements of financial positions, available for set off against future taxable profit with a time limit of utilisation are as follows:

	Group		Company	
	2022 RM'000	2021 RM'000 Restated[1]	2022 RM'000	2021 RM'000 Restated[1]
Expiring in the financial year ending:				
- 2022	**-**	1,240	**-**	-
- 2023	**33,506**	258,386	**-**	-
- 2024	**60,810**	69,610	**-**	-
- 2025	**70,183**	65,450	**-**	-
- 2026	**195,818**	82,007	**-**	-
- 2027	**175,304**	166,270	**-**	-
- 2028	**556,222**	536,444	**162,690**	162,690
- 2029	**387,340**	356,370	**108,991**	108,991
- 2030	**299,589**	298,226	**99,507**	99,507
- 2031	**216,364**	171,280	**103,761**	103,761
- 2032	**179,173**	-	**25,098**	-
- No expiry date	**97,775**	137,847	**-**	-
Total	**2,272,084**	2,143,130	**500,047**	474,949

1 Restated to be consistent with actual tax submission.

Notes to the Financial Statements For the financial year ended 31 December 2022

23. LEASE LIABILITIES

The movements in lease liabilities are as follows:

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
At 1 January	**10,170,995**	9,628,596	**10,744**	14,571
Additions	**3,281,115**	2,005,413	**-**	-
Acquisition of subsidiaries	**142,304**	46,089	**-**	-
Disposal of a group of subsidiaries	**(1,208,155)**	-		
Adjustments[1]	**-**	(158,895)	**-**	-
Interest expense	**753,923**	675,390	**425**	618
Repayment of:				
- principal	**(1,705,311)**	(1,522,063)	**(4,144)**	(3,827)
- interest	**(618,284)**	(654,476)	**(425)**	(618)
Remeasurement	**65,325**	33,040	**-**	-
Modification	**3,691**	13,526	**(4,719)**	-
Termination	**(3,326)**	(4,515)	**-**	-
Reclassification of liabilities held-for-sale	**-**	(2,669)	**-**	-
Currency translation differences	**(438,386)**	111,559	**-**	-
At 31 December	**10,443,891**	10,170,995	**1,881**	10,744
Non-current	**8,604,274**	8,412,149	**-**	6,600
Current	**1,839,617**	1,758,846	**1,881**	4,144
	10,443,891	10,170,995	**1,881**	10,744

1 Following the acquisition of Touch Mindscape Group as disclosed in Note 5(b)(ii) to the financial statements, lease transactions between other subsidiaries of the Group and Touch Mindscape Group were no longer treated as leases of the Group.

The Group leases sites for installation of telecommunication structures, retail outlets, land and office buildings. Rental contracts duration is typically between one (1) to forty (40) years (2021: one (1) to forty (40) years) including 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 2022, potential future cash outflows of RM15,202.9 million (undiscounted) (2021: RM11,750.9 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 (2021: five (5) years), including extension options.

The cash outflows for leases as lessee of the Group and the Company for the financial year ended 31 December 2022 were RM2,219.9 million (2021: RM2,041.0 million) and RM4.6 million (2021: RM5.6 million) respectively.

Notes to the Financial Statements For the financial year ended 31 December 2022

24. INTANGIBLE ASSETS

		Group			
	Note	Goodwill RM'000	Licences RM'000	Others[1] RM'000	Total RM'000
Net book value					
At 1 January 2022		**13,932,546**	**6,347,719**	**1,442,422**	**21,722,687**
Acquisitions of subsidiaries		**1,407,411**	**-**	**572,080**	**1,979,491**
Additions[2]		**-**	**158,035**	**162,307**	**320,342**
Amortisation		**-**	**(717,538)**	**(270,280)**	**(987,818)**
Disposals		**-**	**-**	**(2,357)**	**(2,357)**
Write-off	7(a)	**-**	**-**	**(145)**	**(145)**
Impairment	7(a)	**(4,152,772)**	**-**	**-**	**(4,152,772)**
Disposal of a group of subsidiaries		**(4,046,405)**	**(616,459)**	**(7,100)**	**(4,669,964)**
Currency translation differences		**(358,172)**	**(397,508)**	**(11,634)**	**(767,314)**
At 31 December 2022		**6,782,608**	**4,774,249**	**1,885,293**	**13,442,150**
Cost		**11,153,299**	**9,213,962**	**3,242,285**	**23,609,546**
Accumulated amortisation		**-**	**(4,439,713)**	**(1,352,593)**	**(5,792,306)**
Accumulated impairment losses		**(4,370,691)**	**-**	**(4,399)**	**(4,375,090)**
At 31 December 2022		**6,782,608**	**4,774,249**	**1,885,293**	**13,442,150**
Net book value					
At 1 January 2021		12,948,304	6,642,407	1,043,688	20,634,399
Acquisition of a subsidiary		1,229,714	-	441,425	1,671,139
Additions[2]		-	290,193	115,444	405,637
Amortisation		-	(701,600)	(159,662)	(861,262)
Impairment	7(a)	(340,029)	-	(4,407)	(344,436)
Disposals		-	-	(1,477)	(1,477)
Write-off	7(a)	-	-	(1,670)	(1,670)
Currency translation differences		94,557	116,719	9,081	220,357
At 31 December 2021		13,932,546	6,347,719	1,442,422	21,722,687
Cost		14,374,564	11,213,954	2,606,508	28,195,026
Accumulated amortisation		-	(4,866,235)	(1,159,679)	(6,025,914)
Accumulated impairment losses		(442,018)	-	(4,407)	(446,425)
At 31 December 2021		13,932,546	6,347,719	1,442,422	21,722,687

1 Others mainly relate to customer contracts and related customer relationships, other licences, software and brands.

2 Additions in licences include telecommunication licences of a subsidiary of BDT2,715.9 million (RM131.8 million) (2021: BDT5,317.0 million (RM258.0 million)).

24. INTANGIBLE ASSETS (CONTINUED)

The remaining amortisation period of acquired telecommunication licences with allocated spectrum rights which are individually material range from two (2) years to twenty-one (21) years (2021: three (3) years to twenty-two (22) years.

The carrying amount of the telecommunication licences of a subsidiary which belongs to Indonesia CGU having an indefinite useful life amounting to RM1,610.9 million (2021: RM1,673.7 million).

Net book value of intangible assets of certain subsidiaries amounting to RM41.9 million (2021: RM19.1 million) are 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 goodwill of the Group based on segments is as follows:

		2022 RM'000	2021 RM'000
Mobile segment:			
- Malaysia		**-**	4,031,110
- Indonesia	(a)	**3,685,374**	5,172,440
- Sri Lanka	(b)	**68,193**	208,368
- Cambodia	(c)	**220,590**	209,912
- Nepal	(d)	**-**	2,748,997
Infrastructure segment	(e)	**1,437,764**	1,424,999
Fixed broadband segment	(f)	**1,234,386**	-
Others		**136,301**	136,720
		6,782,608	13,932,546

Key assumptions used

For the purpose of impairment testing, the recoverable amount of respective CGU is the higher of value VIU and FVLCTS.

Discounted cash flow models based on approved forecasts and projections have been applied to determine the VIU for certain CGUs. The forecasts and projections reflect management's expectations of revenue growth, operating costs, margins and capex based on past experience and future outlook of the respective CGUs. The cash flows beyond projected years approved are extrapolated in perpetuity using estimated terminal growth rates which takes into consideration Gross Domestic Product growth, 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. In addition, the Group closely monitors the developments in the market including consolidations and mergers, development of new and emerging technologies and other changes in the telecommunication industry.

For the remaining CGUs where FVLCTS calculations are used for impairment testing, management has applied discounted cash flow models based on market participants' view using level three of the fair value hierarchy.

24. INTANGIBLE ASSETS (CONTINUED)

Impairment tests for goodwill (continued)

Key assumptions used (continued)

(a) Mobile segment – Indonesia

The recoverable amount of Indonesia CGU was determined using VIU calculation based on cash flows projection covering a five (5) year period.

The following assumptions have been applied in the calculation:

	2022 (%)	2021 (%)
Revenue growth rates	**4.6 - 7.5**	7.2 - 9.7
EBITDA margins	**49.5 - 52.5**	50.4 - 54.2
Capex to revenue ratios	**18.5 - 25.1**	20.0 - 33.1
Terminal growth rate	**3.0**	3.0
Discount rate*	**12.7**	12.1

* Pre-tax discount rate applied to the cash flow forecasts was derived from the pre-tax cash flows at the date of assessment of that reflects the risk of the CGU.

Based on the assessment above, the Group recorded an impairment loss of RM1,479.6 million. The impairment loss related solely to goodwill. The recoverable amount of the Indonesia CGU was RM13,286.3 million and was derived from future cash flows generated by the underlying assets in the Indonesia CGU including 100% of goodwill attributable to the Indonesia CGU. As the Group recognised goodwill based on partial goodwill method, no impairment loss was allocated to NCI.

The impairment loss recognised with respect to Indonesia CGU is attributable to slower economic growth expected in Indonesia. Indonesia's central bank has raised its benchmark interest rates in the second half of 2022 for the first time since 2018 amid concerns over rising inflation rates and aggressive tightening by the US Federal Reserve and neighbouring central banks. As a result, management expects revenue growth to be negatively impacted. Management has reflected these assumptions in the expected cash flows.

Management's assessment included an impact of assessment of changes in key assumptions. Based on sensitivity analysis performed and assuming all else remained constant, the effects of movement in the key assumptions to the recoverable amounts are as follows:

- If the revenue growth rates were to decrease by 1% annually, assuming all else remains constant, an additional impairment of RM1,487.6 million will result.
- If the EBITDA margins were to decrease by 1% annually, assuming all else remains constant, an additional impairment of RM697.4 million will result.
- If the capex to revenue ratios were to increase by 1% annually, assuming all else remains constant, an additional impairment of RM753.6 million will result.
- If the terminal growth rate decreases from 3.0% to 2.5% assuming all else remains constant, an additional impairment of RM550.9 million will result.
- If the discount rate increases from 12.7% to 13.7% assuming all else remains constant, an additional impairment of RM881.9 million will result.

24. INTANGIBLE ASSETS (CONTINUED)

Impairment tests for goodwill (continued)

Key assumptions used (continued)

(b) Mobile segment – Sri Lanka

The following CGUs for which the management monitors the goodwill of Sri Lanka mobile segment and its related calculations used in determining each CGU's recoverable amount are as follows:

	2022 RM'000	2021 RM'000
Fixed telephony and broadband	**51,873**	146,770
Television	**-**	34,596
Others	**16,320**	27,002
	68,193	208,368

The recoverable amounts of the fixed telephony and broadband and television CGU were determined using VIU calculations based on cash flows projections covering a five (5) year period.

The following assumptions have been applied in the calculations:

	Fixed telephony and broadband (%)	Television (%)
2022		
Revenue growth rates	**2.8 - 9.8**	**3.2 - 5.3**
EBITDA margins	**53.3 - 57.7**	**13.1 - 23.8**
Capex to revenue ratios	**30.0 - 59.8**	**17.4 - 22.8**
Terminal growth rate	**3.0**	**3.0**
Discount rate*	**15.9#**	**17.4#**

* Pre-tax discount rates applied to the cash flow forecasts were derived from the pre-tax cash flows at the date of assessment of the respective CGU that reflect the risk of the CGU.

\# Due to the macroeconomic situation in Sri Lanka and uncertainties in market outlook, management has adopted a 3-stage approach in discounting the cash flows. Multiple discount rates, considering the current situation, the recovery period and the normalised period, were applied to arrive to a single-stage discount rate as disclosed.

24. INTANGIBLE ASSETS (CONTINUED)

Impairment tests for goodwill (continued)

Key assumptions used (continued)

(b) Mobile segment – Sri Lanka (continued)

The following assumptions have been applied in the calculations: (continued)

	Fixed telephony and broadband (%)	Television (%)
2021		
Revenue growth rates	5.0 - 11.5	7.9 - 14.0
EBITDA margins	50.0 - 64.2	30.5 - 36.0
Capex to revenue ratios	25.0 - 50.5	16.6 - 22.0
Terminal growth rate	3.0	3.0
Discount rate*	14.4	20.1

Based on the assessment above, the Group recorded an impairment loss of RM74.2 million (2021: RM1.6 million) in respect of the fixed telephony and broadband and television CGU. The recoverable amounts of the fixed telephony and broadband and television CGU were RM411.2 million and RM23.8 million respectively. The recoverable amounts were derived from future cash flows generated by the underlying assets in the respective Sri Lanka CGU.

The impairment losses recognised with respect to fixed telephony and broadband and television CGU are attributable to the macroeconomic and political crisis faced in Sri Lanka which resulted in rising inflation rates, upward revision of interest rates, US Dollar liquidity shortage and uncertainties in the market outlook.

Management's assessment included an impact of assessment of changes in key assumptions. Based on sensitivity analysis performed on fixed telephony and broadband CGU and assuming all else remained constant, the effects of movement in the key assumptions to the recoverable amounts are as follows:

- If the revenue growth rates were to decrease by 1% annually, assuming all else remains constant, an additional impairment of RM18.2 million will result.
- If the EBITDA margins were to decrease by 1% annually, assuming all else remains constant, an additional impairment of RM21.6 million will result.
- If the capex to revenue ratios were to increase by 1% annually, assuming all else remains constant, an additional impairment of RM22.8 million will result.
- If the terminal growth rate decreases from 3.0% to 2.5% assuming all else remains constant, an additional impairment of RM19.6 million will result.
- If the discount rate increases from 15.9% to 16.9% assuming all else remains constant, an additional impairment of RM30.3 million will result.

Notes to the Financial Statements For the financial year ended 31 December 2022

24. INTANGIBLE ASSETS (CONTINUED)

Impairment tests for goodwill (continued)

Key assumptions used (continued)

(c) Mobile segment – Cambodia

The recoverable amount of Cambodia CGU was determined using VIU calculation based on cash flows projection covering a three (3) year period.

The following assumptions have been applied in the calculation:

	2022 (%)	2021 (%)
Revenue growth rates	**1.5 - 6.4**	2.6 - 3.6
EBITDA margins	**49.3 - 50.9**	48.7 - 52.9
Capex to revenue ratios	**18.0 - 20.2**	17.1 - 18.5
Terminal growth rate	**2.0**	2.0
Discount rate*	**16.5**	13.3

* Pre-tax discount rate applied to the cash flow forecasts was derived from the pre-tax cash flows at the date of assessment reflects the risk of the CGU.

Based on the assessment above, goodwill allocated to the Cambodia CGU was not impaired as the recoverable amount exceeded the carrying amount. Management's assessment included an impact assessment of changes in key assumptions. Based on the sensitivity analysis performed, the Board of Directors concluded that no reasonable change in the base case assumptions would cause the carrying amount of Cambodia CGU to exceed its recoverable amount.

(d) Mobile segment – Nepal

The recoverable amount of Nepal CGU was determined using FVLCTS calculation based on cash flows projection covering a five (5) year period. Cash flows beyond the fifth (5th) year are extrapolated into perpetuity.

The following assumptions have been applied in the calculation:

	2022 (%)	2021 (%)
Revenue growth rates	**1.4 - 3.0**	3.3 - 5.3
EBITDA margins	**53.6 - 53.9**	54.5 - 55.0
Capex to revenue ratios	**16.9 - 19.0**	14.0 - 15.2
Terminal growth rate	**2.0**	4.0
Discount rate	**15.0**	10.5

In accordance with Section 33 of the Telecommunications Act 2053 (1997) ("Telco Act 2053") in Nepal, a telecommunications operator with more than fifty percent (50%) of Foreign Direct Investment has to handover its entire assets (land, building, plant, equipment and other structures related to the telecommunications service) to the Government of Nepal once the maximum licence period of twenty-five (25) years has expired, in which a buyback of these assets can take place. The Nepal CGU will reach this period in 2029. However, the Telco Act 2053 is silent on the process for the handover or buyback and the cost of buyback.

24. INTANGIBLE ASSETS (CONTINUED)

Impairment tests for goodwill (continued)

Key assumptions used (continued)

(d) Mobile segment – Nepal (continued)

The Board of Directors considers the above to be a form of licence renewal which will be subject to negotiations with the Government of Nepal. Given the Group's existing interaction with the Government of Nepal, the significant size and scale of the Nepal operations, and its continued commitment to invest for the long term, management has assumed the licence allocated to the Nepal CGU will be extended in perpetuity as it is expected that the Group will be able to negotiate an extension or appropriate buyback mechanism with the Government of Nepal. Hence, management assumed that the cost of buyback is nil in 2029.

Ncell Axiata Limited ("Ncell") has been paying licence fees to the Government of Nepal annually since 2004. As such, management has estimated that the licence fee allocated to the Nepal CGU will continue to be paid annually into perpetuity and has included an annual licence fee with a long term terminal growth in their impairment assessment.

Based on the assessment above, the Group recorded an impairment loss of RM2,599.0 million (2021: RM338.4 million). The impairment loss related solely to goodwill. The recoverable amount of Nepal CGU was RM1,707.9 million and was derived from future cash flows generated by the underlying assets in Nepal CGU including 100% of goodwill attributable to the Nepal CGU. As the Group recognised goodwill based on partial goodwill method, no impairment loss was allocated to NCI.

The impairment loss recognised with respect to Nepal CGU is attributable to the challenging economic and regulatory condition in Nepal. Nepal's telecommunication industry as a whole has observed a decline in the number of mobile subscribers in 2022. The general rise in interest rates globally during the year and heightened uncertainties surrounding Nepal's regional equity market has resulted in the increase in the discount rate applied. Additionally, pre-existing business challenges, stiff competition landscape and weak economic conditions in Nepal continue to persist during the financial year and its business outlook.

Management's assessment included an impact of assessment of changes in key assumptions. Based on sensitivity analysis performed and assuming all else remained constant, the effects of movement in the key assumptions to the recoverable amounts are as follows:

- If the telecommunication licence was not renewed in 2029 and discounted cash flows were projected only until 2029 and not in perpetuity, assuming all else remains constant, there would be an additional impairment of RM694.9 million on the carrying amount of other assets within the CGU.

Other reasonably possible change to key assumptions would result in further impairment charge against the carrying amount of other assets within the CGU are as follow:

- If the revenue growth rates were to decrease by 1% annually, assuming all else remains constant, there would be an additional impairment of RM97.5 million.

- If the EBITDA margins were to decrease by 1% annually, assuming all else remains constant, there would be an additional impairment of RM31.1 million.

- If the capex to revenue ratios were to increase by 1%, assuming all else remains constant, there would be an additional impairment of RM43.1 million.

- If the terminal growth rate decreases from 2.0% to 1.5% assuming all else remains constant, there would be an additional impairment of RM11.3 million.

- If the discount rate increases from 15.0% to 15.5% assuming all else remains constant, there would be an additional impairment of RM26.6 million.

Notes to the Financial Statements For the financial year ended 31 December 2022

24. INTANGIBLE ASSETS (CONTINUED)

Impairment tests for goodwill (continued)

Key assumptions used (continued)

(e) Infrastructure segment

The following CGUs for which management monitors the goodwill of the infrastructure segment and its related calculations used in determining each CGU's recoverable amount are as follows:

	2022 RM'000	2021 RM'000
Malaysia[1]	**1,210,936**	1,185,475
Pakistan	**92,317**	111,524
Myanmar	**134,511**	128,000
	1,437,764	1,424,999

[1] Malaysia consists of two CGUs being Tanjung Digital Sdn Bhd Group and TMs Group with goodwill amounting to RM39.0 million (2021: RM39.0 million) and RM1,172.0 million (2021: RM1,146.0 million) respectively.

The recoverable amounts of all CGUs in Infrastructure segment were determined using FVLCTS calculations. Estimates with regard to demand and supply in the tower infrastructure market have been assessed by an external consultant.

The following assumptions have been applied in the calculations:

	Malaysia	Pakistan	Myanmar
2022			
Number of projection year[1]	**10 to 15**	**15**	**15**
Post-tax adjusted discount rate (%)	**7.3**	**18.0**	**18.0**
Terminal growth rate (%)	**2.5**	**5.5**	**5.0**
EBITDA margins (%)	**69.0 - 79.7**	**62.8 - 87.2**	**79.1 - 89.4**
Colocation ratio average	**2.61x**	**2.09x**	**2.49x**
2021			
Number of projection year[1]	10 to 15	10	10
Post-tax adjusted discount rate (%)	7.0 - 7.7	15.9	15.0
Terminal growth rate (%)	2.0	6.5	5.0
EBITDA margins (%)	43.4 - 71.6	52.8 - 73.4	76.7 - 79.3
Colocation ratio average	2.33x - 2.39x	1.51x	2.01x

[1] The forecast period of fifteen (15) years represents the average lease term that is executed with customers and incorporates all agreed changes in lease rates over the lease term.

Based on the assessment above, goodwill allocated to the respective CGU was not impaired as the recoverable amount exceed the carrying amount.

Notes to the Financial Statements For the financial year ended 31 December 2022

24. INTANGIBLE ASSETS (CONTINUED)

Impairment tests for goodwill (continued)

Key assumptions used (continued)

(e) Infrastructure segment (continued)

Management's assessment included an impact assessment of changes in assumptions. Based on the sensitivity analysis performed, the Board of 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 Malaysia and Pakistan CGU.

The effects of movement in the key assumptions, assuming all else remained constant, to the recoverable amounts are as follows:

- Malaysia CGU - If the EBITDA margins were to decrease by 2% annually and if the discount rate increases from 7.25% to 7.75% assuming all else remains constant, there would be an impairment of RM23.0 million.

- Pakistan CGU - If the EBITDA margins were to decrease by 2% annually and if the discount rate increases from 18.0% to 18.5% assuming all else remains constant, there would be an impairment of RM8.6 million.

(f) Fixed broadband segment

The recoverable amount of fixed broadband CGU is determined using VIU calculation based on cash flows projections covering a five (5) year period.

The following assumptions have been applied in the calculation:

	2022 (%)
Revenue growth rates	7.8 - 8.9
EBITDA margins	56.2 to 57.4
Capex to revenue ratios	30.0 - 47.3
Terminal growth rate	4.0
Discount rate*	12.3

* Pre-tax discount rate applied to the cash flow forecasts was derived from the pre-tax cash flows at the date of assessment reflects the risk of the CGU.

Notes to the Financial Statements For the financial year ended 31 December 2022

24. INTANGIBLE ASSETS (CONTINUED)

Impairment tests for goodwill (continued)

Key assumptions used (continued)

(f) Fixed broadband segment (continued)

Based on the assessment above, goodwill allocated to the fixed broadband CGU was not impaired as the recoverable amount exceeded the carrying amount.

Management's assessment included an impact of assessment of changes in key assumptions. Based on sensitivity analysis performed and assuming all else remained constant, the effects of movement in the key assumptions to the recoverable amounts are as follows:

- If the revenue growth rates were to decrease by 1.7% annually, assuming all else remains constant, the recoverable amount would equal to the carrying amount.
- If the EBITDA margins were to decrease by 1.7% annually, assuming all else remains constant, the recoverable amount would equal to the carrying amount.
- If the capex to revenue ratios were to increase by 1.6% annually, assuming all else remains constant, the recoverable amount would equal to the carrying amount.
- If the terminal growth rate decreases from 4.0% to 3.0% assuming all else remains constant, an impairment of RM276.2 million will result.
- If the discount rate increases from 12.3% to 13.3% assuming all else remains constant, an impairment of RM232.1 million will result.

25. CONTRACT COST ASSETS

		Group					
		2022			2021		
	Note	Contract acquisition cost RM'000	Contract fulfillment cost RM'000	Total RM'000	Contract acquisition cost RM'000	Contract fulfillment cost RM'000	Total RM'000
At 1 January		**101,989**	**130,530**	**232,519**	75,335	104,466	179,801
Additions		**78,021**	**47,001**	**125,022**	82,994	110,264	193,258
Amortisation	7(a)	**(50,153)**	**(58,195)**	**(108,348)**	(53,441)	(79,617)	(133,058)
Disposal of a group of subsidiaries		**(32,522)**	**-**	**(32,522)**	-	-	-
Currency translation differences		**(33,073)**	**(45,388)**	**(78,461)**	(2,899)	(4,583)	(7,482)
At 31 December		**64,262**	**73,948**	**138,210**	101,989	130,530	232,519

Contract acquisition cost 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-three (23) to forty-two (42) months (2021: twenty-four (24) to thirty-six (36) months).

