AXIATA GROUP BERHAD
Company No. 199201010685 (242188-H)

The Board of Directors of Axiata Group Berhad is pleased to announce the following unaudited interim results of the Group for the financial period ended 31 March 2022.

UNAUDITED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	1st Quarter Ended		Financial Period Ended	
	31/3/2022	31/3/2021	31/3/2022	31/3/2021
	RM'000	RM'000	RM'000	RM'000
Revenue	**6,469,951**	6,064,019	**6,469,951**	6,064,019
Operating costs				
- depreciation, impairment and amortisation	**(1,860,543)**	(1,974,973)	**(1,860,543)**	(1,974,973)
- foreign exchange (losses)/gains	**(241,227)**	72,199	**(241,227)**	72,199
- domestic interconnect, international outpayment and other direct costs	**(525,369)**	(417,174)	**(525,369)**	(417,174)
- marketing, advertising and promotion	**(537,348)**	(482,756)	**(537,348)**	(482,756)
- other operating costs	**(1,983,515)**	(1,924,250)	**(1,983,515)**	(1,924,250)
- staff costs	**(499,448)**	(519,665)	**(499,448)**	(519,665)
- provision for impairment on receivables, net	**(25,808)**	(28,319)	**(25,808)**	(28,319)
- other gains - net	**11,509**	16,202	**11,509**	16,202
Other income - net	**46,035**	69,565	**46,035**	69,565
Profit before finance costs	**854,237**	874,848	**854,237**	874,848
Finance income	**36,735**	34,469	**36,735**	34,469
Finance costs	**(403,260)**	(362,309)	**(403,260)**	(362,309)
Foreign exchange losses on financing activities	**(235,657)**	(186,736)	**(235,657)**	(186,736)
	(638,917)	(549,045)	**(638,917)**	(549,045)
Joint ventures				
- share of results (net of tax)	**(1,986)**	(188)	**(1,986)**	(188)
Associates				
- share of results (net of tax)	**3,151**	1,884	**3,151**	1,884
Profit before taxation	**253,220**	361,968	**253,220**	361,968
Taxation	**(262,511)**	(174,578)	**(262,511)**	(174,578)
(Loss)/Profit for the financial period	**(9,291)**	187,390	**(9,291)**	187,390

(The above Consolidated Statement of Comprehensive Income should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2021)

AXIATA GROUP BERHAD
Company No. 199201010685 (242188-H)

UNAUDITED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (CONTINUED)

	1st Quarter Ended		Financial Period Ended	
	31/3/2022	31/3/2021	31/3/2022	31/3/2021
	RM'000	RM'000	RM'000	RM'000
Other comprehensive (expense)/income (net of tax):				
Items that will not be reclassified to profit or loss:				
- actuarial gains on defined benefits plan (net of tax)	**2,259**	7,286	**2,259**	7,286
- fair value through other comprehensive income	**4,554**	6,125	**4,554**	6,125
Items that may be reclassified subsequently to profit or loss:				
- currency translation differences	**(536,576)**	292,695	**(536,576)**	292,695
- net cash flow hedge	**(148,795)**	(22,354)	**(148,795)**	(22,354)
- net cost of hedging	**(8,240)**	(44,002)	**(8,240)**	(44,002)
Other comprehensive (expense)/income for the financial period (net of tax)	**(686,798)**	239,750	**(686,798)**	239,750
Total comprehensive (expense)/income for the financial period	**(696,089)**	427,140	**(696,089)**	427,140
(Loss)/Profit for the financial period attributable to:				
- owners of the Company	**(42,974)**	75,560	**(42,974)**	75,560
- non-controlling interests	**33,683**	111,830	**33,683**	111,830
	(9,291)	187,390	**(9,291)**	187,390
Total comprehensive (expense)/income for the financial period attributable to:				
- owners of the Company	**(645,450)**	224,230	**(645,450)**	224,230
- non-controlling interests	**(50,639)**	202,910	**(50,639)**	202,910
	(696,089)	427,140	**(696,089)**	427,140
Earnings Per Share (sen) (Part B, Note 12)				
- basic	**(0.5)**	**0.8**	**(0.5)**	0.8
- diluted	**(0.5)**	**0.8**	**(0.5)**	0.8