Notes to the Financial Statements For the financial year ended 31 December 2022

26. PROPERTY, PLANT AND EQUIPMENT

	Note	Land RM'000	Buildings RM'000	Telecommunication network equipment RM'000	Movable plant and equipment RM'000	Computer support systems RM'000	Capital work-in-progress RM'000	Total RM'000
Group								
Net book value								
At 1 January 2022		70,027	149,883	23,320,952	212,129	1,087,739	2,134,558	26,975,288
Additions		-	17,630	8,031,890	67,668	317,052	1,025,280	9,459,520
Inter-classification		-	718	676,564	(5,354)	59,872	(731,800)	-
Acquisition of subsidiaries		411	126,725	1,592,468	219,422	6,505	524,548	2,470,079
Disposal of a group of subsidiaries		(6,176)	(33,350)	(4,196,241)	(74,547)	(100,441)	(128,316)	(4,539,071)
Disposals		-	(346)	(22,874)	(1,031)	(121)	(1,500)	(25,872)
Write-off	7(a)	-	-	(15,124)	(279)	(75)	(4,557)	(20,035)
Depreciation		-	(24,279)	(4,178,575)	(101,283)	(610,537)	-	(4,914,674)
Impairment	7(a)	-	-	(102,684)	(1,234)	(760)	(12,651)	(117,329)
Reclassified from assets classified as held-for-sale		-	-	16,649	842	-	-	17,491
Currency translation differences		(9,749)	(32,919)	(1,792,776)	(8,784)	(22,316)	(237,878)	(2,104,422)
At 31 December 2022		54,513	204,062	23,330,249	307,549	736,918	2,567,684	27,200,975

Notes to the Financial Statements For the financial year ended 31 December 2022

26. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

	Note	Land RM'000	Buildings RM'000	Telecommunication network equipment RM'000	Movable plant and equipment RM'000	Computer support systems RM'000	Capital work-in-progress RM'000	Total RM'000
Group								
Net book value								
At 1 January 2021		69,956	146,544	20,597,939	219,043	980,090	2,482,075	24,495,647
Additions		-	30,770	5,942,005	44,946	636,378	581,690	7,235,789
Inter-classification		-	621	812,198	27,746	105,189	(945,754)	-
Acquisition of subsidiaries		-	-	246,237	846	251	-	247,334
Disposals		-	(368)	(47,589)	(292)	(1,299)	(75)	(49,623)
(Write-off)/Writeback	7(a)	-	(873)	10,485	(923)	(8,037)	(561)	91
Depreciation	7(a)	-	(24,300)	(4,299,171)	(77,862)	(633,751)	-	(5,035,084)
Impairment	7(a)	-	-	(8,939)	(2,407)	(3,685)	(7,703)	(22,734)
Reversal of impairment	7(a)	-	-	6,593	-	-	4,384	10,977
Reclassified to assets classified as held-for-sale	37	-	-	(6,841)	-	-	-	(6,841)
Currency translation differences		71	(2,511)	68,035	1,032	12,603	20,502	99,732
At 31 December 2021		70,027	149,883	23,320,952	212,129	1,087,739	2,134,558	26,975,288

26. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

	Land RM'000	Buildings RM'000	Telecommunication network equipment RM'000	Movable plant and equipment RM'000	Computer support systems RM'000	Capital work-in-progress RM'000	Total RM'000
Group							
Cost	**54,513**	**430,554**	**58,042,126**	**1,274,067**	**3,664,033**	**2,594,057**	**66,059,350**
Accumulated depreciation	**-**	**(226,492)**	**(34,599,364)**	**(961,103)**	**(2,919,847)**	**-**	**(38,706,806)**
Accumulated impairment losses	**-**	**-**	**(112,513)**	**(5,415)**	**(7,268)**	**(26,373)**	**(151,569)**
At 31 December 2022	**54,513**	**204,062**	**23,330,249**	**307,549**	**736,918**	**2,567,684**	**27,200,975**
Cost	77,092	396,994	65,054,725	657,258	6,704,708	2,196,532	75,087,309
Accumulated depreciation	-	(221,441)	(41,321,427)	(437,242)	(5,599,667)	-	(47,579,777)
Accumulated impairment losses	(7,065)	(25,670)	(412,346)	(7,887)	(17,302)	(61,974)	(532,244)
At 31 December 2021	70,027	149,883	23,320,952	212,129	1,087,739	2,134,558	26,975,288

Notes to the Financial Statements For the financial year ended 31 December 2022

26. 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	
	2022 RM'000	2021 RM'000
Land	**31,696**	33,525
Buildings	**22,124**	23,593
Telecommunication network equipment	**3,612,058**	1,230,603
Movable plant and equipment	**26,672**	49,484
Computer support systems	**26,133**	130,484
Capital work-in-progress	**79,101**	82,136
Total	**3,797,784**	1,549,825

(b) During the financial year, net book value of telecommunication network equipment subject to operating lease of the Group is RM6,045.7 million (2021: RM3,162.7 million).

Notes to the Financial Statements For the financial year ended 31 December 2022

26. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

	Note	Office equipment RM'000	Furniture and fitting RM'000	Motor vehicle RM'000	Capital work-in-progress RM'000	Total RM'000
Company						
Net book value						
At 1 January 2022		**9,804**	**3,671**	**-**	**3,931**	**17,406**
Additions		**1,210**	**874**	**286**	**2,328**	**4,698**
Inter-classification		**265**	**-**	**-**	**(265)**	**-**
Disposals		**(4)**	**-**	**-**	**-**	**(4)**
Write-off		**(7)**	**-**	**-**	**-**	**(7)**
Depreciation	7(a)	**(3,787)**	**(1,397)**	**(40)**	**-**	**(5,224)**
At 31 December 2022		**7,481**	**3,148**	**246**	**5,994**	**16,869**
At 1 January 2021		12,075	4,304	-	1,683	18,062
Additions		2,522	158	-	3,322	6,002
Inter-classification		-	1,074	-	(1,074)	-
Disposals		(238)	(677)	-	-	(915)
Depreciation	7(a)	(4,555)	(1,188)	-	-	(5,743)
At 31 December 2021		9,804	3,671	-	3,931	17,406
Cost		**34,287**	**14,801**	**951**	**5,994**	**56,033**
Accumulated depreciation		**(26,806)**	**(11,653)**	**(705)**	**-**	**(39,164)**
At 31 December 2022		**7,481**	**3,148**	**246**	**5,994**	**16,869**
Cost		32,868	13,928	665	3,931	51,392
Accumulated depreciation		(23,064)	(10,257)	(665)	-	(33,986)
At 31 December 2021		9,804	3,671	-	3,931	17,406

Notes to the Financial Statements For the financial year ended 31 December 2022

27. RIGHT-OF-USE ASSETS

	Land RM'000	Buildings RM'000	Telecommunication network sites and equipment RM'000	Others RM'000	Total RM'000
Group					
Net book value					
At 1 January 2022	**1,300,938**	**557,740**	**7,114,807**	**9,728**	**8,983,213**
Additions	**467,530**	**51,124**	**2,712,455**	**148,344**	**3,379,453**
Acquisition of subsidiaries	**-**	**4,978**	**182,887**	**2,038**	**189,903**
Disposal of a group of subsidiaries	**(25,625)**	**(330,849)**	**(806,195)**	**(450)**	**(1,163,119)**
Disposal/Termination	**(116)**	**(1,405)**	**(1,906)**	**-**	**(3,427)**
Depreciation	**(307,647)**	**(76,535)**	**(1,465,126)**	**(53,421)**	**(1,902,729)**
Remeasurement	**66,244**	**(2,509)**	**(1)**	**-**	**63,734**
Modification	**6,430**	**(2,074)**	**30,872**	**466**	**35,694**
Reclassified from/(to) assets classified as held-for-sale	**1,924**	**-**	**1,047**	**(528)**	**2,443**
Currency translation differences	**(76,900)**	**(15,023)**	**(179,399)**	**(61)**	**(271,383)**
At 31 December 2022	**1,432,778**	**185,447**	**7,589,441**	**106,116**	**9,313,782**
At 1 January 2021	1,078,503	575,915	6,847,164	17,313	8,518,895
Additions	446,769	72,588	1,600,781	9,313	2,129,451
Acquisition of a subsidiary	44,306	-	-	-	44,306
Adjustments[1]	-	-	(150,803)	-	(150,803)
Disposal/Termination	-	(3,952)	(172)	(37)	(4,161)
Depreciation	(276,850)	(83,649)	(1,303,797)	(15,364)	(1,679,660)
Remeasurement	40,181	(5,066)	-	(1,054)	34,061
Modification	2,813	1,721	11,892	-	16,426
Reclassified to assets classified as held-for-sale	(41,048)	-	-	-	(41,048)
Currency translation differences	6,265	182	109,742	(443)	115,746
At 31 December 2021	1,300,939	557,739	7,114,807	9,728	8,983,213

[1] Following the acquisition of Touch Mindscape Group as disclosed in Note 5(b)(ii) to the financial statements, ROU assets from lease transactions between other subsidiaries of the Group and Touch Mindscape Group were no longer treated as assets of the Group.

27. RIGHT-OF-USE ASSETS (CONTINUED)

	Note	Company 2022 RM'000	Company 2021 RM'000
Buildings (net book value)			
At 1 January		**10,260**	14,366
Addition		**1,085**	-
Depreciation	7(a)	**(4,104)**	(4,106)
Modification		**(5,482)**	-
At 31 December		**1,759**	10,260

Amounts recognised in profit or loss within "Other operating costs" related to lease contracts accounted for in accordance with MFRS 16 are as follows:

	Group 2022 RM'000	Group 2021 RM'000	Company 2022 RM'000	Company 2021 RM'000
Short-term leases	**100,523**	79,785	**-**	-
Low value assets	**9,415**	6,831	**1,951**	1,146
Variable lease payments	**6,228**	5,144	**-**	-

The Group is also exposed to potential future cash outflow on variable lease payments totaling RM25.8 million (2021: RM22.1 million), which are not included as lease liability until the event or condition that triggers those payments occur. Variable lease payments are in relation to the number of equipment installed on network sites.

Notes to the Financial Statements For the financial year ended 31 December 2022

28. SUBSIDIARIES

	Note	2022 Malaysia RM'000	2022 Overseas RM'000	2022 Total RM'000	2021 Malaysia RM'000	2021 Overseas RM'000	2021 Total RM'000
Company							
Unquoted shares, at cost	(a)	**10,283,483**	**6,143,543**	**16,427,026**	14,760,401	6,489,023	21,249,424
Accumulated impairment losses	(b)	**(371,003)**	**(4,400,575)**	**(4,771,578)**	(324,020)	(2,037,540)	(2,361,560)
Net cost of investments in subsidiaries		**9,912,480**	**1,742,968**	**11,655,448**	14,436,381	4,451,483	18,887,864
Quasi-investments	(a)	**5,521,880**	**-**	**5,521,880**	857,975	-	857,975
Accumulated impairment losses		**(383,275)**	**-**	**(383,275)**	(383,185)	-	(383,185)
Net quasi-investments		**5,138,605**	**-**	**5,138,605**	474,790	-	474,790
Total		**15,051,085**	**1,742,968**	**16,794,053**	14,911,171	4,451,483	19,362,654

Notes to the Financial Statements For the financial year ended 31 December 2022

28. SUBSIDIARIES (CONTINUED)

The Group's and the Company's ownership interests in subsidiaries, their respective principal activities and countries of incorporation are listed in Note 41 to the financial statements.

(a) The movement of the unquoted shares and quasi-investments during the financial year is as follows:

- Celcom ceased to be a subsidiary of the Company following the completion of the merger between Celcom and Digi as disclosed in Note 5(a)(ii) to the financial statements. As a result, the cost of investment in Celcom of RM4,677.0 million has been derecognised during the financial year.

- The Company had subscribed for additional shares in a subsidiary via a right issue exercise for a total consideration of RM169.9 million.

- The Company has received a waiver of an amount due to a subsidiary amounting to RM345.4 million from a subsidiary. The substance of the waiver is a distribution from the subsidiary to the Company via return of capital as the Company had no intention to repay the amount due to the subsidiary.

- The Company has converted RM4,663.9 million of amounts due from subsidiaries to quasi-investments as the Company does not expect repayment from subsidiaries as at 31 December 2022 in the foreseeable future.

(b) Impairment tests for investments in subsidiaries

During the financial year, the Company performed impairment assessments of its costs of investments in certain subsidiaries as there were indicators of impairment due to objective evidence of non-recoverability attributable to the changes in macroeconomic outlook and pre-existing business challenges as follows:

i) Impairment assessment for Axiata Investments (UK) Limited ("AIUK")

The recoverable amount for AIUK was determined based on FVLCTS calculations, which applied a discounted cash flow model of the Nepal mobile business segment based on market participants' view covering a five (5) year period as disclosed in Note 24(d) to the financial statements, adjusted for net debt and debt-like items. The deposits paid to avoid possible penalties in relation to an ongoing arbitration case as disclosed in Note 34 and Note 38(e) to the financial statements have been included in the FVLCTS calculations.

The assumptions that have been applied in the FVLCTS calculations based on market's participants' view using level 3 of the fair value hierarchy are as follows:

	2022 (%)	2021 (%)
Revenue growth rate	**1.4 - 3.0**	3.3 - 5.3
EBITDA margin	**53.6 - 53.9**	54.5 - 55.0
Capex to revenue ratio	**16.9 - 19.0**	14.0 - 15.2
Terminal growth rate	**2.0**	4.0
Discount rate	**15.0**	10.5

Based on the impairment assessment of AIUK, the Company recorded an impairment loss of RM2,363.0 million (2021: RM603.1 million). The recoverable amount of AIUK was RM1,741.9 million (2021: RM4,450.4 million).

Notes to the Financial Statements For the financial year ended 31 December 2022

28. SUBSIDIARIES (CONTINUED)

(b) Impairment tests for investments in subsidiaries (continued)

During the financial year, the Company performed impairment assessments of its costs of investments in certain subsidiaries as there were indicators of impairment due to objective evidence of non-recoverability attributable to the changes in macroeconomic outlook and pre-existing business challenges as follows: (continued)

i) Impairment assessment for Axiata Investments (UK) Limited ("AIUK") (continued)

Management's assessment included an impact of assessment of changes in key assumptions. Based on sensitivity analysis performed and assuming all else remained constant, the effects of movement in the key assumptions to the recoverable amounts are as follows:

- If the telecommunication licence is not renewed in 2029 and discounted cash flows were projected only until 2029 and not in perpetuity, assuming all else remains constant, an additional impairment of RM1,017.6 million will result.

- If the revenue growth rates were to decrease by 1% annually, assuming all else remains constant, an additional impairment of RM128.4 million will result.

- If the EBITDA margins were to decrease by 1% annually, assuming all else remains constant, an additional impairment of RM62.1 million will result.

- If the capex to revenue ratios were to increase by 1% annually, assuming all else remains constant, an additional impairment of RM74.0 million will result.

- If the terminal growth rate decreases from 2.0% to 1.5%, assuming all else remains constant, an additional impairment of RM42.3 million will result.

- If the discount rate increases from 15.0% to 15.5%, assuming all else remains constant, an additional impairment of RM57.5 million will result.

Additionally, in the event the outcome of the arbitration case as disclosed in Note 38(e) 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 RM364.7 million (2021: RM362.9 million).

ii) Impairment assessment for Axiata Investments (Singapore) Limited ("AIS")

During the financial year, based on the impairment assessment of AIS, the Company recorded an impairment loss of RM47.0 million (2021: RM59.7 million). The recoverable amount of AIS was RM170.0 million (2021: RM217.0 million). The recoverable amount of AIS was determined based on FVLCTS calculations obtained from independent valuations using level 3 of the fair value hierarchy.

(c) NCI

The total NCI of the Group as at reporting date is RM6,745.3 million (2021: RM7,060.5 million), of which the subsidiaries that have material NCI to the Group are:

- RM2,434.5 million (2021: RM2,240.8 million) is attributable to XL;
- RM551.3 million (2021: RM598.5 million) is attributable to Ncell;
- RM1,059.7 million (2021: RM1,175.1 million) is attributable to Robi; and
- RM1,802.9 million (2021: RM1,868.9 million) is attributable to consolidated EDOTCO Group.

The remaining NCI of the Group are individually immaterial.

Notes to the Financial Statements For the financial year ended 31 December 2022

28. SUBSIDIARIES (CONTINUED)

(c) 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:

(i) The summarised statement of comprehensive income for the financial year ended 31 December

	EDOTCO		XL		Robi		Ncell	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Profit for the financial year	**191,369**	292,687	**332,758**	414,400	**120,072**	23,671	**49,015**	137,082
OCI	**(212,018)**	54,045	**(214,063)**	121,654	**(378,022)**	70,158	**(152,852)**	26,804
Total comprehensive (expense)/ income	**(20,649)**	346,732	**118,695**	536,054	**(257,950)**	93,829	**(103,837)**	163,886
Profit for the financial year attributable to NCI	**116,631**	140,068	**130,316**	142,679	**48,603**	9,038	**9,803**	27,416
Dividend paid to NCI	**22,601**	35,628	**62,657**	32,077	**20,119**	10,480	**36,795**	44,271

28. SUBSIDIARIES (CONTINUED)

(c) 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	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000 Restated[1]
Non-current assets	**9,956,427**	6,900,108	**21,500,205**	18,914,165	**7,750,356**	9,068,737	**3,424,863**	3,984,700
Current assets	**2,482,916**	2,144,433	**3,010,899**	2,285,436	**601,174**	758,635	**862,357**	708,774
Non-current liabilities	**(5,393,586)**	(1,931,730)	**(9,920,084)**	(9,283,506)	**(2,581,513)**	(3,026,350)	**(1,020,329)**	(1,300,033)
Current liabilities	**(3,099,526)**	(2,997,867)	**(7,394,818)**	(6,102,068)	**(2,923,767)**	(3,652,483)	**(1,345,960)**	(1,207,427)
Net assets	**3,946,231**	4,114,944	**7,196,202**	5,814,027	**2,846,250**	3,148,539	**1,920,931**	2,186,014

1 Restated to conform with current year presentation.

28. SUBSIDIARIES (CONTINUED)

(c) 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)

(iii) The summarised statement of cash flows as at 31 December

	EDOTCO		XL		Robi		Ncell	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Net cash flow from operating activities	**1,069,009**	775,146	**3,977,468**	3,505,234	**1,591,585**	1,579,839	**508,796**	582,964
Net cash flow used in investing activities	**(3,556,827)**	(2,215,125)	**(3,241,721)**	(2,030,772)	**(1,206,814)**	(1,155,133)	**(156,970)**	(347,137)
Net cash flow from/(used in) financing activities	**2,554,050**	1,127,934	**(25,767)**	(1,562,851)	**(442,728)**	(645,535)	**(119,486)**	(224,773)
Net increase/(decrease) in cash and cash equivalent	**66,232**	(312,045)	**709,980**	(88,389)	**(57,957)**	(220,829)	**232,340**	11,054
Effect of exchange rate changes on cash and cash equivalents	**8,971**	20,959	**(28,725)**	17,930	**(28,534)**	9,863	**(19,493)**	4,728
Cash and cash equivalents at beginning of financial year	**741,123**	1,032,209	**780,666**	851,125	**238,645**	449,611	**421,943**	406,161
Cash and cash equivalents at the end of financial year	**816,326**	741,123	**1,461,921**	780,666	**152,154**	238,645	**634,790**	421,943

Notes to the Financial Statements For the financial year ended 31 December 2022

29. ASSOCIATES

	2022			2021		
	Malaysia RM'000	Overseas RM'000	Total RM'000	Malaysia RM'000	Overseas RM'000	Total RM'000
Group						
Quoted investments	**15,532,517**	**-**	**15,532,517**	-	-	-
Unquoted investments	**69,448**	**114,439**	**183,887**	208,582	110,743	319,325
Share of post-acquisition results and reserves	**(75,323)**	**(15,646)**	**(90,969)**	(29,680)	(3,886)	(33,566)
	15,526,642	**98,793**	**15,625,435**	178,902	106,857	285,759
Accumulated impairment losses[1]	**-**	**(28,731)**	**(28,731)**	-	(28,731)	(28,731)
Currency translation differences	**-**	**187**	**187**	-	870	870
Total	**15,526,642**	**70,249**	**15,596,891**	178,902	78,996	257,898
Company						
Quoted investments	**15,532,517**	**-**	**15,532,517**	-	-	-

The Group's and the Company's ownership interests in the associates, their respective principal activities and countries of incorporation are listed in Note 42 to the financial statements.

[1] In the previous financial year, the Group performed an impairment assessment on the carrying amount of Pi Pay HK as there was existence of impairment indicators due to objective evidence of non-recoverability, attributable to the changes in macroeconomic outlook and business challenges. Based on the assessment performed, the Group recognised an impairment loss of RM28.0 million. The recoverable amount was RM7.9 million.

29. ASSOCIATES (CONTINUED)

(a) Summarised financial information of a material associate

The tables below provide summarised financial information for CelcomDigi Berhad, being the only material associate of the Group during the financial year. The information disclosed reflects the amounts presented in the financial statements of the relevant associates and not the Group's share of those amounts. They have been amended to reflect adjustments made by the Company when using the equity method, including fair value adjustments and modifications for differences in accounting policy.

(i) The summarised statement of comprehensive income for the one-month financial period from 1 to 31 December 2022 is as follows:

	1.12.2022 – 31.12.2022 RM'000
Revenue	**1,093,561**
Loss for the financial period	**(133,309)**
Group's share of loss for the financial period	**(44,125)**

(ii) The summarised statement of financial position for the financial year ended 31 December is as follows:

	2022 RM'000
Non-current assets	**21,304,738**
Current assets	**4,059,451**
Current liabilities	**(8,360,871)**
Non-current liabilities	**(13,644,496)**
	3,358,822
Group's share in %	**33.10%**
Group's share of net assets	**1,111,770**
Goodwill	**14,376,621**
Carrying amount	**15,488,391**

(iii) The fair value as at 31 December is as follows:

	2022 RM'000
Fair value	**15,532,517**

The fair value of quoted investment is within Level 1 of the fair value hierarchy.

Notes to the Financial Statements For the financial year ended 31 December 2022

29. ASSOCIATES (CONTINUED)

(b) The details of carrying amount of the associates of the Group are as follows:

	Group	
	2022 RM'000	2021 RM'000
Group's share of net assets	**1,220,256**	257,884
Goodwill	**14,376,635**	14
Carrying amount as at 31 December	**15,596,891**	257,898

(c) The Group's share of loss of other individually immaterial associates is RM12.7 million (2021: RM1.7 million).

(d) Other contractual arrangements with a material associate

Pursuant to the definitive agreements entered into by Company and Digi as disclosed in Note 5(a)(ii) to the financial statements, the Company shall indemnify Digi and shall pay Digi any losses incurred resulting out of or arising from the following litigations. Concurrently, in the event that Digi or Celcom receives any proceeds from the following litigations, Digi shall as soon as reasonably practicable, pay an amount equal to such proceeds to the Company.

Description of litigations indemnified

1. Celcom Malaysia Berhad [now known as Celcom Berhad] ("Celcom") & Celcom Resources Berhad ("Celcom Resources") vs Tan Sri Dato' Tajudin Ramli ("TSDTR") & 6 others (Conspiracy Suit)

   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.

   On 15 November 2021, Celcom and Celcom Resources reached an amicable settlement with DeTe Asia including the DeTe Asia representatives. The settlement was entered into without any admission of liability by the parties and pursuant to the above, Celcom and Celcom Resources filed their respective notice of discontinuance with no order as to costs and without liberty to file afresh against DeTe Asia and the DeTe Asia representatives.

   Two (2) of the Defendants, TSDTR and Dato' Bistamam Ramli ("DBR") 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. The potential exposure arising from the Conspiracy Suit is RM7,215.0 million.

   On 10 February 2023, the High Court had decided the suit in favour of Celcom and Celcom Resources and also dismissed TSDTR and DBR's counterclaims in the suit with costs. The appropriate remedies and quantification sum of damages and costs have yet to be decided as at the date of the financial statements.

Notes to the Financial Statements For the financial year ended 31 December 2022

29. ASSOCIATES (CONTINUED)

(d) Other contractual arrangements with a material associate (continued)

Description of litigations indemnified (continued)

2. Celcom & Celcom Resources vs TSDTR & 8 others (Indemnity Suit)

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.

On 15 November 2021, Celcom and Celcom Resources reached an amicable settlement with DeTe Asia including the DeTe Asia representatives. The settlement was entered into without any admission of liability by the parties and pursuant to the above, Celcom and Celcom Resources filed their respective notice of discontinuance with no order as to costs and without liberty to file afresh against DeTe Asia and the DeTe Asia representatives.

Two (2) of the Defendants, TSDTR and DBR 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. The potential exposure arising from the Indemnity Suit is RM7,215.0 million.

On 10 February 2023, the High Court had decided the suit in favour of Celcom and Celcom Resources and also dismissed TSDTR and DBR's counterclaims in the suit with costs. The appropriate remedies and quantification sum of damages and costs have yet to be decided as at the date of the financial statements.