(The above Consolidated Statement of Comprehensive Income should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2021)

AXIATA GROUP BERHAD
Company No. 199201010685 (242188-H)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	31/3/2022 RM'000 Unaudited	31/12/2021 RM'000 Audited
CAPITAL AND RESERVES ATTRIBUTABLE TO OWNERS OF THE COMPANY		
Share capital	13,912,676	13,905,207
Reserves	2,946,780	4,100,117
Total equity attributable to owners of the Company	16,859,456	18,005,324
Non-controlling interests	7,054,138	7,060,505
Total equity	23,913,594	25,065,829
NON-CURRENT LIABILITIES		
Borrowings	14,395,775	14,819,079
Derivative financial instruments	192,038	91,162
Deferred income	239,175	260,360
Deferred gain on sale and leaseback assets	276,779	307,754
Trade and other payables	1,165,227	1,116,080
Lease liabilities	8,297,747	8,412,149
Provision for liabilities	761,056	747,795
Deferred tax liabilities	1,403,428	1,377,516
Total non-current liabilities	26,731,225	27,131,895
	50,644,819	**52,197,724**

(The above Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2021)

AXIATA GROUP BERHAD
Company No. 199201010685 (242188-H)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)

	31/3/2022 RM'000 Unaudited	31/12/2021 RM'000 Audited
NON-CURRENT ASSETS		
Intangible assets	21,444,783	21,722,687
Contract cost assets	180,953	232,519
Property, plant and equipment	26,060,724	26,975,288
Right-of-use assets	9,210,735	8,983,213
Joint ventures	23,606	25,569
Associates	261,051	257,898
Financial assets at fair value through other comprehensive income	231,371	220,744
Financial assets at fair value through profit or loss	4,518	5,678
Derivative financial instruments	46,239	76,817
Trade and other receivables	1,262,946	1,280,866
Deferred tax assets	322,828	358,530
Total non-current assets	59,049,754	60,139,809
CURRENT ASSETS		
Inventories	195,628	222,747
Trade and other receivables	5,046,041	5,060,933
Derivative financial instruments	651	121
Financial assets at fair value through profit or loss	42	65
Tax recoverable	103,035	109,514
Deposits, cash and bank balances	5,781,863	6,969,352
Assets classified as held-for-sale	46,912	47,889
	11,174,172	12,410,621
LESS: CURRENT LIABILITIES		
Trade and other payables	12,629,671	13,555,061
Deferred gain on sale and leaseback assets	123,902	123,902
Deferred income	11,023	3,609
Lease liabilities	1,881,956	1,758,846
Borrowings	4,266,935	4,231,416
Derivative financial instruments	3,204	20,497
Current tax liabilities	656,290	653,031
Liabilities classified as held-for-sale	6,126	6,344
Total current liabilities	19,579,107	20,352,706
Net current liabilities	(8,404,935)	(7,942,085)
	50,644,819	**52,197,724**
Net assets per share attributable to owners of the Company (sen)	184	196

(The above Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2021)

AXIATA GROUP BERHAD
Company No. 199201010685 (242188-H)

UNAUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Attributable to equity holders of the Company							
	Share capital	Share capital	Currency translation differences	Reserves	Retained earnings	Total	NCI	Total equity
	'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
At 1 January 2022	9,174,987	13,905,207	(741,705)	(1,913,128)	6,754,950	18,005,324	7,060,505	25,065,829
(Loss)/Profit for the financial period	-	-	-	-	(42,974)	(42,974)	33,683	(9,291)
Other comprehensive (expense)/income:								
-Currency translation differences of subsidiaries	-	-	(450,841)	-	-	(450,841)	(85,735)	(536,576)
-Net cash flow hedge	-	-	-	(151,282)	-	(151,282)	2,487	(148,795)
-Net cost of hedging	-	-	-	(6,296)	-	(6,296)	(1,944)	(8,240)
-Actuarial gains (net of tax)	-	-	-	1,389	-	1,389	870	2,259
-Revaluation of financial assets at FVTOCI	-	-	-	4,554	-	4,554	-	4,554
Total comprehensive expense	**-**	**-**	**(450,841)**	**(151,635)**	**(42,974)**	**(645,450)**	**(50,639)**	**(696,089)**
Transactions with owners:								
-Accretion of equity interest in subsidiaries	-	-	-	-	4	4	3	7
-New/additional investment in subsidiaries	-	-	-	-	-	-	17,483	17,483
-Rights issue of subsidiaries	-	-	-	-	-	-	31,117	31,117
-Dividends declared to shareholders of the Company	-	-	-	-	(504,724)	(504,724)	-	(504,724)
-Dividends declared to NCI	-	-	-	-	-	-	(4,522)	(4,522)
-Share-based compensation expense	-	-	-	4,302	-	4,302	191	4,493
-Transferred from share-based payment reserve upon vesting	1,817	7,469	-	(7,469)	-	-	-	-
Total transactions with owners	1,817	7,469	-	(3,167)	(504,720)	(500,418)	44,272	(456,146)
At 31 March 2022	**9,176,804**	**13,912,676**	**(1,192,546)**	**(2,067,930)**	**6,207,256**	**16,859,456**	**7,054,138**	**23,913,594**