As at the reporting date, the Company and the Group does not expect there to be any cash outflow in relation to the Company's indemnification above based on the positive outcome of both the Conspiracy and Indemnity Suits on 10 February 2023.

30. JOINT VENTURES

	Group	
	2022 RM'000	2021 RM'000
Unquoted investments	**40,358**	40,358
Share of post-acquisition reserves	**(24,036)**	(14,327)
Currency translation differences	**(640)**	(462)
Total	**15,682**	25,569

The Group's ownership interests in the joint ventures, their respective principal activities and countries of incorporation are listed in Note 43 to the financial statements.

Notes to the Financial Statements For the financial year ended 31 December 2022

30. JOINT VENTURES (CONTINUED)

The summarised financial information of a material joint venture of the Group for the financial year ended 31 December is as follows:

(i) The summarised statement of comprehensive income is as follows:

	Merchantrade	
	2022 RM'000	**2021 RM'000**
Revenue	**207,633**	187,776
Loss for the financial year	**(21,851)**	(18,086)
Group's share of loss for the financial year	**(3,270)**	(3,617)

(ii) The summarised statement of financial position is as follows:

	Merchantrade	
	2022 RM'000	**2021 RM'000**
Non-current assets	**72,113**	112,372
Current assets	**337,068**	258,989
Current liabilities	**(295,216)**	(222,168)
Non-current liabilities	**(15,931)**	(25,113)
	98,034	124,080

The Group's share of loss of other individually immaterial joint ventures is RM6.4 million (2021: RM4.1 million).

31. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

Financial assets at FVTOCI comprise the following investments:

	Group	
	2022 RM'000	**2021 RM'000**
Unquoted securities:		
- Pegasus 7 Ventures Pte. Ltd.	**176,346**	216,872
- Others	**2,834**	3,872
Total	**179,180**	220,744

The Group has, at initial recognition, irrevocably elected to present the fair value changes of non-trading equity securities above 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.

32. INVENTORIES

	Group	
	2022 RM'000	**2021 RM'000**
Trading inventories	**241,698**	288,263
Allowance for inventory obsolescence	**(25,347)**	(65,516)
Total	**216,351**	222,747

Inventories comprise of SIM cards, handsets, vouchers and other consumables.

33. AMOUNTS DUE FROM/TO SUBSIDIARIES

The carrying amounts and currencies profiles of the amounts due from/to subsidiaries are as follows:

	2022			2021		
	RM RM'000	USD RM'000	Total RM'000	RM RM'000	USD RM'000	Total RM'000
Amounts due from subsidiaries:						
- Non-current[1]	**31,951**	**486,301**	**518,252**	2,471,003	98,536	2,569,539
- Current	**255,107**	**72,787**	**327,894**	879,444	210,370	1,089,814
Total	**287,058**	**559,088**	**846,146**	3,350,447	308,906	3,659,353

	31.12.2022			31.12.2021 (restated)			1.1.2021 (restated)		
	RM RM'000	USD RM'000	Total RM'000	RM RM'000	USD RM'000	Total RM'000	RM RM'000	USD RM'000	Total RM'000
Amounts due to subsidiaries:									
- Non-current[2]	**7,941,380**	**-**	**7,941,380**	8,056,163	-	8,056,163	-	4,024,947	4,024,947
- Current	**966,352**	**138**	**966,490**	770,121	467,361	1,237,482	330,263	5,016,453	5,346,716
Total	**8,907,732**	**138**	**8,907,870**	8,826,284	467,361	9,293,645	330,263	9,041,400	9,371,663

[1] Includes amounts due from subsidiaries of RM448.5 million which bear interest ranging from 2.75% to 8.00% p.a. (2021: 1.80% to 8.00% p.a.) and is repayable on 30 January 2025. During the financial year, an amount due from a subsidiary of RM2.4 billion was reclassified to trade and other receivables as disclosed in Note 34 to the financial statements as amount due from an associate pursuant to the merger between Celcom and Digi as disclosed in Note 5(a)(ii) to the financial statements.

[2] Includes the following amounts:
- an amount due to a subsidiary of RM4,036.0 million which bears an interest of 3.214% p.a. and is repayable on 19 August 2050; and
- amounts due to a subsidiary amounting to RM2,018.0 million which bears an interest of 2.163% p.a. and is repayable on 19 August 2030 and RM2,018.0 million which bears an interest of 4.357% p.a. and is repayable on 24 March 2026.

33. AMOUNTS DUE FROM/TO SUBSIDIARIES (CONTINUED)

Except as disclosed otherwise above, amounts due from/to subsidiaries are unsecured, interest free and repayable on demand.

Amounts due from subsidiaries

Maximum exposure to credit risk

Generally, the Company considers amounts due from subsidiaries to have low credit risk as the subsidiaries have capacity to meet their contractual cash flow obligations in the near term and adverse changes in economic and business conditions may, but will not necessarily, reduce the ability of the subsidiaries to fulfil its contractual cash flow obligations. The Company does not specifically monitor the ageing of amounts due from subsidiaries as the Company is able to determine the timing of payments of the subsidiaries' balances when they are payable. The Company considers the amount payable to be in default when the subsidiaries are not able to pay when demanded.

Details of the measurement of ECL is shown below:

Category	Company's definition of categories	Basis for recognising ECL
Performing	Subsidiaries have a low risk of default and a strong capacity to meet contractual cash flows.	Twelve (12) months 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.

Notes to the Financial Statements For the financial year ended 31 December 2022

33. AMOUNTS DUE FROM/TO SUBSIDIARIES (CONTINUED)

Amounts due from subsidiaries (continued)

Maximum exposure to credit risk (continued)

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 possibility that no credit loss occurs.

Movements in provision for impairment of amounts due from subsidiaries are as follows:

	2022 RM'000	2021 RM'000
At 1 January	**78,197**	12,283
Provision for impairment	**138,865**	65,914
At 31 December	**217,062**	78,197

The table below 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 RM'000	Estimated gross carrying amount at default RM'000	Loss allowance RM'000	Carrying amount (net of impairment) RM'000
2022					
Performing	**0.0%**	**12 months ECL**	**339,673**	**-**	**339,673**
Underperforming	**24.2%**	**Lifetime ECL**	**668,104**	**(161,631)**	**506,473**
Non-performing	**100.0%**	**Lifetime ECL**	**55,431**	**(55,431)**	**-**
Total			**1,063,208**	**(217,062)**	**846,146**
2021					
Performing	0.0%	12 months ECL	3,493,106	-	3,493,106
Underperforming	12.6%	Lifetime ECL	190,172	(23,925)	166,247
Non-performing	100.0%	Lifetime ECL	54,272	(54,272)	-
Total			3,737,550	(78,197)	3,659,353

Notes to the Financial Statements For the financial year ended 31 December 2022

33. AMOUNTS DUE FROM/TO SUBSIDIARIES (CONTINUED)

Amounts due to subsidiaries

The movements in the amounts due to subsidiaries are as follows:

	Note	Company 2022 RM'000	Company 2021 RM'000 Restated
At 1 January:			
- as previously reported		**8,044,575**	8,312,525
- restatement of comparative	47	**1,249,070**	1,059,138
		9,293,645	9,371,663
Advances from subsidiaries		**21,844**	179,333
Repayments:			
- Cash		**(11,258)**	(6,382)
- Offset with dividend receivable from subsidiaries		**-**	(330,052)
Payment of finance costs		**(319,500)**	(178,391)
Finance costs	10	**317,724**	380,668
Waiver of loan	(a)	**(345,363)**	-
Others	(b)	**(49,222)**	(123,194)
At 31 December		**8,907,870**	9,293,645

(a) The Company has received a waiver of amounts due to a subsidiary amounting to RM345.4 million from a subsidiary. The substance of the waiver is a distribution from the subsidiary to the Company via return of capital as the Company had no intention to repay the amounts due to the subsidiary.

(b) Included in others are reclassifications to amounts due from subsidiaries. Amounts due to certain subsidiaries have been presented on a net basis as the Company has a legal enforceable right to offset these amounts with amounts due from certain subsidiaries. The Company currently has the intention to settle on a net basis or realise/settle the amounts due from/to subsidiaries simultaneously.

34. TRADE AND OTHER RECEIVABLES

	Note	2022 Non-current RM'000	2022 Current RM'000	2022 Total RM'000	2021 Non-current RM'000	2021 Current RM'000	2021 Total RM'000
Group							
Finance lease receivables	(a)	**6,482**	**20,472**	**26,954**	31,922	26,541	58,463
Accrued lease receivables	(b)	**141,537**	**-**	**141,537**	124,771	-	124,771
Prepayment		**23,125**	**1,412,302**	**1,435,427**	361,108	1,550,614	1,911,722
Contract assets	(c)	**1,348**	**104,056**	**105,404**	55,117	207,165	262,282
Trade receivables		**20,019**	**2,455,953**	**2,475,972**	103,655	2,901,196	3,004,851
Deposits[1]		**455,627**	**99,505**	**555,132**	559,055	205,789	764,844
Other receivables		**148,263**	**665,841**	**814,104**	143,108	914,561	1,057,669
USP receivables		**-**	**-**	**-**	-	212,918	212,918
Advances		**205,752**	**256,802**	**462,554**	134,633	289,243	423,876
Amount due from an associate	(d)	**-**	**2,420,414**	**2,420,414**	-	-	-
Provision for impairment:	(e)						
- Accrued lease receivables		**(9,594)**	**-**	**(9,594)**	(8,608)	-	(8,608)
- Contract assets	(c)	**-**	**-**	**-**	(23,141)	(63,950)	(87,091)
- Trade receivables		**(1,883)**	**(472,655)**	**(474,538)**	(24,228)	(642,740)	(666,968)
- Deposits		**-**	**(7,148)**	**(7,148)**	(38,363)	(80,044)	(118,407)
- Other receivables		**(138,163)**	**(11,950)**	**(150,113)**	(138,163)	(460,360)	(598,523)
Total		**852,513**	**6,943,592**	**7,796,105**	1,280,866	5,060,933	6,341,799

1 Refers to deposits for rental and utilities as well as deposits for ongoing legal, regulatory and taxation claims and disputes which includes RM364.7 million (2021: RM362.8 million) as disclosed in Note 38(e) to the financial statements.

Notes to the Financial Statements For the financial year ended 31 December 2022

34. TRADE AND OTHER RECEIVABLES (CONTINUED)

	Note	Company 2022 RM'000	Company 2021 RM'000
Current			
Prepayment		**28,385**	1,992
Deposits		**65**	1,898
Other receivables		**11,828**	10,860
Amount due from an associate	(d)	**2,420,414**	-
Advances		**350**	337
Total		**2,461,042**	15,087

(a) Finance lease receivables are receivables related to the lease of fibre optic cable and telecommunication infrastructures and equipment of subsidiaries.

The movements in finance lease receivables are as follows:

	Note	Group 2022 RM'000	Group 2021 RM'000
At 1 January		**58,463**	73,427
Lease payments received		**(12,121)**	(22,528)
Finance income	10	**5,336**	6,194
Currency translation differences		**(24,724)**	1,370
At 31 December		**26,954**	58,463

Details of finance lease receivables according to maturity schedule are as follows:

	Group 2022 RM'000	Group 2021 RM'000
Within 1 year	**22,780**	34,354
Between 1 and 2 years	**5,544**	22,186
Between 2 and 3 years	**4,238**	7,963
	32,562	64,503
Unearned finance lease income	**(5,608)**	(6,040)
Total	**26,954**	58,463

(b) Accrued lease receivables relate to the effect of fixed price escalation clauses that are spread on a straight-line basis over the lease term.

Notes to the Financial Statements For the financial year ended 31 December 2022

34. TRADE AND OTHER RECEIVABLES (CONTINUED)

(c) The movements in contract assets are as follows:

	Group	
	2022 RM'000	2021 RM'000
At 1 January	**175,191**	302,626
Transfer to trade receivables	**(531,014)**	(564,938)
New subscriptions	**523,923**	451,468
Write-off	**-**	(49)
Provision for impairment	**68,192**	(14,198)
Disposal of a group of subsidiaries	**(130,790)**	-
Currency translation differences	**(98)**	282
At 31 December	**105,404**	175,191

(d) The amount due from an associate relates to non-trade shareholder's loans provided by the Company in two separate tranches of RM1,200.0 billion and RM1,200.0 billion, which bear interest of 3.3% p.a. and 3.6% p.a. respectively. Both tranches are repayable on 31 May 2023 pursuant to the merger between Celcom and Digi as disclosed in Note 5(a)(ii) to the financial statements.

(e) Movements in provision for impairment of certain components of trade and other receivables are as follows:

	Group	
	2022 RM'000	2021 RM'000
Accrued lease receivables		
At 1 January	**8,608**	8,549
Provision for impairment	**1,029**	-
Currency translation differences	**(43)**	59
At 31 December	**9,594**	8,608
Contract assets		
At 1 January	**87,091**	72,893
Provision for impairment	**4,283**	14,198
Reversal of provision for impairment	**(72,475)**	-
Disposal of a group of subsidiaries	**(18,899)**	-
At 31 December	**-**	87,091
Trade receivables		
At 1 January	**666,968**	747,457
Provision for impairment	**201,492**	107,972
Reversal of provision for impairment	**(26,906)**	(85,423)
Write-off	**(253,351)**	(100,190)
Acquisition of subsidiaries	**138,090**	-
Disposal of a group of subsidiaries	**(186,695)**	-
Currency translation differences	**(65,060)**	(2,848)
At 31 December	**474,538**	666,968

34. TRADE AND OTHER RECEIVABLES (CONTINUED)

(e) Movements in provision for impairment of certain components of trade and other receivables are as follows: (continued)

	Group	
	2022 RM'000	2021 RM'000
Deposits and other receivables		
At 1 January	**716,930**	684,455
Provision for impairment	**31,074**	33,070
Reversal of provision for impairment	**(31,761)**	-
Write-off	**924**	(1,000)
Disposal of a group of subsidiaries	**(559,756)**	-
Currency translation differences	**(150)**	405
At 31 December	**157,261**	716,930

(f) 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 (2021: five (5) to ninety (90) days).

(g) 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 receivables. The Group has identified the Gross Domestic Product ("GDP"), inflation rates, interest rates and unemployment rates to be the most relevant factor, and accordingly adjusts the historical loss rates based on expected changes in these factors. At every reporting date, the historical loss rates are updated and changes in the forward-looking estimates are analysed.

34. TRADE AND OTHER RECEIVABLES (CONTINUED)

(g) Measurement of ECL (continued)

(ii) General 3-stage approach for trade receivables arising from loan receivables and all other financial instruments

The Group and the Company use three (3) categories for trade receivables arising from loan receivables and 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) months 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) to ninety (90) days past due. For debtors with repayments of ninety (90) days past due, historically, there is no correlation between significant increases in the risk of a default occurring and financial assets on which payments are more than thirty (30) days past due, but there exists a correlation when payments are more than ninety (90) days past due.	Lifetime ECL
Non-performing	Interest and/or principal repayments are ninety (90) days to three hundred and sixty five (365) 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) months 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.

Notes to the Financial Statements For the financial year ended 31 December 2022

34. TRADE AND OTHER RECEIVABLES (CONTINUED)

(h) 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, which 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
2022					
Expected loss rate	**7.4% - 30.8%**	**7.6% - 91.7%**	**23.5% - 100.0%**	**40.3% - 100.0%**	
Gross trade receivables	**570,940**	**170,879**	**125,660**	**399,520**	**1,266,999**
Provision for impairment	**(27,549)**	**(23,654)**	**(19,831)**	**(215,715)**	**(286,749)**
Net trade receivables	**543,391**	**147,225**	**105,829**	**183,805**	**980,250**
Gross contract assets	**105,404**	**-**	**-**	**-**	**105,404**
Provision for impairment	**-**	**-**	**-**	**-**	**-**
Net contract assets	**105,404**	**-**	**-**	**-**	**105,404**
2021					
Expected loss rate	3.7% - 19.9%	12.0% - 63.8%	20.5% - 99.6%	80.7% - 100.0%	
Gross trade receivables	1,336,867	194,699	264,631	172,144	1,968,341
Provision for impairment	(162,551)	(35,725)	(188,139)	(127,275)	(513,690)
Net trade receivables	1,174,316	158,974	76,492	44,869	1,454,651
Gross contract assets	245,676	-	-	-	245,676
Provision for impairment	(87,091)	-	-	-	(87,091)
Net contract assets	158,585	-	-	-	158,585

Expected loss rates disclosed represent range of expected loss rates applied by the Group on trade receivables balances across different entities of the Group. Changes in expected loss rates are mainly attributed by the acquisition of a subsidiary and the completion of merger of Celcom and Digi during the year, as disclosed in Note 5(a)(i) and 5(a)(ii) to the financial statements.

34. TRADE AND OTHER RECEIVABLES (CONTINUED)

(h) 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:

	2022				2021			
	Accrued lease receivables RM'000	Finance lease receivables RM'000	Contract assets RM'000	Trade receivables RM'000	Accrued lease receivables RM'000	Finance lease receivables RM'000	Contract assets RM'000	Trade receivables RM'000
Group								
Gross balances:								
Current (not past due)	**131,943**	**26,954**	**-**	**525,451**	116,163	58,463	16,606	392,135
Up to 3 months past due	**-**	**-**	**-**	**182,588**	-	-	-	199,512
3 to 6 months past due	**-**	**-**	**-**	**46,043**	-	-	-	53,025
More than 6 months past due	**-**	**-**	**-**	**90,337**	-	-	-	81,518
Credit impaired	**9,594**	**-**	**-**	**151,333**	8,608	-	-	137,813
	141,537	**26,954**	**-**	**995,752**	124,771	58,463	16,606	864,003
Provision for impairment:								
Credit impaired	**(9,594)**	**-**	**-**	**(151,333)**	(8,608)	-	-	(137,813)
Non-credit impaired	**-**	**-**	**-**	**(26,410)**	-	-	-	(5,405)
Total	**131,943**	**26,954**	**-**	**818,009**	116,163	58,463	16,606	720,785

Notes to the Financial Statements For the financial year ended 31 December 2022

34. TRADE AND OTHER RECEIVABLES (CONTINUED)

(h) 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 are as follows:

	Expected credit loss rate	Basis for recognition of expected credit loss RM'000	Estimated gross carrying amount at default RM'000	Loss allowance RM'000	Carrying amount (net of impairment) RM'000
2022					
Group					
Performing	**1.2%**	**12 months ECL**	**194,851**	**(2,321)**	**192,530**
Underperforming	**29.4%**	**Lifetime ECL**	**9,797**	**(2,883)**	**6,914**
Non-performing	**56.5%**	**Lifetime ECL**	**8,573**	**(4,842)**	**3,731**
Total			**213,221**	**(10,046)**	**203,175**
2021					
Group					
Performing	1.9%	12 months ECL	162,786	(3,125)	159,661
Underperforming	45.0%	Lifetime ECL	4,050	(1,824)	2,226
Non-performing	90.1%	Lifetime ECL	5,671	(5,111)	560
Total			172,507	(10,060)	162,447

Notes to the Financial Statements For the financial year ended 31 December 2022

34. TRADE AND OTHER RECEIVABLES (CONTINUED)

(h) Maximum exposure to credit risk (continued)

(iv) Deposits and other receivables - 3-stage approach (individual assessment)

The gross carrying amount of deposits 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 RM'000	Estimated gross carrying amount at default RM'000	Loss allowance RM'000	Carrying amount (net of impairment) RM'000
2022					
Group					
Performing	**0.7%**	**12 months ECL**	**2,842,757**	**(18,813)**	**2,823,944**
Underperforming	**0.0%**	**Lifetime ECL**	**6,708**	**-**	**6,708**
Non-performing	**92.3%**	**Lifetime ECL**	**149,981**	**(138,448)**	**11,533**
Total			**2,999,446**	**(157,261)**	**2,842,185**
Company					
Performing	**0.0%**	**12 months ECL**	**2,432,307**	**-**	**2,432,307**

Changes in expected loss rates are mainly attributed by the completion of merger of Celcom and Digi as disclosed in Note 5(a)(ii) to the financial statements.

	Expected credit loss rate	Basis for recognition of expected credit loss RM'000	Estimated gross carrying amount at default RM'000	Loss allowance RM'000	Carrying amount (net of impairment) RM'000
2021					
Group					
Performing	1.9%	12 months ECL	650,529	(12,082)	638,447
Underperforming	69.2%	Lifetime ECL	250,016	(172,974)	77,042
Non-performing	98.4%	Lifetime ECL	540,698	(531,874)	8,824
Total			1,441,243	(716,930)	724,313
Company					
Performing	0.0%	12 months ECL	12,758	-	12,758

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.

34. TRADE AND OTHER RECEIVABLES (CONTINUED)

The currencies profiles of trade and other receivables are as follows:

	2022								2021							
	Functional currency								Functional currency							
	RM RM'000	IDR RM'000	LKR RM'000	BDT RM'000	NPR RM'000	USD RM'000	Others RM'000	Total RM'000	RM RM'000	IDR RM'000	LKR RM'000	BDT RM'000	NPR RM'000	USD RM'000	Others RM'000	Total RM'000
Group																
RM	**3,042,883**	**227**	**2,002**	**-**	**-**	**3,540**	**-**	**3,048,652**	1,867,259	-	-	-	-	-	-	1,867,259
USD	**111,460**	**63,138**	**83,110**	**3,308**	**77,707**	**457,126**	**67**	**795,916**	124,401	46,776	107,830	795	76,172	434,902	383	791,259
IDR	**43,543**	**1,775,176**	**-**	**-**	**-**	**-**	**-**	**1,818,719**	41,185	1,589,246	-	-	-	-	-	1,630,431
LKR	**-**	**-**	**319,764**	**-**	**-**	**29**	**-**	**319,793**	-	-	458,436	-	-	66	-	458,502
BDT	**-**	**-**	**-**	**668,942**	**-**	**-**	**-**	**668,942**	-	-	-	686,652	-	-	-	686,652
NPR	**-**	**-**	**-**	**-**	**498,578**	**-**	**-**	**498,578**	-	-	-	-	560,354	-	-	560,354
MMK	**-**	**-**	**-**	**-**	**-**	**73,334**	**-**	**73,334**	-	-	-	-	-	196,482	-	196,482
PKR	**-**	**-**	**-**	**-**	**-**	**-**	**129,007**	**129,007**	-	-	-	-	-	-	101,794	101,794
PHP	**-**	**-**	**-**	**-**	**-**	**-**	**402,082**	**402,082**	-	-	-	-	-	-	17,688	17,688
Others	**739**	**-**	**-**	**-**	**2,008**	**5,099**	**33,236**	**41,082**	1,242	-	-	-	1,097	3,682	25,357	31,378
Total	**3,198,625**	**1,838,541**	**404,876**	**672,250**	**578,293**	**539,128**	**564,392**	**7,796,105**	2,034,087	1,636,022	566,266	687,447	637,623	635,132	145,222	6,341,799
Company																
RM	**2,460,330**	**-**	**-**	**-**	**-**	**-**	**-**	**2,460,330**	13,822	-	-	-	-	-	-	13,822
USD	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	550	-	-	-	-	-	-	550
Others	**712**	**-**	**-**	**-**	**-**	**-**	**-**	**712**	715	-	-	-	-	-	-	715
Total	**2,461,042**	**-**	**-**	**-**	**-**	**-**	**-**	**2,461,042**	15,087	-	-	-	-	-	-	15,087

Notes to the Financial Statements For the financial year ended 31 December 2022

35. DEPOSITS, CASH AND BANK BALANCES

		Group		Company	
	Note	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Deposits with licensed banks		**2,434,471**	2,169,700	**-**	125,335
Deposits under Islamic principles		**2,067,378**	1,367,311	**1,887,433**	232,843
Total deposits		**4,501,849**	3,537,011	**1,887,433**	358,178
Cash and bank balances		**2,949,894**	3,432,341	**236,672**	528,209
Total deposits, cash and bank balances		**7,451,743**	6,969,352	**2,124,105**	886,387
Represented by:					
Cash and cash equivalents in banks		**6,468,675**	6,525,962	**1,453,902**	886,387
Deposits pledged	16(a)	**103,838**	96,210	**-**	-
Trust account balances	16(d)(ii)	**61,045**	-	**-**	-
Restricted cash		**76,354**	126,326	**-**	-
Deposits maturing more than three (3) months		**741,831**	220,854	**670,203**	-
Total deposits, cash and bank balances		**7,451,743**	6,969,352	**2,124,105**	886,387

Deposits are placed mainly with a number of creditworthy financial institutions. There is no major concentration of deposits in any single financial institution. Maturity range of deposits are as follows:

	Group		Company	
(In days)	From	To	From	To
Financial year ended 31 December 2022	**Overnight**	**365**	**Overnight**	**120**
Financial year ended 31 December 2021	Overnight	360	Overnight	92

The effective interest rates on deposits for the Group and the Company range from 0.03% to 23.75% (2021: 0.04% to 7.75%) 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 (2021: P1 to B3) in managing its credit exposure.

35. DEPOSITS, CASH AND BANK BALANCES (CONTINUED)

The currencies profiles of deposits, cash and bank balances are as follows:

	2022								2021							
	Functional currency								Functional currency							
	RM RM'000	IDR RM'000	LKR RM'000	BDT RM'000	NPR RM'000	USD RM'000	Others RM'000	Total RM'000	RM RM'000	IDR RM'000	LKR RM'000	BDT RM'000	NPR RM'000	USD RM'000	Others RM'000	Total RM'000
Group																
RM	**2,800,286**	**30,795**	**40,274**	**-**	**-**	**206**	**139**	**2,871,700**	2,745,383	-	-	-	-	-	-	2,745,383
USD	**471,467**	**40,803**	**170**	**2,654**	**436,308**	**647,117**	**1,265**	**1,599,784**	1,131,305	63,859	37,967	310	343,472	684,671	5,926	2,267,510
IDR	**3,940**	**1,641,992**	**-**	**-**	**-**	**-**	**-**	**1,645,932**	3,085	859,044	-	-	-	-	-	862,129
LKR	**18**	**-**	**499,546**	**-**	**-**	**392**	**-**	**499,956**	103,839	-	427,107	-	-	662	-	531,608
BDT	**-**	**-**	**-**	**207,195**	**-**	**-**	**-**	**207,195**	-	-	-	398,186	-	-	-	398,186
NPR	**-**	**-**	**-**	**-**	**198,481**	**-**	**-**	**198,481**	-	-	-	-	78,471	-	-	78,471
MMK	**-**	**-**	**-**	**-**	**-**	**364,545**	**-**	**364,545**	-	-	-	-	-	68,286	-	68,286
PKR	**-**	**-**	**-**	**-**	**-**	**-**	**6,304**	**6,304**	-	-	-	-	-	-	7,602	7,602
PHP	**-**	**-**	**-**	**-**	**-**	**-**	**45,808**	**45,808**	-	-	-	-	-	-	2,662	2,662
Others	**159**	**-**	**-**	**-**	**-**	**5,457**	**6,422**	**12,038**	1,027	-	-	-	-	2,995	3,493	7,515
Total	**3,275,870**	**1,713,590**	**539,990**	**209,849**	**634,789**	**1,017,717**	**59,938**	**7,451,743**	3,984,639	922,903	465,074	398,496	421,943	756,614	19,683	6,969,352
Company																
RM	**1,929,155**	**-**	**-**	**-**	**-**	**-**	**-**	**1,929,155**	544,483	-	-	-	-	-	-	544,483
USD	**194,804**	**-**	**-**	**-**	**-**	**-**	**-**	**194,804**	341,766	-	-	-	-	-	-	341,766
Others	**146**	**-**	**-**	**-**	**-**	**-**	**-**	**146**	138	-	-	-	-	-	-	138
Total	**2,124,105**	**-**	**-**	**-**	**-**	**-**	**-**	**2,124,105**	886,387	-	-	-	-	-	-	886,387

Notes to the Financial Statements For the financial year ended 31 December 2022

36. CASH FLOWS FROM/(USED IN) OPERATING, INVESTING AND FINANCING ACTIVITIES

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000 Restated
Receipts from customers and others	**23,956,521**	25,250,051	**-**	-
Payments to suppliers, employees and others	**(12,524,399)**	(14,438,737)	**(229,004)**	(267,905)
Payments of finance costs	**(1,589,069)**	(1,398,060)	**(392,923)**	(203,611)
Payments of income taxes and zakat (net of refunds)	**(908,219)**	(576,240)	**-**	-
Total cash flows from/(used in) operating activities	**8,934,834**	8,837,014	**(621,927)**	(471,516)
Proceeds from disposal of PPE	**30,713**	118,547	**4**	2
Proceeds from disposal of IA	**1,556**	3,568	**-**	-
Purchase of PPE	**(9,760,988)**	(6,366,742)	**(4,698)**	(6,002)
Acquisition of IA	**(448,614)**	(573,915)	**-**	-
Investments in deposits maturing more than three (3) months	**(518,122)**	80,400	**(670,203)**	-
Investments in subsidiaries (net of cash acquired)	**(2,780,487)**	(1,400,993)	**-**	-
Investments in associates	**(731)**	-	**-**	-
Additional investments in associates	**(3,773)**	(2,421)	**-**	-
Interest received	**228,787**	149,820	**18,027**	5,717
Additional investment in a subsidiary	**-**	-	**(169,940)**	-
Purchase of other investments	**(8,068)**	(12,672)	**-**	-
Net proceeds from disposal of Celcom Group (net of cash disposed)	**1,753,040**	-	**2,687,940**	-
Net proceeds from disposal of other investments	**-**	559	**-**	-
Dividends received from an associate and other investment	**16,300**	5,262	**-**	-
Dividends received from subsidiaries	**-**	-	**1,691,834**	734,808
Advances to employees	**1,094**	(282)	**-**	-
Payments for ROU assets	**(95,703)**	(123,866)	**-**	-
Redemption of preference shares by an associate	**-**	5,837	**-**	-
Advances to subsidiaries	**-**	-	**(5,122,796)**	(348,505)
Repayments from subsidiaries	**-**	-	**448,213**	375,661
Total cash flows (used in)/from investing activities	**(11,584,996)**	(8,116,898)	**(1,121,619)**	761,681

Notes to the Financial Statements For the financial year ended 31 December 2022

36. CASH FLOWS FROM/(USED IN) OPERATING, INVESTING AND FINANCING ACTIVITIES (CONTINUED)

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000 Restated
Proceeds from borrowings	**17,281,030**	4,557,752	**4,627,234**	-
Proceeds from Sukuk	**1,823,000**	-	**-**	-
Repayments of borrowings	**(11,319,031)**	(3,222,604)	**(1,811,943)**	-
Repayments of Sukuk	**(790,914)**	(666,907)	**-**	-
Additional investments in subsidiaries by NCI	**106**	-	**-**	-
Capital injections in subsidiaries by NCI	**123**	247,237	**-**	-
Net proceeds from rights issue of subsidiaries	**167,997**	-	**-**	-
Net cash paid from mandatory tender offer of a subsidiary	**(1,349,081)**	-	**-**	-
Net proceeds from partial disposal of a subsidiary	**-**	420,667	**-**	-
Redemption of preference shares	**-**	(309)	**-**	-
Advances from subsidiaries	**-**	-	**21,844**	179,333
Repayments of advances to subsidiaries	**-**	-	**(11,258)**	(6,382)
Repayments of lease liabilities	**(1,705,311)**	(1,522,063)	**(4,144)**	(3,827)
Dividends paid to NCI	**(190,865)**	(204,776)	**-**	-
Dividends paid to shareholders	**(504,724)**	(825,539)	**(504,724)**	(825,539)
Total cash flows from/(used in) financing activities	**3,412,330**	(1,216,542)	**2,317,009**	(656,415)

37. ASSETS/LIABILITIES CLASSIFIED AS HELD-FOR-SALE

	Group	
	2022 RM'000	2021 RM'000
Assets classified as held-for-sale		
PPE	**-**	6,841
ROU assets	**-**	41,048
	-	47,889
Liabilities classified as held-for-sale		
Provision for asset retirement	**-**	3,675
Lease liabilities	**-**	2,669
	-	6,344

Following a subsidiary's intention to sell and leaseback some of its telecommunication towers in the previous financial year, certain assets and liabilities balances were classified as held-for-sale. The sale and leaseback of telecommunication towers was completed during the financial year.

Notes to the Financial Statements For the financial year ended 31 December 2022

38. CONTINGENCIES, COMMITMENTS AND OTHER LEGAL MATTERS

(a) Capital commitments

	Group	
	2022 RM'000	2021 RM'000
PPE		
Commitments in respect of expenditure approved and contracted for	**3,048,523**	3,797,885

(b) 3G annual fees commitment

XL has committed to pay annual fees within ten (10) years, as long as XL holds the 3G licence. 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 licence.

(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	
	2022 RM'000	2021 RM'000
Within 1 year	**925,691**	715,019
Between 1 and 2 years	**900,964**	702,341
Between 2 and 3 years	**806,310**	668,325
Between 3 and 4 years	**762,854**	648,136
Between 4 and 5 years	**718,410**	595,836
Later than 5 years	**2,846,540**	1,888,865
Total undiscounted lease payments to be received	**6,960,769**	5,218,522

Notes to the Financial Statements For the financial year ended 31 December 2022

38. CONTINGENCIES, COMMITMENTS AND OTHER LEGAL MATTERS (CONTINUED)

(d) Lists of contingent liabilities of subsidiaries of the Group as at 31 December are as follows:

Description	Potential exposure 2022 RM'million	Potential exposure 2021 RM'million
1. **Robi vs Large Taxpayer Unit ("LTU-VAT") of the National Board of Revenue of Bangladesh ("NBR") (SIM Replacement Tax)**	**177.0**	201.1

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 (RM177.0 million) (from the earlier show cause letter dated 23 February 2012 for BDT6,549.9 million (RM279.7 million)) ("2007 to 2011 Revised Claim") to Robi alleging that Robi had evaded payment of supplementary duty and value-added tax ("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 34 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 No. 1").

On 23 November 2020, the VAT Appeal No. 1 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 external legal advice received, are of the view that it has good prospects of succeeding on the claim.

Description	Potential exposure 2022 RM'million	Potential exposure 2021 RM'million
2. **Robi vs LTU-VAT of the NBR (SIM Replacement Tax)**	**121.8**	138.4

Robi SIM Replacement Dispute July 2012 to June 2015

On 20 November 2017, the LTU-VAT of the NBR issued a demand letter for BDT2,852.0 million (RM121.8 million) ("2012 to 2015 Claim") to Robi alleging that Robi had evaded payment of supplementary duty and VAT levied on the issuance of certain number of SIM cards to new customers of Robi for the duration from July 2012 to June 2015 when such SIM cards were issued as replacement cards to existing subscribers of Robi.

On 18 February 2018, Robi filed an appeal against the 2012 to 2015 Claim to the Customs, Excise and VAT Appellate Tribunal on the basis that replacement cards do not establish new connections and do not change existing subscribers' numbers. 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 34 to the financial statements. This appeal was dismissed by the Customs, Excise and VAT Appellate Tribunal.

Notes to the Financial Statements For the financial year ended 31 December 2022

38. CONTINGENCIES, COMMITMENTS AND OTHER LEGAL MATTERS (CONTINUED)

(d) Lists of contingent liabilities of subsidiaries of the Group as at 31 December are as follows: (continued)

Description	Potential exposure 2022 RM'million	Potential exposure 2021 RM'million
2. **Robi vs LTU-VAT of the NBR (SIM Replacement Tax) (continued)**		
Robi SIM Replacement Dispute July 2012 to June 2015 (continued)		
Robi has filed an appeal to the High Court of Bangladesh against the Customs, Excise and VAT Appellate Tribunal's decision ("VAT Appeal No. 2").		
On 23 November 2020, the VAT Appeal No. 2 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.		
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 No. 2 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.		
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. Pending the hearing of the CMP by the Appellate Division, the High Court Division of Supreme Court of Bangladesh issued a certified copy of the judgement on maintainability on 23 August 2021. Robi subsequently filed a Civil Petition for Leave to Appeal ("CP") before the Appellate Division of the Supreme Court of Bangladesh. The CP is now pending for hearing.		
The Board of Directors, based on external legal advice received, are of the view that it has good prospects of succeeding on the claim.		
3. **Robi's tax position**	**136.4**	141.0
Robi has claimed certain expenses as deductible expenses in its tax provision computations for the FY 2005 to 2018 (2021: FY 2005 to 2017). The NBR has challenged its claims and regarded those expenses as non-deductible.		
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.		
Included in Robi's tax provision computations is a claim on SIM tax subsidy as a deductible expense. NBR has challenged this claim on grounds that the subsidy is collected from customers and therefore is not a 'business expense'.		
Based on external legal advice received, the Board of Directors are of the view that Robi has good prospects of succeeding on the remaining claims.		
In addition, there are similar Bharti Airtel Limited ("Airtel") cases amounting to BDT339.8 million (RM14.5 million) which are indemnified by a third party arising from a business combination.		

Notes to the Financial Statements For the financial year ended 31 December 2022

38. CONTINGENCIES, COMMITMENTS AND OTHER LEGAL MATTERS (CONTINUED)

(d) Lists of contingent liabilities of subsidiaries of the Group as at 31 December are as follows: (continued)

Description	Potential exposure 2022 RM'million	Potential exposure 2021 RM'million
4. **Robi vs Bangladesh Telecommunication Regulatory Commission ("BTRC")**	**310.0**	420.8
BTRC conducted an information system audit on Robi for the years between 1997 to 2014 and issued a claim of BDT8,672.0 million (RM370.3 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 30 May 2019.		
On 13 June 2019, notwithstanding Robi's Notice of Arbitration, 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 operations 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 deposited these five (5) equal instalments by 31 May 2020, as disclosed in Note 34 to the financial statements. This matter is currently pending for hearing before the Joint District Judge, Dhaka.		
On 10 January 2023, the Honourable Appellate Division of Supreme Court of Bangladesh announced verbal judgement on the 2G spectrum fees and licence fees that allows the appeal filed by BTRC, without deducting 15% value added tax. Similar claim amounting to BDT1,412.1 million (RM60.3 million) is included in one of the items from the Information System Audit Claim of BDT8,672.0 million. Robi recognised BDT1,412.0 million as provision during the financial year following to the verbal judgement and consequently, reduced the potential exposure by the same amount.		
Based on external legal advice received, the Board of Directors are of the view that Robi has good prospects of succeeding on the balance of the claim.		

38. CONTINGENCIES, COMMITMENTS AND OTHER LEGAL MATTERS (CONTINUED)

(d) Lists of contingent liabilities of subsidiaries of the Group as at 31 December are as follows: (continued)

Description	Potential exposure 2022 RM'million	Potential exposure 2021 RM'million
5. **Robi vs LTU-VAT of the NBR (VAT rebate cancellation)**	**119.7**	136.1
For the period of 2010 to 2016, Robi claimed rebate for input VAT payable on certain goods and services relating 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 (RM119.7 million).		
(i) The demand notice for the period of July 2013 to June 2014 is for BDT596.8 million (RM25.5 million).		
(ii) The demand notice for the period of July 2014 to January 2016 is for BDT993.2 million (RM42.4 million).		
(iii) The demand notice for the period of February 2016 to April 2016 for BDT41.0 million (RM1.7 million).		
(iv) The demand notice for the period of May 2016 to December 2016 is for BDT707.7 million (RM30.2 million).		
(v) The demand notice for the period of July 2010 to June 2012 is for BDT466.8 million (RM19.9 million). Robi filed an appeal to the Customs, Excise and VAT Appellate Tribunal.		
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 34 to the financial statements.		
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.		
The Board of Directors, based on external legal advice received, are of the view that it has good prospects of succeeding on the claim.		
In addition, there are similar Airtel cases amounting to BDT442.8 million (RM18.9 million) which are indemnified by a third party arising from a business combination.		
Total exposure	**864.9**	1,037.4

The Company does not have any contingent liability as at 31 December 2022 and 31 December 2021.

38. CONTINGENCIES, COMMITMENTS AND OTHER LEGAL MATTERS (CONTINUED)

(e) Other legal matters

(i) 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 ("TeliaSonera") of 100% of the shares of Reynolds Holdings Limited ("Reynolds") which owns 80.00% 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 (RM781.7 million) as at that date in alleged capital gains tax ("CGT") in relation to the Transaction. Ncell had paid this amount in two tranches on 8 May 2016 and 4 June 2017 under protest and without prejudice to its position that it was under no obligation to pay CGT in connection with the Transaction. The Large Taxpayer Office of Nepal ("LTPO") had on 4 June 2017 conclusively certified in writing that Ncell had fully complied with its alleged obligation to pay CGT in relation to the Transaction.

On 28 January 2018, a group of Nepalese citizens brought a PIL against Ncell and various other parties at the SC alleging that Ncell and its holding companies, namely Reynolds and AIUK, have evaded their tax liabilities. The petitioners demanded various orders, including that the LTPO ascertain the CGT payable on the Transaction by Ncell and AIUK. The SC issued its full written order on 9 April 2019 ("Order") in relation to its oral ruling dated 6 February 2019 that the responsibility to pay tax lies with Ncell and Axiata Group Berhad, the latter who is not a party to the PIL. The SC ordered LTPO to make an assessment of the applicable CGT in relation to the Transaction initially issued to TeliaSonera to be transferred to Ncell. Accordingly, on 16 April 2019, LTPO issued an assessment order against Ncell for approximately NPR62,635.0 million (RM2,076.8 million); (NPR35,913.4 million (RM1,190.8 million) as CGT and NPR26,721.5 million (RM886.0 million) as interest and penalties).

On 22 April 2019, Ncell filed a writ petition with the SC seeking orders that, amongst other things, the LTPO's assessment order be quashed and that LTPO conduct a new assessment in accordance with the law ("Writ Petition"). The Writ Petition was filed without prejudice to Ncell's position that it was not under any obligation to pay CGT in relation to the Transaction.

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 (RM699.7 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 (RM744.2 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 (e)(ii) 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.

38. CONTINGENCIES, COMMITMENTS AND OTHER LEGAL MATTERS (CONTINUED)

(e) Other legal matters (continued)

(i) Public interest litigation ("PIL") filed at the Supreme Court of Nepal ("SC") (continued)

The Company, AIUK and Ncell continue to dispute that Ncell is liable to pay any amount of CGT in relation to the Transaction.

(ii) AIUK and Ncell vs Nepal (ICSID Case No. ARB19/15) - Arbitration of AIUK and Ncell vs Nepal

On 24 April 2019, AIUK and Ncell 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 are arguing, among other things, that the imposition of CGT by Nepal in relation to the Transaction is unlawful. AIUK and Ncell are seeking remedies including restitution of sums already paid, a permanent injunction against further attempts to collect CGT from Ncell in connection with the Transaction (including quashing the Demand Notice dated 13 January 2021 (described in item (e)(iii) below)) and damages for all losses suffered in consequence of Nepal's unlawful conduct. Ncell has paid a total of NPR47,009.9 million (RM1,558.7 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 18 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:

1. 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 (RM744.2 million) in allegedly outstanding CGT (including interest and penalties) in connection with the Transaction (described in item (e)(i) above); and

2. taking any steps which would alter the status quo between AIUK, Ncell and Nepal or aggravate the present dispute (together, the "Provisional Measures Order").

A merits hearing was originally scheduled to take place in two (and potentially three) sessions. The first session was scheduled for 29 November 2021 to 3 December 2021, with the second session to take place on 11-16 April 2022, and with 4-5 July 2022 in reserve. However, by a decision of 28 November 2021, the Tribunal postponed the November/December 2021 session of the hearing due to the emergency hospitalisation of one of Nepal's lawyers.

By Procedural Order No. 9 dated 3 December 2021, the Tribunal ordered that the hearing be deferred to 11-22 April 2022, with 4-5 July 2022 in reserve. The hearing has been concluded on 22 April 2022, following which the Tribunal will make a decision. The award is expected to be delivered within 6-12 months.

Based on the external legal advice received, the Board of Directors are of the view that AIUK and Ncell have strong prospects of success in the arbitration proceedings against Nepal. In the event that the outcome of the case is unfavourable, the Group's and the Company's statements of comprehensive income are expected to be adjusted by approximately NPR11,000.1 million (RM364.7 million) (2021: NPR10,346.3 million (RM362.9 million)).

Notes to the Financial Statements For the financial year ended 31 December 2022

38. CONTINGENCIES, COMMITMENTS AND OTHER LEGAL MATTERS (CONTINUED)

(e) Other legal matters (continued)

(iii) 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 (RM4,238.4 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 later the same day issued a further notice ("Demand Notice") under section 102 of the ITA for additional tax liability of NPR57,852.3 million (RM1,918.2 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 hearing which was originally scheduled to take place on 2 November 2021 has been postponed by the SC to 4 April 2023.

The Board of 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.

39. 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 as 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 41 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, sale of devices, pay television transmission services, broadband services and digital business and others.

(ii) Fixed broadband segment

The fixed broadband segment is principally engaged in broadband and broadcasting business.

(iii) 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.

(iv) Others

Others comprise of investment holding entities, financing entities and other operating companies providing other services including digital business and fibre optic transmission 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 operating costs (domestic interconnect, international outpayment and other direct costs, marketing, advertising and promotion, other operating costs, staff costs and net impairment on financial assets). Segment assets and segment liabilities are not used in decisions about allocation of resources and in assessing the performance of the operating segments.

39. SEGMENTAL REPORTING (CONTINUED)

	<-----Mobile segment				----->	Fixed BB[1] segment	Infrastructure segment	Others[2]	Consolidation adjustments/ eliminations	Continuing operations	Discontinued operations (Malaysia)	Total
	Indonesia RM'000	Bangladesh RM'000	Sri Lanka RM'000	Nepal RM'000	Cambodia RM'000	Indonesia RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Financial year ended 31 December 2022												
Revenue:												
Total revenue	8,626,030	4,053,610	2,515,741	1,390,099	1,642,593	669,299	2,481,188	1,332,448	-	22,711,008	6,385,266	29,096,274
Inter-segment[3]	(264)	(85,551)	(8,273)	(2,456)	(31,852)	(30)	(637,761)	(244,670)	-	(1,010,857)	(589,347)	(1,600,204)
External revenue	8,625,766	3,968,059	2,507,468	1,387,643	1,610,741	669,269	1,843,427	1,087,778	-	21,700,151	5,795,919	27,496,070
Results:												
EBITDA[4]	4,219,018	1,804,990	729,856	736,737	827,859	309,074	1,647,214	(277,979)	(399,557)	9,597,212	2,837,042	12,434,254
Finance income	33,068	3,784	33,839	20,453	21,365	391	28,694	133,665	(19,943)	255,316	(16,962)	238,354
Finance costs	(830,507)	(280,328)	(74,974)	(110,644)	(30,638)	(39,477)	(293,653)	(444,079)	278,043	(1,826,257)	(125,172)	(1,951,429)
Depreciation of PPE	(1,766,865)	(707,853)	(411,943)	(263,590)	(287,280)	(190,363)	(548,284)	(12,039)	25,779	(4,162,438)	(752,236)	(4,914,674)
Depreciation of ROU assets	(1,345,661)	(161,096)	(27,050)	(17,876)	(64,639)	(26,063)	(284,863)	(15,459)	207,816	(1,734,891)	(167,838)	(1,902,729)
Amortisation of intangible assets	(2,240)	(278,007)	(51,085)	(134,835)	(13,815)	(9,958)	(70,623)	(49,367)	(317,712)	(927,642)	(60,176)	(987,818)
Impairment of PPE, net of reversal	(1,909)	(34,783)	(44,116)	-	-	(3,745)	(30,132)	(2,644)	-	(117,329)	-	(117,329)
Impairment of goodwill	-	-	(66,948)	-	-	-	-	-	(4,085,824)	(4,152,772)	-	(4,152,772)
Joint ventures:												
- share of results (net of tax)	-	-	-	-	-	-	-	(9,709)	-	(9,709)	-	(9,709)
Associates:												
- share of results (net of tax)	1,136	-	(1,103)	-	(15,768)	-	-	3,043	(44,125)	(56,817)	15,714	(41,103)
Other income/ (expense)[5]	105,901	(209,552)	(518,751)	19,016	(85,075)	(3,657)	(43,007)	(362,516)	3,574	(1,094,067)	13,612,657	12,518,590
Taxation	(70,968)	(50,890)	(92,165)	(68,991)	(116,895)	(8,747)	(213,978)	(88,643)	63,796	(647,481)	(446,740)	(1,094,221)
Segment profit/(loss) for the financial year	340,973	86,265	(524,440)	180,270	235,114	27,455	191,368	(1,125,727)	(4,288,153)	(4,876,875)	14,896,289	10,019,414

1 The Group has completed the acquisition of Link Net on 22 June 2022 where its core business is fixed broadband in Indonesia. Accordingly, the management has introduced and presented a new segment under Segmental Information, Fixed Broadband segment which has a consolidation of Link Net's financial results effective from 1 July 2022.

2 Others include the Company, digital businesses, special purpose vehicles and other entities.

3 Inter-segment operating revenue has been eliminated at the respective segment operating revenue. The inter-segment operating revenue was entered into in the normal course of business and at prices available to third parties or at negotiated terms.

4 EBITDA consolidation adjustments/eliminations mainly due to inter-segment elimination for leases under MFRS 16.

5 Included in other expense is unrealised foreign exchange losses mainly arising from the revaluation of USD borrowings and working capital.