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

(The above Consolidated Statement of Changes in Equity should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2021)

AXIATA GROUP BERHAD
Company No. 199201010685 (242188-H)

UNAUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (CONTINUED)

	Attributable to equity holders of the Company							
	Share capital	Share capital	Currency translation differences	Reserves	Retained earnings	Total	NCI	Total equity
	'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
At 1 January 2021	9,169,541	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 period	-	-	-	-	75,560	75,560	111,830	187,390
Other comprehensive income/(expense):								
-Currency translation differences of subsidiaries	-	-	204,057	-	-	204,057	88,638	292,695
-Net cash flow hedge	-	-	-	(22,354)	-	(22,354)	-	(22,354)
-Net cost of hedging	-	-	-	(44,002)	-	(44,002)	-	(44,002)
-Actuarial gains (net of tax)	-	-	-	4,844	-	4,844	2,442	7,286
-Revaluation of financial assets at FVTOCI	-	-	-	6,125	-	6,125	-	6,125
Total comprehensive income/(expense)	**-**	**-**	**204,057**	**(55,387)**	**75,560**	**224,230**	**202,910**	**427,140**
Transactions with owners:								
-Dilution of equity interest in subsidiaries	-	-	1,521	(8,234)	312	(6,401)	5,908	(493)
-Dividends declared to shareholders of the Company	-	-	-	-	(458,631)	(458,631)	-	(458,631)
-Dividends declared to NCI	-	-	-	-	-	-	(3,102)	(3,102)
-Share-based compensation expense	-	-	-	(870)	-	(870)	(975)	(1,845)
-Transferred from share-based payment reserve upon vesting	3,069	13,738	-	(13,738)	-	-	-	-
Total transactions with owners	3,069	13,738	1,521	(22,842)	(458,319)	(465,902)	1,831	(464,071)
At 31 March 2021	**9,172,610**	**13,896,766**	**(796,442)**	**(1,900,916)**	**6,200,062**	**17,399,470**	**6,443,029**	**23,842,499**

AXIATA GROUP BERHAD
Company No. 199201010685 (242188-H)

UNAUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (CONTINUED)

	Reserves							
	Capital contribution	Merger	Hedging	Cost of hedging	Actuarial	Share-based payment	FVTOCI	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
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	-	-	(151,282)	-	-	-	-	(151,282)
-Net cost of hedging	-	-	-	(6,296)	-	-	-	(6,296)
-Actuarial gains (net of tax)	-	-	-	-	1,389	-	-	1,389
-Revaluation of financial assets at FVTOCI	-	-	-	-	-	-	4,554	4,554
Total comprehensive (expense)/income	**-**	**-**	**(151,282)**	**(6,296)**	**1,389**	**-**	**4,554**	**(151,635)**
Transactions with owners:								
-Share-based compensation expense	-	-	-	-	-	4,302	-	4,302
-Transferred from share-based payment reserve upon vesting	-	-	-	-	-	(7,469)	-	(7,469)
Total transactions with owners	-	-	-	-	-	(3,167)	-	(3,167)
At 31 March 2022	**16,598**	**346,774**	**(126,056)**	**(88,552)**	**16,015**	**26,098**	**(2,258,807)**	**(2,067,930)**
At 1 January 2021	16,598	346,774	18,935	1,163	5,232	44,413	(2,255,802)	(1,822,687)
Other comprehensive (expense)/income:								
-Net cash flow hedge	-	-	(22,354)	-	-	-	-	(22,354)
-Net cost of hedging	-	-	-	(44,002)	-	-	-	(44,002)
-Actuarial gains (net of tax)	-	-	-	-	4,844	-	-	4,844
-Revaluation of financial assets at FVTOCI	-	-	-	-	-	-	6,125	6,125
Total comprehensive (expense)/income	**-**	**-**	**(22,354)**	**(44,002)**	**4,844**	**-**	**6,125**	**(55,387)**
Transactions with owners:								
-Dilution of equity interest in subsidiaries	-	-	-	-	(23)	(8,211)	-	(8,234)
-Share-based compensation expense	-	-	-	-	-	(870)	-	(870)
-Transferred from share-based payment reserve upon vesting	-	-	-	-	-	(13,738)	-	(13,738)
Total transactions with owners	-	-	-	-	(23)	(22,819)	-	(22,842)
At 31 March 2021	**16,598**	**346,774**	**(3,419)**	**(42,839)**	**10,053**	**21,594**	**(2,249,677)**	**(1,900,916)**