Notes to the Financial Statements For the financial year ended 31 December 2022

39. SEGMENTAL REPORTING (CONTINUED)

	<---------- Mobile segment				---------->	Infrastructure segment	Others[2]	Consolidation adjustments/ eliminations	Continuing operations	Discontinued operations (Malaysia)	Total
	Indonesia RM'000	Bangladesh RM'000	Sri Lanka RM'000	Nepal RM'000	Cambodia RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Financial year ended 31 December 2021											
Revenue:											
Total revenue	7,758,675	3,955,039	2,953,532	1,449,095	1,448,542	1,978,663	1,366,476	-	20,910,022	6,622,722	27,532,744
Inter-segment[3]	(3,547)	(96,991)	(30,155)	(11,310)	(28,212)	(587,145)	(158,294)	-	(915,654)	(716,429)	(1,632,083)
External revenue	7,755,128	3,858,048	2,923,377	1,437,785	1,420,330	1,391,518	1,208,182	-	19,994,368	5,906,293	25,900,661
Results:											
EBITDA[4]	3,889,711	1,592,997	1,223,195	841,529	774,663	1,238,069	(407,517)	(250,388)	8,902,259	2,501,758	11,404,017
Finance income	25,437	4,522	9,502	10,666	11,492	22,738	103,858	(8,531)	179,684	(28,702)	150,982
Finance costs	(700,821)	(199,658)	(45,184)	(92,812)	(28,787)	(109,732)	(374,623)	140,169	(1,411,448)	(153,621)	(1,565,069)
Depreciation of PPE	(1,707,965)	(709,356)	(492,633)	(272,646)	(260,263)	(398,492)	(13,837)	21,219	(3,833,973)	(1,201,111)	(5,035,084)
Depreciation of ROU assets	(1,163,948)	(156,864)	(47,583)	(18,573)	(58,580)	(234,288)	(14,483)	188,137	(1,506,182)	(173,478)	(1,679,660)
Amortisation of intangible assets	-	(295,535)	(77,742)	(130,975)	(12,923)	(32,469)	(36,540)	(213,227)	(799,411)	(61,851)	(861,262)
Impairment of PPE (net of reversal)	(7,682)	4,384	(2,737)	-	(6,224)	6,593	(6,091)	-	(11,757)	-	(11,757)
Impairment of goodwill	-	-	(1,585)	-	-	-	-	(338,444)	(340,029)	-	(340,029)
Joint ventures:											
- share of results (net of tax)	-	-	-	-	-	-	(4,091)	(3,615)	(7,706)	-	(7,706)
Associates:											
- share of results (net of tax)	2,497	-	(599)	-	(1,095)	-	(2,466)	-	(1,663)	13,352	11,689
Other income/ (expense)[5]	199,907	(63,898)	(168,109)	14,229	(33,294)	(174)	(125,078)	(42,132)	(218,549)	326,046	107,497
Taxation	(130,952)	(88,997)	(42,331)	(108,522)	(86,174)	(199,558)	(23,579)	36,423	(643,690)	(253,047)	(896,737)
Segment profit/(loss) for the financial year	406,184	87,595	354,194	242,896	298,815	292,687	(904,447)	(470,389)	307,535	969,346	1,276,881

39. 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--------------------------->						Fixed BB	Infrastructure segment[2]	Others[1]	Total
	Malaysia RM'000	Indonesia RM'000	Bangladesh RM'000	Sri Lanka RM'000	Nepal RM'000	Cambodia RM'000	Indonesia RM'000	RM'000	RM'000	RM'000
As at 31 December 2022										
Total non-current assets	**-**	**22,823,588**	**6,327,592**	**2,271,878**	**3,320,865**	**1,859,464**	**4,223,197**	**9,916,712**	**15,756,643**	**66,499,939**
As at 31 December 2021										
Total non-current assets	10,802,000	22,096,673	7,387,644	3,342,196	6,622,399	1,775,362	-	6,875,496	392,047	59,293,817

1 Included in Others is the Company's investment in material associate in Malaysia, as disclosed in Note 29 to the financial statements.

2 Geographical locations of infrastructure segment non-current assets are as follows:

	Malaysia RM'000	Bangladesh RM'000	Myanmar RM'000	Philippines RM'000	Pakistan RM'000	Others[3] RM'000	Total RM'000
2022	**3,125,510**	**1,665,967**	**1,160,208**	**2,852,877**	**531,501**	**580,649**	**9,916,712**
2021	3,129,181	1,509,998	1,222,120	49,767	566,079	398,351	6,875,496

3 Others include other geographical locations within the infrastructure segment that are not individually material.

40. 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 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 as disclosed in Note 16 to the financial statements. The Group has cross currency swaps and FX forward that are primarily used to hedge selected foreign currency borrowings to reduce the foreign currency exposures on these borrowings.

Based on the borrowings position as at 31 December 2022, if USD were to strengthen/weaken by 10% against BDT, LKR and RM with all other variables held constant, this will result in foreign exchange losses/gains to the profit or loss of RM871.6 million (2021: RM300.3 million at 5%) 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.

Notes to the Financial Statements For the financial year ended 31 December 2022

40. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(a) Market risks (continued)

(ii) Foreign currency exchange risk (continued)

Company

The foreign exchange risk of the Company predominantly arises from non-hedged borrowings denominated in USD.

As at 31 December 2022, if USD were to strengthen/weaken by 10% against RM with all other variables held constant, this will result in foreign exchange losses/gains to the profit or loss of RM165.1 million (2021: RM31.3 million at 5%) 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, Bonds and Note. The Group's interest rate risk objective is to manage an acceptable level of rate fluctuation on 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 and IRS as disclosed in Note 18(b) and Note 18(c) to the financial statements.

The Company's borrowings comprise borrowings from financial institutions. The interest rate profiles of the Company's borrowings are regularly reviewed against prevailing and anticipated market interest rates to determine whether refinancing or early repayment is warranted.

The Company provided loan to subsidiaries with composition of fixed and floating interest rate. The interest risk profiles of the Company's loan to subsidiaries are regularly reviewed to manage an acceptable level of rate fluctuation on interest income.

Group

As at 31 December 2022, if interest rates on non-hedged floating borrowings had been lower/higher by 5% with all other variables held constant, this will result in a lower/higher finance costs of the Group amounting to RM27.4 million (2021: RM14.0 million).

Company

As at 31 December 2022, if interest rates on non-hedged floating borrowings had been lower/higher by 5% with all other variables held constant, this will result in a lower/higher finance costs of the Company amounting to RM5.3 million (2021: RM1.2 million).

As at 31 December 2022, if interest rates on loan provided to subsidiaries had been lower/higher by 5% with all other variables held constant, this will result in a lower/higher finance income of the Company amounting to RM6.2 million.

40. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(a) Market risks (continued)

(iii) Cash flow and fair value interest rate risk (continued)

Effects of IBOR reform

The reform and replacement of benchmark interest rates such as USD LIBOR and other inter-bank offered rates has become a priority for global regulators. Globally, new alternative reference rates ("ARR") are being introduced to improve the integrity of financial benchmark rates as part of a transition to transaction-based rates, in line with the LIBOR reforms. There remains some uncertainty around the timing and precise nature of these changes.

As at 31 December 2022, the Group and the Company have a number of borrowings which reference USD LIBOR and extends beyond 2022.

The publication of USD LIBOR will be discontinued after 30 June 2023, and it is expected to be replaced by the Secured Overnight Financing Rate ("SOFR"). There remain key differences between USD LIBOR and SOFR. USD LIBOR is a 'term rate', which is published for a borrowing period (such as 3 or 6 months tenor) and is 'forward looking', as it is published at the beginning of the borrowing period. SOFR is a 'backward-looking' rate, based on the cost of borrowing cash overnight collateralised by the U.S. Treasury Securities in the repurchase agreement market, and it is published on the next business day. Furthermore, USD LIBOR includes a credit spread over the risk-free rate, which SOFR currently does not. To transition existing contracts and agreements that reference USD LIBOR to SOFR, adjustments for term and credit differences might need to be applied to SOFR, to enable the two benchmark rates to be economically equivalent on transition.

A series of workstreams were established to manage the transition from IBOR to ARR. The key objectives of these workstreams include the followings:

- identifying contracts in scope of benchmark reform;
- identifying and communicating to counterparties with whom repricing and/or re-papering IBOR-referenced contracts is required and executing the necessary change in contracts;
- managing any related tax and accounting implications.

In view that the publication of USD LIBOR will be discontinued after 30 June 2023, the Group has identified all USD LIBOR-linked contracts as at 31 December 2022. Out of which, certain USD LIBOR based borrowings as at 31 December 2022 are maturing before the reform and replacement of benchmark interest rates take place. For the remaining USD LIBOR-linked contracts which have not been modified during the year, the Group is in the midst of discussing with counterparties to change the basis for determining the future cash flows. No contracts were modified during the financial year. The Group will closely monitor the regulators' announcement on the alternative benchmark rate or discontinuation of publication of the USD LIBOR for the relevant tenors; and engage the counterparties to discuss necessary changes to the related contracts.

Notes to the Financial Statements For the financial year ended 31 December 2022

40. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(a) Market risks (continued)

(iii) Cash flow and fair value interest rate risk (continued)

The USD LIBOR based financial instrument of the Group and the Company hold as of 31 December is as below:

	Group		Company	
	2022 RM'000	**2021 RM'000**	**2022 RM'000**	**2021 RM'000**
Borrowings exposed to USD LIBOR at carrying amount:				
- which matures before transition to an alternative benchmark interest rate	**790,200**	633,512	**790,200**	179,633
- which have yet to transition to an alternative benchmark interest rate	**723,484**	1,168,204	**-**	446,993
Total	**1,513,684**	1,801,716	**790,200**	626,626

(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 amount due from subsidiaries and trade receivables are shown in Note 33 and Note 34 to the financial statements, respectively.

40. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(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 2022, the Group's current liabilities exceeded its current assets by RM6,379.3 million (2021: RM7,942.1 million). The Company and its subsidiaries have undrawn facilities from the continuing operations amounting to RM6,411.2 million available to meet liquidity requirements. Additionally, as disclosed in Note 16 to the financial statements, certain subsidiaries of the Group have outstanding undrawn amounts under the Multi-Currency Sukuk, Sukuk Wakalah, EMTN Programme and MTN Programme amounting to USD500.0 million (RM2,195.0 million), RM1,600.0 million, USD500.0 million (RM2,195.0 million) and RM261.0 million respectively. Any issuance of new Sukuk will be subject to market conditions such as market liquidity and market lending rates at the point of issuance. 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.

The Group's net cash flows from operating activities for the financial year ended 2022 was RM8,934.8 million (2021: RM8,837.0 million). In addition, the Group's deposits, cash and bank balances as at 31 December 2022 was RM7,451.7 million (2021: RM6,969.4 million).

Where undrawn facilities are not available, subsidiaries' twelve (12) months 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, including capital commitments set out in Note 38 to the financial statements, as and when they fall due.

40. 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 statements of financial position for trade and other payables, lease liabilities, borrowings and derivative financial liabilities.

	2022					
				Gross settled derivative financial liabilities		
	Trade and other payables RM'000	Lease liabilities RM'000	Borrowings RM'000	(Inflow) RM'000	Outflow RM'000	Total RM'000
Group						
Below 1 year	7,424,623	2,755,438	7,504,522	(120,255)	172,521	17,736,849
1 - 2 years	185,234	1,988,993	1,423,622	(120,295)	172,561	3,650,115
2 - 3 years	-	1,765,451	3,855,606	(464,140)	515,466	5,672,383
3 - 4 years	-	1,669,000	3,548,590	(1,395,101)	1,361,555	5,184,044
4 - 5 years	-	1,484,311	1,967,491	(47,478)	73,495	3,477,819
5 - 10 years	-	3,720,982	6,228,953	(2,319,873)	2,236,731	9,866,793
10 - 15 years	-	356,177	3,144,947	-	-	3,501,124
15 - 40 years	-	240,159	6,090,052	-	-	6,330,211
Total contractual undiscounted cash flows	7,609,857	13,980,511	33,763,783	(4,467,142)	4,532,329	55,419,338
Total carrying amounts	7,609,857	10,443,891	25,435,632	-	186,642	43,676,022

40. 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 statements of financial position for trade and other payables, lease liabilities, borrowings and derivative financial liabilities. (continued)

	2021					
				Gross settled derivative financial liabilities		
	Trade and other payables RM'000	Lease liabilities RM'000	Borrowings RM'000	(Inflow) RM'000	Outflow RM'000	Total RM'000
Group						
Below 1 year	9,223,854	2,647,711	4,372,946	(88,765)	140,071	16,295,817
1 - 2 years	241,238	1,857,198	2,960,800	(88,765)	140,071	5,110,542
2 - 3 years	-	1,697,175	1,911,123	(88,765)	140,071	3,659,604
3 - 4 years	-	1,475,294	1,047,423	(88,765)	140,071	2,574,023
4 - 5 years	-	1,364,477	3,448,492	(1,317,226)	1,345,835	4,841,578
5 - 10 years	-	3,607,731	4,773,043	(1,668,262)	1,720,857	8,433,369
10 - 15 years	-	345,509	639,993	-	-	985,502
15 - 40 years	-	394,306	6,097,479	-	-	6,491,785
Total contractual undiscounted cash flows	9,465,092	13,389,401	25,251,299	(3,340,548)	3,626,976	48,392,220
Total carrying amounts	9,465,092	10,170,995	19,050,495	-	111,659	38,798,241

40. 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 statements of financial position for other payables, lease liabilities, borrowings and derivative financial liabilities.

	2022						
					Gross settled derivative financial liabilities		
	Other payables RM'000	Amounts due to subsidiaries RM'000	Lease liabilities RM'000	Borrowings RM'000	(Inflow) RM'000	Outflow RM'000	Total RM'000
Company							
Below 1 year	142,858	1,095,880	1,881	2,303,207	(14,630)	14,590	3,543,786
1 - 2 years	-	319,991	-	78,790	(14,670)	14,630	398,741
2 - 3 years	-	319,991	-	2,038,390	(358,515)	357,535	2,357,401
3 - 4 years	-	2,139,952	-	-	-	-	2,139,952
4 - 5 years	-	199,374	-	-	-	-	199,374
5 - 10 years	-	2,714,118	-	-	-	-	2,714,118
10 - 15 years	-	648,585	-	-	-	-	648,585
15 - 40 years	-	5,675,839	-	-	-	-	5,675,839
Total contractual undiscounted cash flows	142,858	13,113,730	1,881	4,420,387	(387,815)	386,755	17,677,796
Total carrying amounts	142,858	8,907,870	1,881	4,156,943	-	6,415	13,215,967

As at 31 December 2022, the Company's maximum potential liabilities under financial guarantee contracts amounted to RM13,475.9 million (2021: RM8,748.6 million). Financial guarantee contracts are assumed to be immediately payable on demand.

40. 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 statements of financial position for other payables, lease liabilities, borrowings and derivative financial liabilities. (continued)

	2021				
	Other payables RM'000	Amounts due to subsidiaries RM'000 Restated[1]	Lease liabilities RM'000	Borrowings RM'000	Total RM'000
Company					
Below 1 year	58,554	1,488,170	4,569	202,669	1,753,962
1 - 2 years	-	326,919	4,569	678,864	1,010,352
2 - 3 years	-	326,919	2,284	448,770	777,973
3 - 4 years	-	326,919	-	-	326,919
4 - 5 years	-	2,249,540	-	-	2,249,540
5 - 10 years	-	2,338,369	-	-	2,338,369
10 - 15 years	-	648,585	-	-	648,585
15 - 40 years	-	5,805,556	-	-	5,805,556
Total contractual undiscounted cash flows	58,554	13,510,977	11,422	1,330,303	14,911,256
Total carrying amounts	58,554	9,293,645	10,744	1,287,333	10,650,276

[1] Maturity analysis of amounts due to subsidiaries were restated as disclosed in Note 47 to the financial statements.

Notes to the Financial Statements For the financial year ended 31 December 2022

40. 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) but downgraded to BBB by Standard & Poor's 500 (S&P) as at 31 December 2022.

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	2022 RM'000	2021 RM'000
Total borrowings	16	**25,435,632**	19,050,495
Lease liabilities	23	**10,443,891**	10,170,995
Total debts		**35,879,523**	29,221,490
Total equity		**30,680,350**	25,065,829
Gearing ratio		**1.17**	1.17

(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 stock prices, dividend yield and volatility) 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.

Notes to the Financial Statements For the financial year ended 31 December 2022

40. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(e) Fair value estimation (continued)

The following tables represent the fair value level of the assets and liabilities that are measured at fair value as at reporting date.

	2022				2021			
	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
Group								
Assets								
Financial assets at FVTPL:								
- Trading securities	**34**	**-**	**-**	**34**	65	-	-	65
- Unquoted securities	**-**	**-**	**5,758**	**5,758**	-	-	5,678	5,678
- Non-hedging derivatives	**-**	**2,311**	**-**	**2,311**	-	45,653	-	45,653
- Derivatives used for hedging	**-**	**38,565**	**-**	**38,565**	-	31,285	-	31,285
Financial assets at FVTOCI[1]:								
- Equity securities	**-**	**-**	**179,180**	**179,180**	-	-	220,744	220,744
Assets at FVTPL:								
- Trade and other receivables	**-**	**-**	**447,010**	**447,010**	-	-	450,869	450,869
Total assets	**34**	**40,876**	**631,948**	**672,858**	65	76,938	677,291	754,294
Liabilities								
Financial liabilities at FVTPL:								
- Derivatives used for hedging	**-**	**(186,642)**	**-**	**(186,642)**	-	(111,659)	-	(111,659)
Total liabilities	**-**	**(186,642)**	**-**	**(186,642)**	-	(111,659)	-	(111,659)

[1] 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.

Notes to the Financial Statements For the financial year ended 31 December 2022

40. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(e) Fair value estimation (continued)

(ii) Financial instruments in Level 2 (continued)

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.

(f) Offsetting financial assets and financial liabilities

Financial assets and liabilities are offset and the net amounts are reported in the Statements of Financial Position where the Group and the Company have a legally enforceable right to offset the recognised amounts, and there are intention to settle on a net basis or realise the assets and the liabilities simultaneously.

The following table presents the recognised financial instruments that are offset or subject to enforceable master netting arrangements and other similar agreements, as at financial year end. The column 'Net amounts' shows the impact on the Group's and Company's Statements of Financial Position if all set-off rights were exercised.

	Gross amounts RM'000	Gross amounts of recognised (financial liabilities)/ financial assets set off RM'000	Net amounts RM'000
Group			
2022			
Trade receivables	**765,575**	**(188,226)**	**577,349**
Trade payables	**(3,570,162)**	**188,226**	**(3,381,936)**
2021			
Trade receivables	711,386	(187,398)	523,988
Trade payables	(3,710,712)	187,398	(3,523,314)
Company			
2022			
Amount due from subsidiaries	**2,056,356**	**(1,210,210)**	**846,146**
Amount due to subsidiaries	**(10,118,080)**	**1,210,210**	**(8,907,870)**
2021			
(Restated)			
Amount due from subsidiaries	5,115,861	(1,456,508)	3,659,353
Amount due to subsidiaries	(10,750,153)	1,456,508	(9,293,645)

Notes to the Financial Statements For the financial year ended 31 December 2022

41. LIST OF SUBSIDIARIES

The list of subsidiaries of the Group as at 31 December 2022 is as follows:

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 Business Services Sdn Bhd[1]	100.00	100.00	-	Provision of international carrier services and enterprise solutions	Malaysia
Axiata Digital Labs Sdn Bhd (formerly known as Axiata Management Services Sdn Bhd)[1]	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 Digital Services Sdn Bhd[1 and 15]	96.56	96.56	3.44	Investment holding	Malaysia
Axiata Foundation[1 and 7]	-	-	-	Develop and nurture talent pool and foster, develop and improve education	Malaysia
Axiata Investments (Cambodia) Limited[1]	100.00	100.00	-	Investment holding	Federal Territory Labuan, Malaysia
Axiata Investments (Labuan) Limited[1]	100.00	100.00	-	Investment holding	Federal Territory Labuan, Malaysia
Axiata Investments (Singapore) Limited[1]	100.00	100.00	-	Investment holding	Federal Territory Labuan, Malaysia
Axiata Investments (UK) Limited[2]	100.00	100.00	-	Investment holding	United Kingdom
Axiata Investments 1 (India) Limited[2]	100.00	100.00	-	Investment holding	Mauritius
Axiata SPV1 (Labuan) Limited[1]	100.00	100.00	-	To hold securities and financial instruments on a non-trading basis	Federal Territory Labuan, Malaysia
Axiata SPV2 Berhad[1]	100.00	100.00	-	Financing	Malaysia
Axiata SPV4 Sdn Bhd[1]	100.00	100.00	-	Investment holding	Malaysia
Axiata SPV5 (Labuan) Limited[1]	100.00	100.00	-	To hold securities and financial instruments on a non-trading basis	Federal Territory Labuan, Malaysia
edotco Group Sdn Bhd[1]	63.00	63.00	37.00	Investment holding and provision of technical and operations support services in the telecommunications and related industries in local and/or international markets	Malaysia
Subsidiaries held through Axiata Business Services Sdn Bhd					
Xpand Investments (Labuan) Limited[1]	-	100.00	-	Investment holding	Federal Territory Labuan, Malaysia
Axiata Global Service Pte Ltd[2]	-	100.00	-	To provide international carrier services, management of partnerships and alliances	Singapore
Subsidiary held through Xpand Investments (Labuan) Limited					
Suvitech Co., Ltd[2]	-	65.00	35.00	Owner and operation of a mobile virtual network enabler (MVNE) platform services for customer, enterprise and IoT services	Thailand

Notes to the Financial Statements For the financial year ended 31 December 2022

41. LIST OF SUBSIDIARIES (CONTINUED)

The list of subsidiaries of the Group as at 31 December 2022 is as follows: (continued)

Name of company	Ownership interest directly held by the parent (%)	Ownership interest held by the Group (%)	Ownership interest held by NCI (%)	Principal activities	Country and place of incorporation
Subsidiaries held through Axiata Digital Services Sdn Bhd					
Apigate Inc.[2]	-	96.56	3.44	Technology enabler service provider	United States of America
Axiata Digital Bangladesh (Private) Limited[3]	-	96.56	3.44	Online ticketing services	Bangladesh
Axiata Digital & Analytics Sdn Bhd[1]	-	61.29	38.71	Investment holding and provision of multimedia advertising services as well as multimedia advertising sales support services	Malaysia
Boost Holdings Sdn Bhd[1]	-	75.43	24.57	Investment holding	Malaysia
Subsidiary held through Apigate Inc					
Apigate (Private) Limited[2 and 6]	-	96.56	3.44	Dormant	Sri Lanka
Subsidiaries held through Axiata Digital & Analytics Sdn Bhd					
ADA Digital Singapore Pte Ltd[2]	-	61.29	38.71	Advertising service provider and investment holding	Singapore
PT Axiata Digital Analytics Indonesia[2]	-	61.64	38.36	Provision of digital analytics services	Indonesia
Subsidiaries held through ADA Digital Singapore Pte Ltd					
AAD Holdings Pte Ltd[2]	-	61.29	38.71	Investment holding	Singapore
ADA Asia Malaysia Sdn Bhd[1]	-	61.29	38.71	Provision of multimedia advertising services and creative content, as well as multimedia advertising sales support services	Malaysia
ADA Digital Philippines Inc[2]	-	61.28	38.72	Provision of technology and software solutions	Philippines
ADA Digital (Thailand) Co., Ltd[2]	-	61.19	38.81	Provision of IT products and services for online media companies	Thailand
Adknowledge Asia Pacific (India) Private Limited[2]	-	61.29	38.71	Dormant	India
Komli Network Philippines, Inc[2, 6 and 11]	-	61.29	38.71	Dormant	Philippines
PT ADA Asia Indonesia[2]	-	60.67	39.33	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 2022

41. LIST OF SUBSIDIARIES (CONTINUED)

The list of subsidiaries of the Group as at 31 December 2022 is as follows: (continued)