AXIATA GROUP BERHAD
Company No. 199201010685 (242188-H)

UNAUDITED CONSOLIDATED STATEMENT OF CASH FLOWS

	FOR THE FINANCIAL PERIOD ENDED	
	31/3/2022	31/3/2021
	RM'000	RM'000
Receipts from customers	6,629,055	5,784,876
Payments to suppliers and employees	(3,766,079)	(3,687,727)
Payments of finance costs	(530,644)	(486,561)
Payments of income taxes (net of refunds)	(223,885)	(191,944)
CASH FLOWS FROM OPERATING ACTIVITIES	**2,108,447**	**1,418,644**
Proceeds from disposal of property, plant and equipment ("PPE")	1,932	52,814
Purchase of PPE	(1,713,698)	(1,347,493)
Acquisition of intangible assets ("IA")	(62,011)	(25,560)
Investments in deposits maturing more than three (3) months	(25,839)	(355,748)
Investments in subsidiaries (net of cash acquired)	(14,571)	316
Additional investments in associates	(808)	(215)
Purchase of other investments	-	(7,970)
Additional investments in other investments	(8,089)	-
Disposal of other investments	256	564
Payments for right-of-use ("ROU") assets	(14,080)	(8,388)
Repayments from employees	817	56
Interests received	37,230	33,237
CASH FLOWS USED IN INVESTING ACTIVITIES	**(1,798,861)**	**(1,658,387)**
Proceeds from borrowings (net of transaction costs)	513,277	388,109
Repayments of borrowings	(588,473)	(735,693)
Repayments of Sukuk	(32,230)	-
Repayments of lease liabilities	(568,058)	(494,101)
Proceeds from rights issue of subsidiaries	31,117	-
Capital injections in a subsidiary by NCI	7	136
Redemption of preference shares	-	(319)
Dividends paid to shareholders	(504,724)	-
Dividends paid to NCI	(36,683)	(44,115)
CASH FLOWS USED IN FINANCING ACTIVITIES	**(1,185,767)**	**(885,983)**

(The above Consolidated Statement of Cash Flows should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2021)

AXIATA GROUP BERHAD
Company No. 199201010685 (242188-H)

UNAUDITED CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)

	FOR THE FINANCIAL PERIOD ENDED	
	31/3/2022	31/3/2021
	RM'000	RM'000
NET DECREASE IN CASH AND CASH EQUIVALENTS	(876,181)	(1,125,726)
NET DECREASE IN RESTRICTED CASH AND CASH EQUIVALENT	12,947	28,173
EFFECT OF EXCHANGE RATE CHANGES	(198,019)	(2,044)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL PERIOD	6,312,330	6,722,163
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL PERIOD	**5,251,077**	**5,622,566**
Deposits, cash and bank balances	5,781,863	6,552,248
Less:		
Deposits pledged and restricted cash	(209,588)	(164,174)
Deposits maturing more than three (3) months	(246,692)	(657,002)
Bank overdraft	(74,506)	(108,506)
Total cash and cash equivalents	**5,251,077**	**5,622,566**