Name of company	Ownership interest directly held by the parent (%)	Ownership interest held by the Group (%)	Ownership interest held by NCI (%)	Principal activities	Country and place of incorporation
Subsidiaries held through AAD Holdings Pte Ltd					
AADistribution Phils Inc[2]	-	61.29	38.71	e-commerce distribution business and rendering solutions for clients	Philippines
AAD Indochina Pte Ltd[2]	-	61.29	38.71	Investment holding	Singapore
Awake Asia Distribution Pte Ltd[2]	-	61.29	38.71	Develop and provision of information technology related services	Singapore
Awake Asia Distribution Sdn Bhd[1]	-	61.29	38.71	Trading, retailing and distributing all kinds of goods through e-commerce	Malaysia
PT Awake Asia Distribution Indonesia[2]	-	61.29	38.71	e-commerce distribution business	Indonesia
Subsidiary held through AAD Indochina Pte Ltd					
Thien An Investment Co., Ltd[1]	-	61.29	38.71	Provision of retail, consignment and service through e-commerce	Vietnam
Subsidiaries held through Boost Holdings Sdn Bhd					
Apigate Sdn Bhd[1]	-	75.43	24.57	Application programming interface, software and mobile applications	Malaysia
Axiata Digital Capital Sdn Bhd[1]	-	75.43	24.57	Provide micro-financing, money lending services, micro-insurance and related services, including related technology services	Malaysia
Axiata Digital eCode Sdn Bhd[1]	-	75.43	24.57	Conducting e-wallet mobile application and other related services	Malaysia
Boost Biz Sdn Bhd (formerly known as ADS Digital Ventures Sdn Bhd)[1 and 15]	-	75.43	24.57	Dormant	Malaysia
PT Creative Mobile Adventure[2 and 15]	-	57.47	42.53	IT-based platform lending	Indonesia
Subsidiary held through Boost Holdings Sdn Bhd and Apigate Sdn Bhd					
Apigate India Services Private Ltd[2]	-	75.43	24.57	Support services	India
Subsidiary held through Boost Holdings Sdn Bhd and Axiata Digital eCode Sdn Bhd					
PT Axiata Digital Services Indonesia[2]	-	75.43	24.57	Provision of digital services	Indonesia
Subsidiary held through Axiata Digital Capital Sdn Bhd					
Salvare Assets Berhad[17]	-	-	-	Special purpose vehicle for securitisation progamme	Malaysia
Subsidiary held through Axiata Digital Capital Sdn Bhd and PT Axiata Digital Services Indonesia					
PT Axiata Digital Capital Indonesia[2]	-	75.43	24.57	Provision of service in data processing and management consultation	Indonesia

Notes to the Financial Statements For the financial year ended 31 December 2022

41. LIST OF SUBSIDIARIES (CONTINUED)

The list of subsidiaries of the Group as at 31 December 2022 is as follows: (continued)

Name of company	Ownership interest directly held by the parent (%)	Ownership interest held by the Group (%)	Ownership interest held by NCI (%)	Principal activities	Country and place of incorporation
Subsidiary held through Axiata Investments (Cambodia) Limited					
Axiata (Cambodia) Holdings Limited[1]	-	72.48	27.52	Investment holding	Federal Territory Labuan, Malaysia
Subsidiary held through Axiata (Cambodia) Holdings Limited					
Smart Axiata Co., Ltd[2]	-	72.48	27.52	Mobile telecommunication services	Cambodia
Associate held through Smart Axiata Co., Ltd					
edotco (Cambodia) Co., Ltd[2]	-	14.50	5.50	Telecommunication infrastructure and services	Cambodia
Subsidiaries held through Axiata Investments (Labuan) Limited					
Axiata Digital Labs (Private) Limited[2]	-	100.00	-	Software development and IT enabled services venture of Axiata Group	Sri Lanka
Axiata Investments (Indonesia) Sdn Bhd[1]	-	100.00	-	Investment holding	Malaysia
Axiata Lanka (Private) Limited[2]	-	100.00	-	Property development and letting of property for commercial purposes	Sri Lanka
Dialog Axiata PLC[2 and 15]	-	82.27	17.73	Communication services, telecommunication infrastructure services, media and digital services	Sri Lanka
Robi Axiata Limited[3]	-	61.82	38.18	Mobile telecommunication services	Bangladesh
Subsidiary held through Axiata Digital Labs (Private) Limited					
PT Axiata Digital Labs Indonesia[2]	-	100.00	-	Software development and IT enabled services venture of Axiata Group	Indonesia
Subsidiaries held through Axiata Investments (Indonesia) Sdn Bhd					
PT Link Net Tbk[3, 14 and 15]	-	92.83	7.17	Provision of telecommunication by cable, multimedia, internet services, trading, and business management consulting services	Indonesia
PT XL Axiata Tbk[2, 12 and 15]	-	66.53	33.47	Telecommunication services, network and/or multimedia services provider	Indonesia
Subsidiary held through PT XL Axiata Tbk					
PT Hipernet Indodata[14]	-	33.93	66.07	Managed service provider	Indonesia
Subsidiaries held through PT Link Net Tbk					
Link Net Global Solution Pte Ltd[3]	-	92.83	7.17	Dormant	Singapore
PT First Media Television[3]	-	92.82	7.18	Subscription broadcasting	Indonesia
PT Infra Solusi Indonesia[3]	-	92.83	7.17	Outsourcing services	Indonesia

41. LIST OF SUBSIDIARIES (CONTINUED)

The list of subsidiaries of the Group as at 31 December 2022 is as follows: (continued)

Name of company	Ownership interest directly held by the parent (%)	Ownership interest held by the Group (%)	Ownership interest held by NCI (%)	Principal activities	Country and place of incorporation
Subsidiaries held through Dialog Axiata PLC					
Dialog Broadband Networks (Private) Limited[2]	-	82.27	17.73	Data and backbone, fixed wireless and transmission infrastructure	Sri Lanka
Dialog Business Services (Private) Limited[2]	-	82.27	17.73	Provision of manpower for call centre operations	Sri Lanka
Dialog Finance PLC[2]	-	81.49	18.51	Provision of financial services	Sri Lanka
Dialog Television (Private) Limited[2]	-	82.27	17.73	Television broadcasting services and direct-to-home satellite pay television service	Sri Lanka
Digital Holdings Lanka (Private) Limited[2]	-	82.27	17.73	Investment holding company for new business areas of Dialog Group	Sri Lanka
Dialog Device Trading (Private) Limited[2]	-	82.27	17.73	Selling information technology enabled equipment	Sri Lanka
Dialog Network Services (Private) Limited[2]	-	82.27	17.73	Provision of network development, operations and maintenance services	Sri Lanka
Subsidiaries held through Dialog Broadband Networks (Private) Limited					
Telecard (Private) Limited[2]	-	82.27	17.73	Provision of digital credit facilities	Sri Lanka
H One (Private) Limited[2]	-	82.27	17.73	Provision of software licences	Sri Lanka
Subsidiary held through Dialog Television (Private) Limited					
Communiq Broadband Network (Private) Limited[2 and 6]	-	82.27	17.73	Dormant	Sri Lanka
Subsidiaries held through Digital Holdings Lanka (Private) Limited					
Dialog Axiata Digital Innovation Fund (Private) Limited[3 and 9]	-	76.45	23.55	Venture capital fund	Sri Lanka
Digital Commerce Lanka (Private) Limited[2]	-	82.27	17.73	e-commerce and digital marketing services	Sri Lanka
Digital Health (Private) Limited[2 and 9]	-	46.27	53.73	Developing and operating a state-of-the-art electronic commerce infrastructure for the healthcare sector	Sri Lanka
Headstart (Private) Limited[2 and 10]	-	80.06	19.94	Creating and providing e-learning content	Sri Lanka
Subsidiary held through Digital Health (Private) Limited					
My Health Solutions (Private) Limited ("MyHealth")[2 and 9]	-	46.27	53.73	Developing and operating a state-of-the-art electronic commerce infrastructure for the healthcare sector	Sri Lanka

41. LIST OF SUBSIDIARIES (CONTINUED)

The list of subsidiaries of the Group as at 31 December 2022 is as follows: (continued)

Name of company	Ownership interest directly held by the parent (%)	Ownership interest held by the Group (%)	Ownership interest held by NCI (%)	Principal activities	Country and place of incorporation
Subsidiaries held through Robi Axiata Limited					
RedDot Digital Limited[3]	-	61.81	38.19	Provision of IT, information and communications technology services to facilitate Robi's non-mobile network operator business activities	Bangladesh
Smart Pay Limited[19]	-	61.81	38.19	To provide a fintech driven electronic payment services and other related services	Bangladesh
Subsidiary held through Axiata Investments (UK) Limited					
Reynolds Holdings Limited[4]	-	100.00	-	Investment holding	St Kitts and Nevis
Subsidiary held through Reynolds Holdings Limited					
Ncell Axiata Limited[3 and 8]	-	80.00	20.00	Telecommunication services	Nepal
Subsidiaries held through edotco Group Sdn Bhd					
edotco Bangladesh Co. Ltd[3]	-	44.10	55.90	Telecommunication infrastructure and services	Bangladesh
edotco Holdings (Labuan) Limited[1]	-	63.00	37.00	Investment holding	Federal Territory Labuan, Malaysia
edotco Investments (Labuan) Limited[1]	-	63.00	37.00	Investment holding	Federal Territory Labuan, Malaysia
edotco Malaysia Sdn Bhd[1]	-	63.00	37.00	Telecommunication infrastructure and services	Malaysia
PT edotco Infrastruktur Indonesia[2]	-	63.00	37.00	Telecommunication infrastructure and services	Indonesia
Subsidiary held through edotco Holdings (Labuan) Limited					
edotco (Cambodia) Co., Ltd[2]	-	50.40	29.60	Telecommunication infrastructure and services	Cambodia
Subsidiaries held through edotco Investments (Labuan) Limited					
edotco Investments Singapore Pte Ltd[2]	-	55.13	44.87	Investment holding	Singapore
edotco Lao Company Limited[4]	-	50.40	49.60	Telecommunication infrastructure and services	Laos
edotco Pakistan (Private) Limited[2]	-	63.00	37.00	Telecommunication infrastructure and services	Pakistan
edotco Services Lanka (Private) Limited[2]	-	63.00	37.00	Provision of end to end Integrated Infrastructure Services	Sri Lanka
edotco Towers (Bangladesh) Limited[3]	-	63.00	37.00	Telecommunication infrastructure and services	Bangladesh
Edotco Towers, Inc. (formerly known as ISOC edotco Towers, Inc.)[2 and 16]	-	63.00	37.00	Telecommunication infrastructure and services	Philippines

Notes to the Financial Statements For the financial year ended 31 December 2022

41. LIST OF SUBSIDIARIES (CONTINUED)

The list of subsidiaries of the Group as at 31 December 2022 is as follows: (continued)

Name of company	Ownership interest directly held by the parent (%)	Ownership interest held by the Group (%)	Ownership interest held by NCI (%)	Principal activities	Country and place of incorporation
Subsidiaries held through edotco Investments Singapore Pte Ltd					
Asian Towers Holdings Private Limited[3]	-	55.13	44.87	Investment holding	Singapore
edotco Myanmar Limited[3]	-	55.13	44.87	Telecommunication infrastructure and services	Myanmar
edotco Urban Infrashare Ltd[3]	-	55.13	44.87	Telecommunications infrastructure and related services	Myanmar
Subsidiary held through edotco Pakistan (Private) Limited					
edotco Towers Pakistan (Private) Limited[2]	-	63.00	37.00	Telecommunication infrastructure and services	Pakistan
Subsidiaries held through edotco Malaysia Sdn Bhd					
Tanjung Digital Sdn Bhd[1]	-	50.40	49.60	Investment holding	Malaysia
On Site Services Sdn Bhd ("OSS")[1 and 13]	-	63.00	37.00	Provision of field line maintenance business including preventive, corrective maintenance and support services	Malaysia
Touch Mindscape Sdn Bhd[1]	-	63.00	37.00	Telecommunication infrastructure and services	Malaysia
Subsidiary held through Tanjung Digital Sdn Bhd					
Yiked Bina Sdn Bhd[1]	-	50.40	49.60	Telecommunication infrastructure and services	Malaysia
Subsidiaries held through Touch Mindscape Sdn Bhd					
Shahzan Alam Muda Sdn Bhd[1]	-	50.40	49.60	Telecommunication infrastructure and services	Malaysia
Touch Matrix Sdn Bhd[1]	-	63.00	37.00	Telecommunication infrastructure and services	Malaysia
Touch Mindscape (Melaka) Sdn Bhd[1]	-	34.65	65.35	Telecommunication infrastructure and services	Malaysia
Touch Mobile Sdn Bhd[1]	-	63.00	37.00	Other business support service activities	Malaysia
Subsidiary held through Axiata Investments 1 (India) Limited					
Axiata Investments 2 (India) Limited[2 and 18]	-	100.00	-	Investment holding	Mauritius

1 Audited by PricewaterhouseCoopers Malaysia.

2 Audited by member firms of PricewaterhouseCoopers International Limited which are separate and independent legal entities from PricewaterhouseCoopers Malaysia.

3 Audited by a firm other than a member firm of PricewaterhouseCoopers International Limited.

4 No audit is required as allowed by the laws of the respective country of incorporation.

41. LIST OF SUBSIDIARIES (CONTINUED)

The list of subsidiaries of the Group as at 31 December 2022 is as follows: (continued)

5 Incorporated during the financial year.

6 Inactive as at 31 December 2022.

7 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.

8 Ncell has a financial year end in accordance with the calendar year of Nepal which falls in the middle of July every year.

9 The Group exercises its controlling power on DADIF via the Investment and Shareholders' Agreement. The ownership interest in DADIF is calculated based on issued and paid-up capital of DADIF including preference shares with no voting rights.

Accordingly, the Group also exercises its controlling power on DH and MyHealth via its subsidiaries, DADIF and Dialog.

10 The Group exercises its controlling power via its subsidiary, Dialog.

11 On 31 October 2019, Komli Network Philippines Inc commenced the voluntary liquidation and dissolution.

12 Ownership interest in XL is calculated based on issued and paid-up share capital of XL, excluding treasury shares with no voting rights. Based on the total issued and paid-up share capital of XL, including treasury shares, the ownership interest held by the Group and NCI is 66.53% and 33.47%, respectively.

13 Ownership interest in OSS is calculated based on issued and paid-up share capital of OSS, including issued and paid-up share capital held by CIMB Commerce Trustee Berhad ("CIMB Trustee") for the purpose of establishing the employee benefit trust scheme of OSS ("OSS Scheme"). The subscription and dealings of the employee benefit trust shares ("EBT Shares") under the Scheme shall be in the manner prescribed by the Board of OSS or OSS Scheme Committee from time to time.

In accordance with MFRS 10 - Consolidated Financial Statements, the Group does not recognise any non-controlling interest in relation to the EBT Shares held by CIMB Trustee as the Group effectively has control over the EBT Shares. Based on the total issued and paid-up share capital of OSS, the ownership interest held by the Group excluding EBT Shares is 49.77% and the ownership interest held by CIMB Trustee in relation to the EBT Shares is 50.23%.

14 Acquisitions during the financial year as disclosed in Note 5(a)(i) and Note 5(a)(iii) to the financial statements.

15 Change in ownership interests due to accretions and dilutions during the financial year as disclosed in Note 5(a)(v) and Note 5(a)(vi) to the financial statements.

16 Additions during the financial year as disclosed in Note 5(a)(iv) to the financial statements.

17 In accordance with IC Interpretation 112 "Consolidation - Special Purpose Vehicles", Salvare Assets Berhad is consolidated in the Group as the substance of the relationship between the Group and the special purpose entity indicates that the entity is controlled by the Group. The entity is share trustee for the issuance of up to RM300.0 million in nominal value of the medium term notes as disclosed in Note 16(d)(ii) to the financial statements.

18 On 17 November 2022, Axiata Investments 2 (India) Limited commenced members' voluntary winding up.

19 Incorporation during the financial year as disclosed in Note 5(a)(vii) to the financial statements.

Notes to the Financial Statements For the financial year ended 31 December 2022

41. LIST OF SUBSIDIARIES (CONTINUED)

The following companies ceased to be the subsidiaries of the Group and the Company following the completion of the merger as disclosed in Note 5 (a)(ii) to the financial statements.

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
Celcom Berhad [formerly known as Celcom Axiata Berhad] ("Celcom")	100.00	100.00	-	Telecommunication network capacity, infrastructure and services	Malaysia
Subsidiaries held through Celcom					
Celcom Mobile Sdn Bhd	-	100.00	-	Mobile communications, network and application services and content	Malaysia
Celcom Networks Sdn Bhd	-	100.00	-	Network telecommunications, capacity and services	Malaysia
Celcom Properties Sdn Bhd	-	100.00	-	Property investment	Malaysia
Escape Axiata Sdn Bhd	-	100.00	-	Dormant	Malaysia
Celcom Retail Holding Sdn Bhd	-	100.00	-	Strategic and business development, management, administrative, support services and investment holding	Malaysia
Celcom Intelligence Sdn Bhd	-	100.00	-	Dormant	Malaysia
Celcom Timur (Sabah) Sdn Bhd	-	80.00	20.00	Fibre optic transmission network	Malaysia
Celcom eCommerce Sdn Bhd	-	100.00	-	Dormant	Malaysia
Celcom Resources Berhad	-	100.00	-	Investment holding	Malaysia
Subsidiary held through Celcom Retail Holding Sdn Bhd					
Celcom Retail Sdn Bhd	-	100.00	-	Trading and distribution of communication devices and related products and managing retail stores	Malaysia
Subsidiary held through Celcom Resources Berhad					
Celcom Trading Sdn Bhd	-	100.00	-	Dealing in marketable securities	Malaysia

42. LIST OF ASSOCIATES

The list of associates of the Group as at 31 December is as follows:

Name of company	Ownership interest held by the Group 2022 (%)	2021 (%)	Principal activities	Country and place of incorporation
Celcom Digi Berhad (formerly known as Digi.Com Berhad)[1]	33.10	-	Investment holding	Malaysia
Associate held through Dialog Axiata PLC				
Firstsource - Dialog Solutions (Private) Limited	21.39	21.51	Dormant	Sri Lanka
Associate held through Digital Broadband Networks (Private) Limited				
Digital Realty (Private) Limited	28.79	28.96	Establish, operate and manage data centre	Sri Lanka
Associate held through Axiata SPV4 Sdn Bhd				
Axiata Digital Innovation Fund Sdn Bhd[2]	62.19	62.19	Venture capital fund	Malaysia
Associates held through Smart Axiata Co., Ltd				
SADIF LP[3]	57.98	57.98	Venture capital fund	Federal Territory Labuan, Malaysia
Pi Pay International Co. Limited	19.15	19.15	Investment holding	Hong Kong
Associate held through PT XL Axiata Tbk				
PT Princeton Digital Group Data Centres[4 and 5]	9.86	18.44	Rack server rental services	Indonesia
Associate held through Celcom Axiata Berhad				
Sacofa Sdn Bhd[1]	-	15.12	Telecommunications infrastructure and services company including all its related businesses	Malaysia

1 Newly acquired associate of the Group and the Company/ ceased to be an associate of the Group following the completion of the merger of Celcom and Digi as disclosed in Note 5(a)(ii) to the financial statements.

2 The Group and the Company exercised its significant influence via 1 out of 7 votes in the Investment Committee.

3 The Group exercised its significant influence via 2 out of 5 votes in the Investment Committee.

4 The Group exercised its significant influence via material transactions entered with the associate.

5 Change in ownership interest due to dilution during the financial year as disclosed in Note 5(a)(viii) to the financial statements.

Notes to the Financial Statements For the financial year ended 31 December 2022

43. LIST OF JOINT VENTURES

The list of joint ventures of the Group as at 31 December is as follows:

Name of company	Ownership interest held by the Group 2022 (%)	Ownership interest held by the Group 2021 (%)	Principal activities	Country and place of incorporation
Joint venture held through Axiata SPV4 Sdn Bhd				
Merchantrade Asia Sdn Bhd	19.00	19.00	Provision of money services business (remittance business and currency business), communication business and payment business	Malaysia
Joint venture held through PT XL Axiata Tbk				
PT One Indonesia Synergy[1]	33.27	30.74	Consultancy services in future network collaboration	Indonesia
Joint venture held through Axiata Digital Services Sdn Bhd				
Trust Axiata Digital Limited	47.31	47.27	Mobile financial services	Bangladesh
Joint venture held through Celcom Axiata Berhad				
Tune Talk Sdn Bhd[2]	-	35.00	Mobile communication services	Malaysia

1 Change in ownership interests due to accretions as disclosed in Note 5(a)(v) to the financial statements.

2 Ceased to be a joint venture of the Group following the completion of the merger as disclosed in Note 5(a)(ii) to the financial statements.

44. 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 Parties Disclosure.

Khazanah Nasional Berhad ("Khazanah") has direct interest of 36.73% in the Company's shares. Khazanah is the sovereign wealth fund of the Government of Malaysia and was incorporated under the Companies Act 2016 on 3 September 1993 as a public limited company.

The Government of Malaysia and bodies controlled or jointly controlled by the Government of Malaysia are related parties of 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 it exists, related party transactions also include transactions 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.

Notes to the Financial Statements For the financial year ended 31 December 2022

44. RELATED PARTY TRANSACTIONS (CONTINUED)

		Group		Company	
		2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000 Restated
(a)	Sale of goods and services:				
	Associates:				
	- Telecommunication services	**46,925**	1,519	**-**	-
	Joint ventures:				
	- Telecommunication services	**-**	281,726	**-**	-
(b)	Purchase of goods and services:				
	Associates:				
	- Leaseline charges, maintenance and others	**(46,987)**	(122,054)	**-**	-
	Joint ventures:				
	- Revenue sharing	**-**	(1,163)	**-**	-
(c)	Intercompany service agreement with subsidiaries:				
	- Technical and management services	**-**	-	**67,704**	71,120
(d)	Dividends received from subsidiaries[1]	**-**	-	**1,292,766**	1,635,052
(e)	Receivable from associates	**2,555,096**	4,262	**2,420,414**	-
(f)	Receivable from joint ventures	**-**	21,853	**-**	-
(g)	Payable to associates	**(24,746)**	(6,107)	**(2,004)**	-
(h)	Lease payable to associates	**(112,063)**	(123,316)	**-**	-
(i)	Amounts due from subsidiaries:				
	- Repayments from	**-**	-	**373,230**	375,661
	- Advances to	**-**	-	**(5,217,753)**	(348,505)
(j)	Amounts due to subsidiaries:				
	- Advances from	**-**	-	**21,844**	179,333
	- Repayments to	**-**	-	**(11,258)**	(6,382)
(k)	Interest expense on advances from subsidiaries	**-**	-	**(317,724)**	(380,668)
(l)	Interest income on advances to subsidiaries	**-**	-	**143,361**	90,013
(m)	Interest income on advances to associates	**7,032**	-	**7,032**	-
(n)	Provision of guarantee to subsidiaries	**-**	-	**(659,616)**	-

[1] In previous financial year, dividend received amounting to RM900.2 million are non-cash transactions, of which RM330.0 million were offset against amounts due to subsidiaries.

Notes to the Financial Statements For the financial year ended 31 December 2022

44. RELATED PARTY TRANSACTIONS (CONTINUED)

(o) Key management compensation short term employee benefits:

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
- Salaries, allowances and bonus:				
- current financial year	**33,129**	24,595	**33,129**	24,595
- prior financial year	**3,658**	(828)	**3,658**	(828)
- Contribution to EPF	**2,648**	1,746	**2,648**	1,746
- Estimated money value of benefits	**6**	12	**6**	12
- Other staff benefits	**164**	230	**164**	230
- Share-based compensation expense	**3,749**	4,401	**3,749**	4,401
- Fees and allowances of Non-Executive Directors of the Company ("NEDs")	**4,363**	4,065	**3,100**	2,949
- Estimated money value of benefits of NEDs	**771**	446	**771**	446

Included in key management compensation is the Directors' remuneration of the Company as disclosed in Note 7(e) to the financial statements.

45. DIVIDENDS

	Tax exempt dividend under single tier system					
	2022			2021		
	Type	Per ordinary share Sen	Total RM'000	Type	Per ordinary share Sen	Total RM'000
In respect of financial year ended 31 December:						
- 2020	**-**	**-**	**-**	Final	5.0	458,631
- 2021	**Interim**	**5.5**	**504,724**	Interim	4.0	366,908
- 2022*	**Interim**	**5.0**	**458,862**	-	-	-
- 2022*	**Interim**	**4.0**	**367,090**	-	-	-
		14.5	**1,330,676**		9.0	825,539

* The dividends were subsequently paid by the Company on 20 January 2023.

The Board of Directors had, on 23 February 2023, 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 2022 amounting to RM458.9 million. The dividend was subsequently paid by the Company on 28 March 2023.

Notes to the Financial Statements For the financial year ended 31 December 2022

46. PRESENTATION OF CONTINUING AND DISCONTINUED OPERATIONS IN A COMBINED FORMAT

The consolidated profit and loss of the Group for the financial year ended 31 December 2022 and comparative figures of 2021 are re-presented in a combined format of continuing and discontinued operations for reference purposes:

	2022			2021		
	Continuing operations RM'000	Discontinued operations RM'000	Total RM'000	Continuing operations RM'000	Discontinued operations RM'000	Total RM'000
Revenue	**21,700,151**	**5,795,919**	**27,496,070**	19,994,368	5,906,293	25,900,661
Operating costs:						
- depreciation, impairment and amortisation	**(11,223,722)**	**(980,250)**	**(12,203,972)**	(6,657,846)	(1,437,022)	(8,094,868)
- foreign exchange (losses)/gains	**(372,300)**	**(1,349)**	**(373,649)**	58,050	189	58,239
- domestic interconnect, international outpayment and other direct costs	**(2,308,893)**	**(277,628)**	**(2,586,521)**	(1,972,088)	(227,842)	(2,199,930)
- marketing, advertising and promotion	**(1,862,175)**	**(249,898)**	**(2,112,073)**	(1,858,864)	(333,794)	(2,192,658)
- other operating costs	**(6,152,359)**	**(1,923,296)**	**(8,075,655)**	(5,685,331)	(2,277,902)	(7,963,233)
- staff costs	**(1,661,297)**	**(519,240)**	**(2,180,537)**	(1,536,728)	(534,278)	(2,071,006)
- (provision for)/reversal of impairment on financial assets,net	**(118,215)**	**11,185**	**(107,030)**	(39,098)	(30,719)	(69,817)
Other gains/(losses) - net	**28,225**	**(4)**	**28,221**	17,026	35,008	52,034
Other income - net	**1,537**	**83,929**	**85,466**	107,224	291,431	398,655
Net gain on disposal of a group of subsidiaries	**-**	**13,530,081**	**13,530,081**	-	-	-
	(1,969,048)	**15,469,449**	**13,500,401**	2,426,713	1,391,364	3,818,077
Finance income	**255,316**	**(16,962)**	**238,354**	179,684	(28,702)	150,982
Finance costs	**(1,826,257)**	**(125,172)**	**(1,951,429)**	(1,411,448)	(153,621)	(1,565,069)
Foreign exchange losses on financing activities	**(622,879)**	**-**	(622,879)	(234,355)	-	(234,355)
	(2,449,136)	**(125,172)**	**(2,574,308)**	(1,645,803)	(153,621)	(1,799,424)
Associates						
- share of results (net of tax)	**(56,817)**	**15,714**	**(41,103)**	(1,663)	13,352	11,689
Joint ventures						
- share of results (net of tax)	**(9,709)**	**-**	**(9,709)**	(7,706)	-	(7,706)
(Loss)/Profit before taxation	**(4,229,394)**	**15,343,029**	**11,113,635**	951,225	1,222,393	2,173,618
Taxation and zakat	**(647,481)**	**(446,740)**	**(1,094,221)**	(643,690)	(253,047)	(896,737)
(Loss)/Profit for the financial year	**(4,876,875)**	**14,896,289**	**10,019,414**	307,535	969,346	1,276,881
(Loss)/Profit for the financial year attributable to:						
- owners of the company	**(5,132,165)**	**14,883,242**	**9,751,077**	(136,913)	955,813	818,900
- non-controlling interests	**255,290**	**13,047**	**268,337**	444,448	13,533	457,981
	(4,876,875)	**14,896,289**	**10,019,414**	307,535	969,346	1,276,881

Notes to the Financial Statements For the financial year ended 31 December 2022

47. RESTATEMENT OF COMPARATIVES

During the year, the Company has regularised its intercompany transactions with Axiata SPV2 Berhad, being the special purpose vehicle for financing on behalf of the Company for issuance of the Multi-Currency Sukuk as disclosed in Note 16 to the financial statements.

As a result, the Company has recognised all financing related costs payable to Axiata SPV2 Berhad which were not previously recognised, retrospectively from the date of issuance of the Sukuk in accordance with the terms of arrangement between the Company and Axiata SPV2 Berhad. There is no impact to the financial results and position of the Group as these are intercompany transactions.

The details of the restatement are as follows:

Statement of financial position

	As previously reported RM'000	Adjustment RM'000	As restated RM'000
As at 1 January 2021:			
Equity:			
Retained earnings/(Accumulated losses)	907,004	(1,059,138)	(152,134)
Non-current liabilities:			
Amounts due to subsidiaries	-	4,024,947[1]	4,024,947
Current liabilities:			
Amounts due to subsidiaries	8,312,525	(2,965,809)[1]	5,346,716

[1] The adjustment as at 1 January 2021 includes a reclassification of the amounts due to Axiata SPV2 Berhad from current to non-current liabilities to reflect the terms of arrangement between the Company and Axiata SPV2 Berhad.

As at 31 December 2021:			
Equity:			
Retained earnings/(Accumulated losses)	552,161	(1,249,070)	(696,909)
Non-current liabilities:			
Amounts due to subsidiaries	6,843,330[2]	1,212,833	8,056,163
Current liabilities:			
Amounts due to subsidiaries	1,201,245	36,237	1,237,482

[2] The amounts previously reported had presented the amounts due to Axiata SPV2 Berhad as non-current liabilities.

Notes to the Financial Statements For the financial year ended 31 December 2022

47. RESTATEMENT OF COMPARATIVES (CONTINUED)

The details of the restatement are as follows (continued):

Statement of comprehensive income for the financial year ended 31 December 2021

	As previously reported RM'000	Adjustment RM'000	As restated RM'000
Profit or loss:			
Operating costs:			
- Finance costs	(220,857)	(189,932)	(410,789)
Profit for the financial year	464,515	(189,932)	274,583
Profit for the financial year attributable to:			
- owners of the Company	464,515	(189,932)	274,583
Total comprehensive income for the financial year attributable to:			
- owners of the Company	464,515	(189,932)	274,583

Statement of cash flow for the financial year ended 31 December 2021

	As previously reported RM'000	Adjustment RM'000	As restated RM'000
Cash flows used in operating activities:			
- Payments of finance costs	(25,220)	(178,391)	(203,611)
Cash flows used in investing activities:			
- Advances to subsidiaries	(526,896)	178,391	(348,505)

48. EVENTS AFTER REPORTING PERIOD

(a) Dilution of equity interest in Axiata Digital Bangladesh (Private) Limited ("ADB")

ADA, a subsidiary of ADS had on 30 January 2023 completed the acquisition of 2,524,873 ordinary shares, representing 99.99% in ADB from ADS at a purchase consideration of BDT241.1 million (RM9.7 million). As a result, the Group's effective shareholding in ADB decreased from 96.56% to 61.29%.

(b) Incorporation of Boost Berhad

On 1 March 2023, the Group through Boost Holdings incorporated a new subsidiary, named Boost Berhad with RHB Bank Berhad ("RHB"). Boost Holdings and RHB holds 60.00% and 40.00% in Boost Berhad respectively. The intended principal activity of Boost Berhad is to set up a digital banking business under the Financial Services Act 2013 and the provision of related services.

(c) Accretion of equity interest in ADS

On 10 March 2023, ADS issued an additional 196,067 ordinary shares to the Company for a total consideration of RM92.0 million. Accordingly, the Company's equity interest in ADS increased from 96.56% to 96.66%.

Statutory Declaration Pursuant to Section 251(2) of the Companies Act 2016

We, Tan Sri Shahril Ridza Ridzuan and Dato Dr Nik Ramlah Nik Mahmood, 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 58 to 251 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 2022 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 28 March 2023.

TAN SRI SHAHRIL RIDZA RIDZUAN
DIRECTOR

DATO DR NIK RAMLAH NIK MAHMOOD
DIRECTOR

Statutory Declaration Pursuant to Section 251(1) of the Companies Act 2016

I, Vivek Sood, the Director primarily responsible for the financial management of Axiata Group Berhad, do solemnly and sincerely declare that the financial statements set out on pages 58 to 251 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 Kuala Lumpur on 28 March 2023, before me.

PESURUHJAYA SUMPAH
No. PJS: W 904
ROSLI BIN SAAD
1.2.2022 - 31.12.2024
MALAYSIA

COMMISSIONER FOR OATHS

50A-1, Jalan Kemuja
Bangsar Utama,
59000 Kuala Lumpur

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 2022, 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 2022 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 58 to 251.

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.

Independent Auditors' Report To the Members of Axiata Group Berhad

(Incorporated in Malaysia)
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REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

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
Goodwill impairment assessment in the Group's financial statements Refer to Note 3(b)(i) – Significant accounting policies – Goodwill, Note 4(a)(iii) – Critical accounting estimates and judgements – Intangible assets – expiry of telecommunication licence of a subsidiary, Note 4(b)(i) – Critical accounting estimates and judgements – Impairment assessment of goodwill and Note 24 – Intangible assets	
As at 31 December 2022, the Group's goodwill amounts to RM6,782.6 million. The Group is required to test goodwill for impairment annually based on the requirements of MFRS 136 "Impairment of Assets". Management's assessments of the recoverable amounts involved significant judgements and assumptions about future cash flows, discount rate and terminal growth rate. These judgements and assumptions are inherently uncertain. Based on the assessments performed, the carrying amounts of the Indonesia, Sri Lanka and Nepal cash generating units ("CGUs") as at 31 December 2022 exceeded their recoverable amounts, hence corresponding impairment losses of RM1,479.6 million, RM74.2 million and RM2,599.0 million was recognised during the year for the respective CGUs. We focused on the above as the assumptions made by the Group in determining the recoverable amounts are inherently uncertain, require significant judgements and are sensitive to changes.	We performed the following audit procedures: • We were assisted by our valuation expert in assessing the appropriateness of the methodology adopted by management for impairment assessment in accordance with MFRS 136 "Impairment of Assets"; • We assessed key assumptions including the discount rate, terminal growth rate, revenue growth rate, capital expenditure ("capex") to revenue ratio and EBITDA margin by comparing these assumptions against publicly available macroeconomic and industry data, as well as historical data and market expectations from industry reports, where available; • We discussed with management the assumptions underlying the cash flow projections including the terminal year cash flows, especially on the assumption of the licence fees in the terminal year for the Nepal CGU, and the likelihood of its licence renewal with the Government of Nepal beyond the maximum licence period which ends in the year 2029; • We assessed the reliability of management's forecast by comparing prior year forecast against actual results; and where applicable, obtained relevant corroborative or supporting evidence that management's projections may include periods into perpetuity. This included obtaining relevant supporting documents such as external legal opinion, as appropriate, that there is no contradictory evidence against management's assumptions;

Independent Auditors' Report To the Members of Axiata Group Berhad

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REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

Key audit matters (continued)

Key audit matters	How our audit addressed the key audit matters
Goodwill impairment assessment in the Group's financial statements (continued)	We performed the following audit procedures: (continued) • We checked the sensitivity analysis performed by management by stress testing the discount rate, terminal growth rate, revenue growth rate, capex to revenue ratio and EBITDA margin for respective CGUs and renewal of telecommunication licence for Nepal CGU; and • We checked the appropriateness of disclosures in the financial statements. Based on the procedures performed above, we did not identify any material exceptions.
Axiata Investments (UK) Limited's cost of investment impairment assessment in the Company's financial statements Refer to Note 3(a)(i) – Significant accounting policies – Subsidiaries, Note 4(a)(iii) – Critical accounting estimates and judgements – Intangible assets – expiry of telecommunication licence of a subsidiary, Note 4(b)(ii) – Critical accounting estimates and judgements – Impairment assessment of non-financial assets (excluding goodwill) and Note 28(b)(i) – Subsidiaries – Impairment assessment for Axiata Investments (UK) Limited ("AIUK") During the financial year, the Company performed impairment assessments of its cost of investments in certain subsidiaries, as there were indicators of impairment. Based on the impairment assessment of the Company's investment in AIUK, the carrying amount as at 31 December 2022 exceeded its recoverable amount, hence an impairment loss of RM2,363.0 million was recognised. We focused on the above as the assumptions made by the Company in determining the recoverable amounts are inherently uncertain, require significant judgements and are sensitive to changes.	We performed the following audit procedures: • We were assisted by our valuation expert in assessing the appropriateness of the methodology adopted by management for impairment assessment in accordance with MFRS 136 "Impairment of Assets"; • We assessed key assumptions including the discount rate, terminal growth rate, revenue growth rate, capex to revenue ratio and EBITDA margin by comparing these assumptions against publicly available macroeconomic and industry data, as well as historical data and market expectations from industry reports, where available; • We discussed with management the assumptions underlying the cash flow projections including the terminal year cash flows, especially on the assumption of the licence fees in the terminal year for the Nepal mobile business segment, and the likelihood of its licence renewal with the Government of Nepal beyond the maximum licence period which ends in the year 2029;

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REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

Key audit matters (continued)

Key audit matters	How our audit addressed the key audit matters
Axiata Investments (UK) Limited's cost of investment impairment assessment in the Company's financial statements (continued)	We performed the following audit procedures: (continued) • We assessed the reliability of management's forecast by comparing prior year forecast against actual results; and where applicable, obtained relevant corroborative or supporting evidence that management's projections may include periods into perpetuity. This included obtaining relevant supporting documents such as external legal opinion, as appropriate, that there is no contradictory evidence against management's assumptions; • We checked the computation of subsidiaries' equity value prepared by management with assistance from our valuation expert; • We checked the sensitivity analysis performed by management by stress testing the discount rate, terminal growth rate, revenue growth rate, capex to revenue ratio, EBITDA margin, renewal of telecommunication licence for the Nepal mobile business segment and deposits paid to avoid possible penalties in relation to an ongoing arbitration case; and • We checked the appropriateness of disclosures in the financial statements. Based on the procedures performed above, we did not identify any material exceptions.
Acquisition of equity interest in PT Link Net Tbk ("Link Net") and its subsidiaries Refer to Note 3(a)(i) – Significant accounting policies – Subsidiaries, Note 3(b)(i) – Significant accounting policies – Goodwill, Note 5(a)(i) – Significant changes in composition of the Group - Acquisition of equity interest in PT Link Net Tbk ("Link Net") and its subsidiaries On 27 January 2022, Axiata Investments Indonesia Sdn Bhd ("AII"), an indirect wholly owned subsidiary of the Company, and PT XL Axiata Tbk ("XL"), an indirect 61.48% owned subsidiary of the Company, signed a conditional share purchase agreement to jointly acquire an aggregate 1,816,735,484 ordinary shares representing 46.03% and 20.00% respectively equity interest in Link Net and its subsidiaries from Asia Link Dewa Pte Ltd and PT First Media Tbk at IDR4,800 per ordinary share in Link Net for a total consideration of IDR8,720.3 billion (RM2,590.0 million). The acquisition was completed on 22 June 2022 and Link Net became an effective owned 58.33% subsidiary of the Group.	We performed the following procedures: • We read the share purchase agreement and board minutes to agree the purchase consideration and corroborate identifiable assets acquired and liabilities assumed; • Management's identification of intangible assets acquired was checked by way of understanding the rationale for the acquisition and benchmarking the precedent market transactions involving companies in the similar industry;

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REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

Key audit matters (continued)

Key audit matters	How our audit addressed the key audit matters
Acquisition of equity interest in PT Link Net Tbk ("Link Net") and its subsidiaries (continued)	
The Group assessed the acquisition of Link Net to be a business acquisition in accordance with MFRS 3 "Business Combinations". Fair value of identified assets acquired and liabilities assumed on the date of acquisition was assessed via a purchase price allocation exercise. A goodwill of RM1,297.9 million was recognised in the Group's financial statements on the date of acquisition. We focused on the above as the assumptions made in determining the fair value of the identifiable assets acquired and liabilities assumed are inherently uncertain, requires significant judgement and are sensitive to changes.	We performed the following audit procedures: (continued) • We were assisted by our valuation experts in assessing the appropriateness of the methodology adopted by management in determining the fair value of the purchase consideration and identifiable assets acquired and liabilities assumed in accordance with MFRS 13 "Fair Value Measurement"; • We discussed with management the assumptions underlying the cash flow projections and checked that it has been approved by the Board; • We assessed key assumptions including the discount rate, EBITDA margin and royalty rates by comparing these assumptions against publicly available comparable companies data, as well as historical data; and • We checked the appropriateness of disclosures in the financial statements of the Group. Based on the procedures performed above, we did not identify any material exceptions.
Recognition and measurement of tax deposit paid in relation to AIUK's and Ncell's arbitration claim against Nepal Refer to Note 3(k) – Significant accounting policies – Trade and other receivables, Note 4(a)(iv) – Critical accounting estimates and judgements – Legal, regulatory and taxation claims and disputes across the Group, Note 4(b)(v) - Critical accounting estimates and judgements – Fair value of deposits paid in relation to ongoing legal, regulatory and taxation claims and disputes of the Group, Note 34 – Trade and other receivables and Note 38(e) – Contingencies, commitments and other legal matters – Other legal matters	
On 11 April 2016, AIUK, a wholly owned subsidiary of the Company, completed the acquisition, from TeliaSonera Norway Nepal Holdings AS, of the entire equity interest in Reynolds Holdings Limited ("Reynolds"). Reynolds in turn owns 80.00% equity interest in Ncell ("Transaction").	We performed the following audit procedures: • We assessed management's accounting for the arbitration claim; • We reviewed exchanges between the Group and its external legal counsel and assessed replies to our enquiries. We considered developments up to the issue date of our report;

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REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

Key audit matters (continued)

Key audit matters	How our audit addressed the key audit matters
Recognition and measurement of tax deposit paid in relation to AIUK's and Ncell's arbitration claim against Nepal (continued)	
On 24 April 2019, AIUK and Ncell, a wholly owned subsidiary and an indirect 80.00% owned subsidiary of the Company 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"). Nepal was notified of the Request on 25 April 2019. AIUK's and Ncell's claims as set out in the Request related to Nepal's conduct in contravention of its international law obligations under the Bilateral Investment Treaty. In particular, the claims related to Nepal's conduct in imposing capital gains tax ("CGT") in connection with AIUK's acquisition of Reynolds' shares. AIUK and Ncell dispute the entirety of the CGT allegedly payable by Ncell in connection with the Transaction and are arguing, among other things, that the imposition of CGT by Nepal in relation to the Transaction is unlawful. AIUK and Ncell are seeking 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 NPR47,009.9 million (RM1,558.7 million) in alleged outstanding CGT. The Board of Directors are of the view that AIUK and Ncell have strong prospects of success in the arbitration proceedings against Nepal. In the event that the outcome of the case is unfavourable, the Group's and the Company's statements of comprehensive income are expected to be adjusted by approximately NPR11,000.1 million (RM364.7 million). 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.	We performed the following audit procedures: (continued) • We discussed with the legal counsel on the assumptions used in determining fair value of the tax deposit recognised; • We assessed assumptions used by management to evaluate the recognition and measurement of the tax deposit which included probabilities of various scenario outcomes and the timing of cash flows; and • We assessed the appropriateness of disclosures in the financial statements of the Group and of the Company. Based on the procedures performed above, we did not identify any material exceptions.

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REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

Key audit matters (continued)

Key audit matters	How our audit addressed the key audit matters
Recognition and measurement of tax deposit paid in relation to AIUK's and Ncell's arbitration claim against Nepal (continued) 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. 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 itself. 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.	
Contingent liabilities Refer to Note 3(q) – Significant accounting policies – Contingent liabilities and contingent assets, Note 4(a)(iv) – Critical accounting estimates and judgements – Legal, regulatory and taxation claims and disputes across the Group, Note 38(d) – Contingencies, commitments and other legal matters 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. 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.	We performed the following audit procedures: • 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 the requirements of MFRS 137 "Provisions, Contingent Liabilities and Contingent Assets"; • We analysed significant changes in material contingent liabilities from prior periods and obtained a detailed understanding of these changes and assumptions applied; • We reviewed the exchanges between the Group and its legal and tax advisors and assessed replies from them to our enquiries. We considered developments up to the issue date of our report; and • We assessed the appropriateness of disclosures to the financial statements of the Group. Based on the procedures performed above, we did not identify any material exceptions.

Independent Auditors' Report To the Members of Axiata Group Berhad

(Incorporated in Malaysia)
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REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

Key audit matters (continued)

<table>
<tr><th>Key audit matters</th><th>How our audit addressed the key audit matters</th></tr>
<tr><td>Accuracy of revenue recorded given the complexity of systems

Refer to Note 3(t) – Significant accounting policies – Revenue, Note 4(a)(v) – Critical accounting estimates and judgements – Identification of performance obligation and Note 6 – Revenue

The Group's revenue of RM21.7 billion during the financial year ended 31 December 2022 comprised primarily mobile services including interconnect services and sale of devices of RM16.3 billion and RM0.2 billion respectively.

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.

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.</td><td>We performed the following audit procedures:

• Evaluated the relevant IT systems and the design of controls, and tested the operating effectiveness of controls over the:
– capturing and recording of revenue transactions;
– authorisation of rate changes and the input of this information to the billing systems; and
– accuracy of calculation of amounts billed to customers;

• 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;

• Assessed 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;

• Assessed management's determination on the identification of separate performance obligations over material customer contracts with bundling arrangements and assessed against the terms of the customer contracts;

• 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

• Examined material non-standard journal entries and on the adjustments posted to revenue accounts.

Based on the procedures performed above, we did not identify any material exceptions.</td></tr>
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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 on Risk Management and Internal Control, which we obtained prior to the date of this auditors' report, and Axiata Integrated Annual Report 2022 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.

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)

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: (continued)

(d) Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's or on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.

(e) Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that achieves fair presentation.

(f) Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements of the Group. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, 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.

Independent Auditors' Report To the Members of Axiata Group Berhad

(Incorporated in Malaysia)
Registration No. 199201010685 (242188-H)

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 41 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.