(The above Consolidated Statement of Cash Flows should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2021)

PART A: EXPLANATORY NOTES PURSUANT TO MALAYSIAN FINANCIAL REPORTING STANDARD 134

1. Basis of Preparation

The unaudited financial statements for the financial period ended 31 March 2022 of the Group have been prepared in accordance with the Malaysian Financial Reporting Standards ("MFRS") 134 "Interim Financial Reporting", International Accounting Standards 34 "Interim Financial Reporting", Paragraph 9.22 and Appendix 9B of the Bursa Malaysia Securities Berhad ("Bursa Securities") Main Market Listing Requirements ("Main LR"), and should be read in conjunction with the Group's audited financial statements for the financial year ended 31 December 2021 ("2021 Audited Financial Statements").

2. Accounting Policies

The accounting policies and method of computation applied in the unaudited financial statements are consistent with those used in the preparation of the 2021 Audited Financial Statements except for the following:

- Annual Improvements to MFRS 9 "Financial Instruments": Fees in the '10 per cent' Test for Derecognition of Financial Liabilities
- Amendments to MFRS 3 "Business Combinations": Reference to Conceptual Framework
- Amendments to MFRS 116 "Property, Plant and Equipment": Proceeds before Intended Use
- Amendments to MFRS 137 "Onerous Contracts": Cost of Fulfilling a Contract

The above adoptions did not have material impact to the Group during the current quarter and financial period to date.

3. Seasonal or Cyclical Factors

The operations of the Group were not significantly affected by any seasonal or cyclical factors.

4. Significant Unusual Items Affecting Assets, Liabilities, Equity, Net Income or Cash Flows

The Group's performance has taken into account the following:

(a) During the current quarter and financial period to date, the Group recognised net foreign exchange losses of RM476.9 million, mainly arising from the revaluation of USD borrowings and working capital.

Other than the above and as disclosed in Part A, Note 12 of this announcement, there was no other unusual item affecting assets, liabilities, equity, net income or cash flows due to their nature, size or incidence for the financial period ended 31 March 2022.

5. Estimates

The preparation of unaudited financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

There were no changes in estimates of amounts reported in prior financial years that may have a material effect in the current quarter and financial period to date.

In preparing the unaudited financial statements, the significant judgements made by the management in applying the Group's accounting policies and the sources of estimates uncertainty were consistent as those applied to 2021 Audited Financial Statements.

6. Issues, Repurchases and Repayments of Debt and Equity Securities

(a) During the financial period to date, the Company issued new ordinary shares under the Performance Based Long Term Incentive Plan as below:

Description	Total ordinary shares of the Company issued	
	'000	**RM'000**
• Restricted Share Plan ("RSP") at an issuance price of RM4.11 being the fair value of RSP issued	1,817	7,469
Total	1,817	7,469

(b) During the current quarter and financial period to date, PT XL Axiata Tbk ("XL") had:

(i) fully repaid its IDR110.0 billion (RM32.0 million) Sukuk Ijarah II Tranche II Year 2019 Series B which matured on 8 February 2022.

(ii) fully repaid its IDR191.0 billion (RM55.6 million) Bond I Tranche II Year 2019 Series B which matured on 8 February 2022.

(b) Axiata Digital Capital Sdn Bhd ("ADC"), a subsidiary of the Company had on 18 February 2022 established an asset-backed medium term notes programme ("MTN Programme") via Salvare Assets Berhad involving issuance up to RM300.0 million.

On 31 March 2022, ADC issued RM39.0 million Class A Senior Notes ("Notes") pursuant to the MTN Programme. 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 thirty (30) months from the date of issuance, maturing on 30 September 2024.

Aside from the above, there was no other significant issues, repurchases and repayments of debt and equity securities during the financial period ended 31 March 2022.