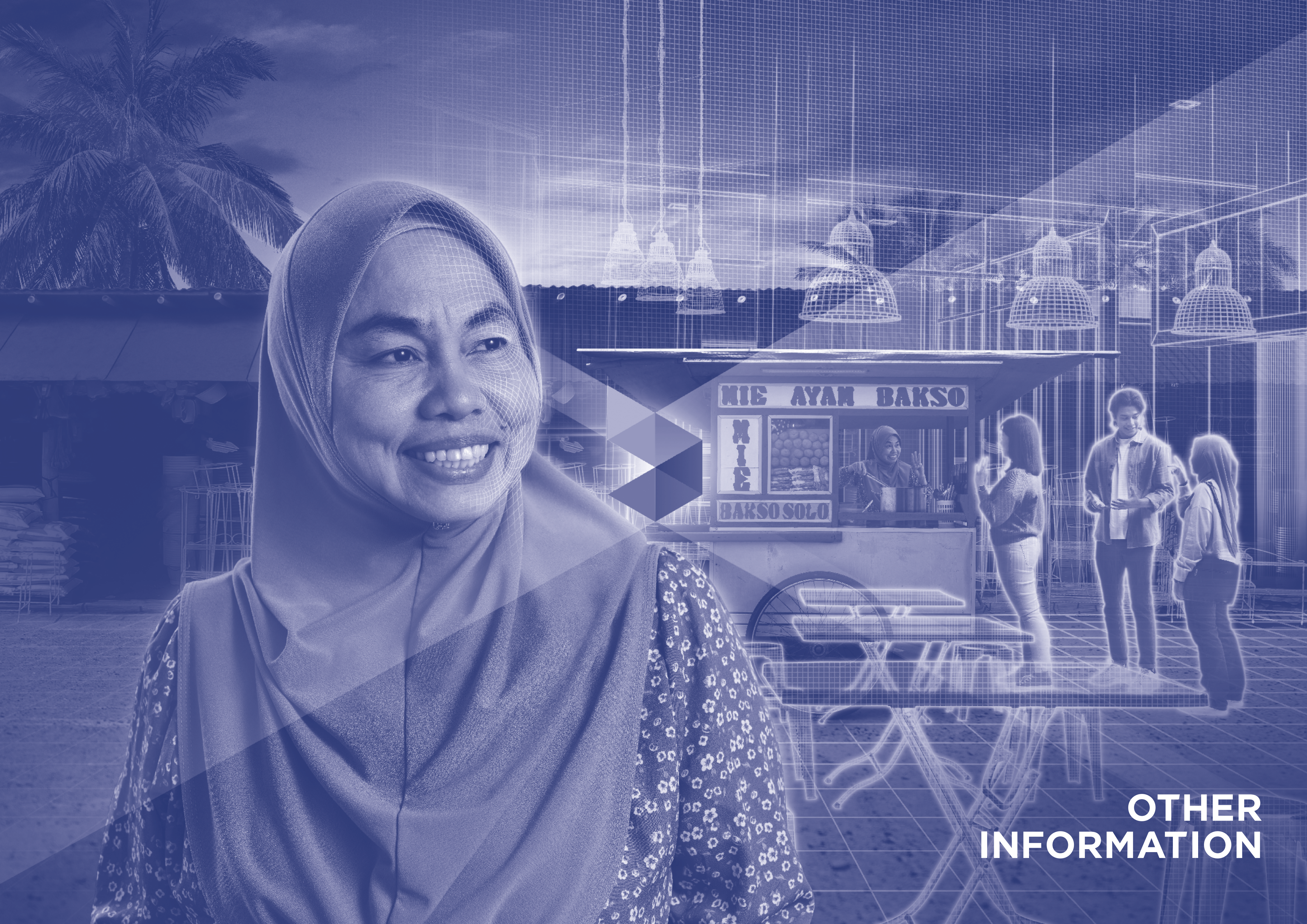
PricewaterhouseCoopers PLT

PRICEWATERHOUSECOOPERS PLT
LLP0014401-LCA & AF 1146
Chartered Accountants

NURUL A'IN BINTI ABDUL LATIF
02910/02/2025 J
Chartered Accountant

Kuala Lumpur
28 March 2023

OTHER INFORMATION



Shareholding Statistics As at 31 March 2023

ANALYSIS OF SHAREHOLDINGS

Issued Shares:
- 9,178,951,782 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:
- 24,102

DISTRIBUTION OF SHAREHOLDINGS
(without aggregating the securities from different securities accounts belonging to the same Depositor)

	Shareholders				Shares			
	Malaysian		Foreign		Malaysian		Foreign	
Size of Shareholdings	No.	%	No.	%	No.	%	No.	%
Less than 100	2,321	10.08	24	2.24	45,467	0.00[1]	589	0.00[1]
100 – 1,000	6,242	27.10	103	9.60	4,253,280	0.05	60,599	0.00[1]
1,001 – 10,000	11,636	50.53	207	19.29	41,805,357	0.51	884,484	0.09
10,001 – 100,000	2,453	10.65	264	24.60	64,734,241	0.79	11,696,960	1.15
100, 001 – 458,947,588 (less than 5% of issued shares)	374	1.62	475	44.27	2,239,913,160	27.44	1,004,035,231	98.76
458,947,589 and above (5% and above of issued shares)	3	0.01	0	0.00	5,811,522,414	71.20	0	0.00
Total	23,029	100.00	1,073	100.00	8,162,273,919	100.00	1,016,677,863	100.00

Note:
[1] Less than 0.01%

CATEGORY OF SHAREHOLDINGS

Category of Shareholders	No. of Shareholders	% of Shareholders	No. of Shares Held	% of Issued Shares
Individuals	18,970	78.71	103,761,671	1.13
Bank/Finance Companies	65	0.27	2,322,859,524	25.31
Investments Trusts/Foundations/Charities	10	0.04	121,711	0.00[1]
Other Types of Companies	219	0.91	29,221,773	0.32
Government Agencies/Institutions	13	0.05	3,371,820,594	36.73
Nominees	4,823	20.01	3,351,159,451	36.50
Others	2	0.01	7,058	0.00[1]
Trustee	0	0.00	0	0.00
Total	24,102	100.00	9,178,951,782	100.00

Note:
[1] Less than 0.01%

Shareholding Statistics As at 31 March 2023

SUBSTANTIAL SHAREHOLDERS (HOLDING 5% & ABOVE)

(as per Register of Substantial Shareholders)

		Direct Interest		Indirect/ Deemed Interest		Total Interest	
No.	Name	No. of Shares Held	% of Issued Shares	No. of Shares Held	% of Issued Shares	No. of Shares Held	% of Issued Shares
1.	Khazanah Nasional Berhad	3,371,238,617	36.73	-	-	3,371,238,617	36.73
2.	Citigroup Nominees (Tempatan) Sdn Bhd - Employees Provident Fund Board	1,549,793,628	16.88	-	-	1,549,793,628	16.88
3.	AmanahRaya Trustees Berhad - Amanah Saham Bumiputera	1,095,403,787	11.93	-	-	1,095,403,787	11.93

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:

	Number of Ordinary shares					
	Direct Interest		Indirect Interest		Total Interest	
Interest in the Company	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	10,000[1]	0.00[2]
Vivek Sood	765,800	0.00	-	-	765,800	0.00[2]
Dr Hans Wijayasuriya	976,773	0.01	-	-	976,773[3]	0.01

	Options/RSA over number of Ordinary shares					
	Direct Interest		Indirect Interest		Total Interest	
Interest in the Company	No. of Shares Held	% of Issued Shares	No. of Shares Held	% of Issued Shares	No. of Shares Held	% of Issued Shares
Vivek Sood - PBLTIP	440,050	0.00	-	-	440,050	0.00[2]
Dr Hans Wijayasuriya - PBLTIP	576,950	0.00	-	-	576,950	0.00[2]

	Number of Ordinary shares					
	Direct Interest		Indirect Interest		Total Interest	
Interest in Dialog Axiata PLC	No. of Shares Held	% of Issued Shares	No. of Shares Held	% of Issued Shares	No. of Shares Held	% of Issued Shares
Dr Hans Wijayasuriya	2,408,470	8.21	-	-	2,408,470	8.21
	-	-	440	0.00	440[1]	0.00[2]

Notes:

1 Shares held through spouse

2 Less than 0.01%

3 Shares held under CGS-CIMB Nominees (Asing) Sdn Bhd

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 31 March 2023

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	36.43
2.	Citigroup Nominees (Tempatan) Sdn Bhd *Employees Provident Fund Board*	1,372,277,270	14.95
3.	AmanahRaya Trustees Berhad *Amanah Saham Bumiputera*	1,095,403,787	11.93
4.	Kumpulan Wang Persaraan (Diperbadankan)	313,297,146	3.41
5.	Citigroup Nominees (Tempatan) Sdn Bhd *Exempt An for AIA Bhd*	146,482,467	1.60
6.	AmanahRaya Trustees Berhad *Amanah Saham Malaysia*	141,028,574	1.54
7.	Permodalan Nasional Berhad	121,822,481	1.33
8.	AmanahRaya Trustees Berhad *Amanah Saham Malaysia 2-Wawasan*	119,372,143	1.30
9.	AmanahRaya Trustees Berhad *Amanah Saham Malaysia 3*	106,820,562	1.16
10.	Lembaga Tabung Haji	100,128,300	1.09
11.	Citigroup Nominees (Tempatan) Sdn Bhd *Great Eastern Life Assurance (Malaysia) Berhad (Par 1)*	65,578,625	0.71
12.	Cartaban Nominees (Asing) Sdn Bhd *Exempt An For State Street Bank & Trust Company (West CLT OD67)*	64,243,700	0.70
13.	Citigroup Nominees (Tempatan) Sdn Bhd *Urusharta Jamaah Sdn Bhd (1)*	63,400,000	0.69
14.	HSBC Nominees (Asing) Sdn Bhd *JPMCB NA for Vanguard Emerging Markets Stock Index Fund*	62,740,249	0.68
15.	AmanahRaya Trustees Berhad *Amanah Saham Bumiputra 3-Didik*	61,384,354	0.67
16.	Maybank Nominees (Tempatan) Sdn Bhd *Maybank Trustees Berhad for Public Ittikal Fund (N14011970240)*	60,000,000	0.65
17.	HSBC Nominees (Asing) Sdn Bhd *JPMCB NA for Vanguard Total International Stock Index Fund*	59,653,235	0.65
18.	Citigroup Nominees (Tempatan) Sdn Bhd *Employees Provident Fund Board (NOMURA)*	45,508,900	0.50
19.	Cartaban Nominees (Tempatan) Sdn Bhd *PAMB for Prulink Equity Fund*	45,114,548	0.49
20.	Citigroup Nominees (Asing) Sdn Bhd *CB Spore GW for Government of Singapore (GIC C)*	44,398,286	0.48
21.	Amanahraya Trustees Berhad *Public Islamic Dividend Fund*	40,756,234	0.44
22.	Maybank Nominees (Tempatan) Sdn Bhd *Maybank Trustees Berhad for Public Regular Savings Fund (N14011940100)*	38,375,094	0.42
23.	Amanahraya Trustees Berhad *Public Ittikal Sequel Fund*	34,432,790	0.38
24.	Pertubuhan Keselamatan Sosial	30,780,500	0.34
25.	HSBC Nominees (Asing) Sdn Bhd *JPMCB NA For Vanguard Fiduciary Trust Company Institutional Total International Stock Market Index Trust II*	26,853,600	0.29
26.	Citigroup Nominees (Tempatan) Sdn Bhd *Employees Provident Fund Board (CIMB PRIN)*	24,119,780	0.26
27.	Amanahraya Trustees Berhad *Public Islamic Equity Fund*	23,385,278	0.25
28.	Cartaban Nominees (Tempatan) Sdn Bhd *PBTB for Takafulink Dana Ekuiti*	23,183,947	0.25
29.	Citigroup Nominees (Tempatan) Sdn Bhd *Employees Provident Fund Board (CGS CIMB)*	22,942,572	0.25
30.	Citigroup Nominees (Tempatan) Sdn Bhd *Employees Provident Fund Board (AHAM AM)*	22,288,771	0.24
	TOTAL	**7,719,614,550**	**84.10**

List of Top Ten Properties

For the financial year ended 31 December 2022

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 2022 (RM)
1.	Ekantakuna Technical Office, Ekantakuna-4, Lalitpur, Nepal	Freehold land and building	Technical office	21	17.06.2010	68,618.0	8,562.2	18,660,510.9
2.	Office Building - 475, Union Place Colombo 02, Sri Lanka	Freehold building	Telecommunication, operation and network offices and transmission station	8	31.08.2015	-	13,712.5	17,862,399.3
3.	Centennial Tower Ground Floor, Jl. Gatot Subroto Kav. 24 & 25, Karet Semanggi, Setiabudi, Indonesia	Freehold Building	Office Building & Data Centre	7	27.01.2021	-	934.0	8,660,925.0
4.	Centennial Tower 26th Floor, Jl. Gatot Subroto Kav. 24 & 25, Karet Semanggi, Setiabudi, Indonesia	Freehold Building	Office Building	7	31.07.2021	-	757.0	8,412,686.4
5.	Nakhhu Head Office, Nakhu-4, Lalitpur, Nepal	Freehold building	Corporate office	30	17.05.2015	55,253.5	23,088.7	7,794,406.3
6.	Pokhara Data Centre, Sishwa Ward No.1, Pokhara, Nepal	Freehold building	Data centre	11	17.10.2012	33,489.3	5,909.9	7,520,091.0
7.	Welivita Road, Malabe, Sri Lanka	Freehold land	Transmission stations	-	31.12.2013	163,894.5	15,000.0	6,451,842.8
8.	Jl. Bulevar Gajah Mada, Lippo Cyber Park No.2170, 2172, 2176, 2178, 2180 & 2182, Panunggangan Barat, Cibodas, Indonesia	Freehold Building	Office Building	27	30.06.2020	-	2,100.0	5,289,302.4
9.	No. 24 Foster Lane, Union Place Colombo 02, Sri Lanka	Freehold land and building	Office building	8	30.06.2015	10,481.6	61,266.0	4,873,317.4
10.	Hetauda Data Centre, Hetauda Municipality Ward No. 1, Makwanpur, Nepal	Freehold building	Data centre	11	17.10.2012	20,462.9	3,306.0	4,773,650.3

Net Book Value of Land & Buildings For the financial year ended 31 December 2022

Location	Freehold No. of Lots	Freehold Area ('000 sq ft)	Net book value of land RM'000	Net book value of buildings RM'000
1. **Malaysia**				
(a) Selangor	2	59.6	489.7	-
(b) Perak	2	44.2	253.9	-
(c) Johor	6	41.6	350.0	-
2. **Indonesia**	8	8.6	410.5	128,344.8
3. **Sri Lanka**	39	1,027.4	8,752.3	42,331.3
4. **Bangladesh**	264	1,400.3	12,560.3	4,648.1
5. **Cambodia**	-	-	-	6,613.3
6. **Nepal**	9	492.8	31,695.8	22,124.0
Total	**330**	**3,074.5**	**54,512.5**	**204,061.5**

Glossary

3G
Third generation mobile phone technologies covered by the ITU IMT-2000 family

4G
Fourth generation mobile phone technology

5G
5G is the fifth generation technology standard for broadband cellular networks

AAP
Axiata Advisory Panel

ABAC
Anti-Bribery and Anti-Corruption

ACE
Axiata Certified Experts

ACFC
Axiata Cyber Fusion Centre

ADA
Axiata Digital & Analytics Sdn Bhd

ADIF
Axiata Digital Innovation Fund Sdn Bhd

ADL
Axiata Digital Labs (Private Limited)

AEIB
Axiata Enterprise Investment Board Committee

AFS
Audited Financial Statements

AGA
Axiata Group Analytics

AGIA
Axiata Group Internal Audit

AGM
Annual General Meeting

AI
Artificial Intelligence

AII
Axiata Investments (Indonesia) Sdn Bhd

AIL
Axiata Investments (Labuan) Limited

Airtel
Airtel Bangladesh Limited

AMI
Advanced Metering Infrastructure Solution

APAC
Asia Pacific

API
Application Programming Interface

ARPU
Average Monthly Revenue Per User

ASEAN
Association of Southeast Asian Nations

Axiata
Axiata Group Berhad

Axiata Digital or ADS
Axiata Digital Services Sdn Bhd

Axiata Group
Axiata and its subsidiaries

Axiata SPV2
Axiata SPV2 Berhad

AYTP
Axiata Young Talent Programme

B2B
Business to Business

B2C
Business to Consumer

B2S
Build to Suit

BAC
Board Audit Committee

BAKTI
Telecommunications and Information Accessibility Agency (Indonesia)

BARC
Board Annual Report Committee

BCG
Boston Consulting Group

BCM
Business Continuity Management

BEE
Board Effectiveness Evaluation

BNC
Board Nomination Committee

BNM
Bank Negara Malaysia

BNPL
BNPL buy-now-pay-later

BNRC
Board Nomination and Remuneration Committee

BOD or Board
Board of Directors

Boost or Boost Holdings
Boost Holdings Sdn Bhd

BRC
Board Remuneration Committee

BRCC
Board Risk and Compliance Committee

BRT
Business Response Team

Bursa Securities
Bursa Malaysia Securities Berhad

BSC
Board Sustainability Committee

BSS
Business Support System

BTS
Base Transceiver Stations

CAPEX
Capital Expenditure

CB
Collective Brain

CC
Commencement Certificate

CCA
Consumer Credit Act

CDC
Charge-Discharge Cycling

CDP
Carbon Disclosure Project

Celcom
Celcom Berhad (formerly known as Celcom Axiata Berhad)

CelcomDigi
CelcomDigi Berhad (formerly known as Digi.Com Berhad)

CMSB
Celcom Mobile Sdn Bhd

Celcom Networks
Celcom Networks Sdn Bhd

CeIO
Certified Integrity Officer

CEO
Chief Executive Officer

CG
Corporate Governance

CIA
Certified Internal Auditor

CIMA
Chartered Institute of Management Accountants

CIPM
Certified Information Privacy Manager

CMMI
Capability Maturity Model Integration

CODE
Code of Conduct and Ethics

CPA
Certified Practising Accountant

CSA
Corporate Sustainability Assessment

CSP
Communication Service Provider

CSR
Corporate Social Responsibility

CX
Customer Experience

CXO
Chief Experience Officer

CYDIP
Celcom Young Digital Innovators Programme

DBN
Dialog Broadband Networks (Private) Limited

DEI
Diversity, Equity and Inclusion

Dialog
Dialog Axiata PLC

DNB
Digital Nasional Berhad

DPO
Data Privacy Officer

DPR
Dividend Payout Ratio

DPS
Dividend Per Share

DRS
Dividend Reinvestment Scheme

DTE
Digital Telco Enabler

DTH
Direct to Home

DTM
Digitised Telco Model

DT&R
Digital Trust and Resilience

DTV
Dialog Television (Private) Limited

e-money
electronic money

e-wallet
digital wallet

EBIT
Earnings Before Interest and Taxes

EBITDA
Earnings Before Interest, Taxes, Depreciation and Amortisation

ECH
Entertainment and Corporate Hospitality

ED
Executive Director

EDGE
Enhanced Data rates for GSM Evolution

edotco Bangladesh
edotco Bangladesh Co Ltd

EDOTCO
edotco Group Sdn Bhd

edotco Malaysia
edotco Malaysia Sdn Bhd

EPF
Employees Provident Fund of Malaysia

EPS
Earning Per Share

ERM
Enterprise Risk Management

ESG
Environmental, Social and Governance

EV
Enterprise Value

EWG
Experts Working Group

FBMKLCI
FTSE Bursa Malaysia KLCI

FC
Financial Capital

FCF
Free Cash Flow

FDI
Foreign Direct Investment

FIRST
Forum of Incident Response and Security Teams

Glossary

Forex
Foreign Exchange

F&P Policy
Fit & Proper Policy

FWA
Fixed Wireless Access

FY19/FY2019
Financial year ended 31 December 2019

FY20/FY2020
Financial year ended 31 December 2020

FY21/FY2021
Financial year ended 31 December 2021

FY22/FY2022
Financial year ended 31 December 2022

GAFS
Governance and Audited Financial Statements Report

GAP
Group AXcelerator Programme

GB
Gigabyte

GBI
Green Building Index

GCEO and Managing Director
Group Chief Executive Officer and Managing Director

GCFO
Group Chief Financial Officer

GCIA
Group Chief Internal Auditor

GDP
Gross Domestic Product

GDS
Gifts, Donations and Sponsorships

GHG
Greenhouse Gas

GJ
Gigajoule

GPRS
General Packet Radio Service

GRI
Global Reporting Initiative

GSM
Global System for Mobile Communications

GSMA
The GSM Association

GSOC
Group Security Operations Centre

GTV
Gross Transaction Value

HC
Human Capital

Hypernet
PT Hipernet Indodata

HR
Human Resource

IA
Internal Audit

IAR
Integrated Annual Report

IC
Intellectual Capital

ICT
Information and Communications Technology

IFRS
International Financial Reporting Standards

IGU
Integrity and Governance Unit

IIRC
International Integrated Reporting Council

ILD
International Long Distance

INED
Independent Non-Executive Director

IoT
Internet of Things

IPO
Initial Public Offering

IR 4.0
Industrial Revolution 4.0

IRR
Internal Rate of Return

ISP
Internet Services Protocol

ITU
International Telecommunication Union

JENDELA
Jalinan Digital Negara

Khazanah
Khazanah Nasional Berhad

KLCI
Kuala Lumpur Composite Index

KPI
Key Performance Indicator

LEAP
Learn, Engage, Accelerate and Perform

Link Net
PT Link Net Tbk

LOA
Limits of Authority

LTE
Long Term Evolution

LRP
Long Range Plan

LTIFR
Lost Time Injury Frequency Rate

LTIP
Long-term Incentive Plan

M&A
Mergers and acquisitions

M.A.D.
Modern, Agile and Digital

MACC
Malaysia Anti-Corruption Commission

Main LR
Main Market Listing Requirements of Bursa Securities

MarTech
Marketing Technology

MAU
Monthly Active Users

MBB
Mobile Broadband

MBSS
Minimum Baseline Security Standards

MC
Manufactured Capital

MCCG 2021
Malaysian Code on Corporate Governance 2021

MCMC
Malaysian Communications and Multimedia Commission

MCS
Mission Critical Communication Solutions

MDEC
Malaysia Digital Economy Corporation

MFRS
Malaysian Financial Reporting Standards

ML
Machine Learning

MNO
Mobile Network Operator

MOU
Memorandum of Understanding

MRCB
Malaysian Resources Corporation Berhad

MSME
Micro-SME

MSWG
Minority Shareholders Watch Group

MTCP
Malaysia Technical Cooperation Programme

MTTR
Mean Time To Resolve

MTO
Mandatory Tender Offer

MW
Microwave Link

NC
Natural Capital

Ncell
Ncell Axiata Limited

NCI
Non-controlling Interests

NEC
Non-Executive Chairman

NED
Non-Executive Director

NINED
Non-Independent Non-Executive Director

NIST
National Institute of Standards and Technology

NPS
Net Promoter Score

NTA
Nepal Telecommunications Authority

NTC
National Tower Companies

ODA
Open Digital Architecture

OpCo
Operating Company

Open RAN
Open Radio Access Networks

Opex
Operating Expenditure

OTT
Over-The-Top

OSS
Operations Support System

PAT
Profit after Tax

PATAMI
Profits after Tax and Minority Interest

PBLTIP
Performance Based Long Term Incentive Plan

PBT
Profit before Tax

PNB
Permodalan Nasional Berhad

POC
Proof of Concept

PPE
Personal protective equipment

QoS
Quality of Service

r-ventures
Robi Ventures

RCMC
Risk and Compliance Management Committee

RMS
Revenue Market Share

rNPS
relationship Net Promoter Score

Robi
Robi Axiata Limited

ROG
Republic of Gamers

ROI
Return on Investment

ROIC
Return on Invested Capital

ROU
Right of Use Assets

RPT
Related Party Transaction

Glossary

RPV
Remote Participation and Voting

RRPT
Recurrent Related Party Transaction

RSP
Regular Stock Purchase

SaaS
Security as a Service

SADIF
Smart Axiata Digital Innovation Fund

Salvare
Salvare Assets Berhad

SASB
Sustainability Accounting Standards Board

SBTi
Science Based Targets Initiative

SC
Securities Commission

SCA
Single Customer App

SINED
Senior Independent Non-Executive Director

SLT
Senior Leadership Team

Smart
Smart Axiata Co., Ltd

Smart Pay
Smart Pay Limited

SME
Small and Medium Size Enterprise

SMS
Short Message Service

SNCR
Sustainability & National Contribution Report

SORMIC
Statement on Risk Management and Internal Control

SPV
Special Purpose Vehicle

SPA
Sale and Purchase Agreement

SRA
Single Retailer App

SRC
Social and Relationship Capital

STEM
Science, Technology, Engineering and Mathematics

STIP
Short Term Incentive Plan

SUP
Single-use plastic

TechCo
Technology Company

Telco
Telecommunication Company

Telenor Asia
Telenor Asia Pte Ltd

T.R.U.S.T.
Transparent, Rights, Use, Security and Transfer

TCFD
Task Force on Climate-related Financial Disclosures

TiP
Telecom Infrastructure Provider

TM Group
Telekom Malaysia Berhad

ToR
Terms of Reference

TowerCo
Tower Company

TRC
Telecommunication Regulator of Cambodia

TRCSL
Telecommunications Regulatory Commission of Sri Lanka

TSR
Total Shareholder Return

TTP
Telecom Tower Provider

UI.EP
Uncompromising Integrity and Exceptional Performance

UNDP
United Nations Development Programme

UNGMYB
United Nations Global Compact Network Malaysia & Brunei

UN SDG
United Nations Sustainable Development Goals

UN (WEP)
UN Women's Empowerment Principles

USO
Universal Service Obligation

USP
Universal Service Provision

VAS
Value Added Services

VOC
Voice of Customer

VoLTE
Voice over LTE

VoWIFI
Voice over WiFi

VUCA
Volatility Uncertainty Complexity Ambiguous

WAF
Web Application Firewall

WB SOP
Whistleblowing Standard Operating Procedures

WiFi
Wireless Fidelity

WIM
Women Institute of Management

WIO
Work in Office

WFH
Work-From-Home

XL
PT XL Axiata Tbk.

YTD
Year to Date

YoY
Year on Year

CURRENCIES

BDT
Bangladeshi Taka, the lawful currency of Bangladesh

IDR
Indonesian Rupiah, the lawful currency of Indonesia

INR
Indian Rupee, the lawful currency of India

NPR
Nepalese Rupee, the lawful currency of Nepal

PKR
Pakistani Rupee, the lawful currency of Pakistan

PHP
Philippine Peso, the lawful currency of Philippines

RM
Ringgit Malaysia, the lawful currency of Malaysia

SGD
Singapore Dollars, the lawful currency of Singapore

SLR/LKR
Sri Lankan Rupee, the lawful currency of Sri Lanka

USD
United States Dollars, the lawful currency of the US

Summary of average and closing rates used for FY2021 and FY2022 are as follows:

FY2021

Local Currency:	Average	Closing
1 BDT: RM	0.048573	0.048520
1 INR: RM	0.056049	0.056113
1 LKR: RM	0.020812	0.020500
1 THB: RM	0.129734	0.125319
1 USD: RM	4.142913	4.177500
1 SGD: RM	3.083811	3.084200
1 IDR: RM	0.000290	0.000293
1 PKR: RM	0.025477	0.023394
1 NPR: RM	0.035030	0.035071
1 PHP: RM	0.084117	0.081848

FY2022

Local Currency:	Average	Closing
1 BDT: RM	0.047212	0.042699
1 INR: RM	0.055983	0.053053
1 LKR: RM	0.014123	0.011994
1 THB: RM	0.125614	0.127200
1 USD: RM	4.397439	4.390000
1 SGD: RM	3.189980	3.274000
1 IDR: RM	0.000296	0.000282
1 PKR: RM	0.021676	0.019365
1 NPR: RM	0.034990	0.033157
1 PHP: RM	0.080791	0.078872

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