7. Dividends Paid

The Company declared and paid the dividends during the financial period as below:

Date of payment	Description	Per ordinary share	Total
		Sen	**RM'000**
28 March 2022	Tax exempt dividend under single tier in respect of financial year ended 31 December 2021	5.5	504,724

8. Segmental Information

For the financial period ended 31 March 2022

Segment	Mobile									
	Malaysia	Indonesia	Bangladesh	Sri Lanka	Nepal	Cambodia	Infrastructure	Others	Consolidation adjustments/ eliminations	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Total operating revenue	1,657,837	1,968,681	981,338	734,802	342,430	370,379	563,675	272,395	-	6,891,537
Inter-segment[1]	(3,994)	(1,708)	(24,243)	(6,498)	(2,501)	(8,707)	(307,396)	(66,539)	-	(421,586)
External operating revenue	1,653,843	1,966,973	957,095	728,304	339,929	361,672	256,279	205,856	-	6,469,951
Earnings before interest, tax, depreciation and amortisation ("EBITDA")[2]	745,405	933,466	407,708	283,206	197,218	196,432	392,558	(87,291)	(170,239)	2,898,463
Finance income	13,731	5,178	553	3,909	2,868	3,505	4,875	27,348	(25,232)	36,735
Finance cost	(78,885)	(174,565)	(50,743)	(14,211)	(29,362)	(6,561)	(43,385)	(88,705)	83,157	(403,260)
Depreciation of PPE	(186,892)	(439,556)	(174,072)	(120,570)	(64,694)	(67,910)	(115,673)	(2,887)	5,277	(1,166,977)
Depreciation of ROU assets	(110,771)	(298,325)	(40,871)	(9,936)	(3,747)	(14,940)	(63,857)	(3,201)	116,785	(428,863)
Amortisation of IA	(15,463)	-	(77,387)	(18,410)	(32,760)	(3,214)	(17,354)	(9,870)	(52,581)	(227,039)
Joint ventures:										
- share of results (net of tax)	-	-	-	-	-	-	-	(1,986)	-	(1,986)
Associates:										
- share of results (net of tax)	3,950	453	-	(362)	-	(650)	-	(240)	-	3,151
Impairment of PPE (net of reversal)	-	462	(351)	1,231	-	-	-	-	-	1,342
Other income/(expense)[3]	10,606	37,615	(19,827)	(418,758)	(2,748)	(3,373)	(3,109)	(68,759)	10,007	(458,346)
Taxation	(118,365)	(12,849)	(25,649)	(10,149)	(22,340)	(28,782)	(52,620)	(7,406)	15,649	(262,511)
Segment profit/(loss) for the financial period	**263,316**	**51,879**	**19,361**	**(304,050)**	**44,435**	**74,507**	**101,435**	**(242,997)**	**(17,177)**	**(9,291)**

[1] Inter-segment operating revenue has been eliminated at the respective segment operating revenue. The inter-segment operating revenue was entered into in the normal course of business and at prices available to third parties or at negotiated terms.

[2] EBITDA consolidation adjustments/elimination mainly due to inter-segment elimination for leases under MFRS 16.

[3] Included in other expense of Sri Lanka's mobile segment is unrealised foreign exchange losses mainly arising from the revaluation of USD borrowings and working capital.

8. Segmental Information (continued)

For the financial period ended 31 March 2021

Segment	Mobile									
	Malaysia	Indonesia	Bangladesh	Sri Lanka	Nepal	Cambodia	Infrastructure	Others	Consolidation adjustments/ eliminations	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Total operating revenue	1,645,609	1,792,993	947,967	685,191	377,821	338,149	473,142	162,062	-	6,422,934
Inter-segment[1]	(9,125)	(3,439)	(5,324)	(7,434)	(533)	(808)	(286,242)	(46,010)	-	(358,915)
External operating revenue	1,636,484	1,789,554	942,643	677,757	377,288	337,341	186,900	116,052	-	6,064,019
EBITDA[2]	645,879	900,994	384,965	284,810	224,133	181,281	303,182	(86,429)	(146,960)	2,691,855
Finance income	16,874	6,740	890	1,812	737	2,229	5,652	26,087	(26,552)	34,469
Finance cost	(86,789)	(169,176)	(48,649)	(9,527)	(23,509)	(6,653)	(25,851)	(88,460)	96,305	(362,309)
Depreciation of PPE	(388,904)	(412,869)	(173,716)	(117,707)	(65,833)	(59,746)	(95,351)	(3,420)	5,276	(1,312,270)
Depreciation of ROU assets	(101,603)	(281,742)	(35,643)	(10,692)	(4,258)	(13,957)	(55,556)	(4,138)	104,901	(402,688)
Amortisation of IA	(15,463)	-	(59,106)	(19,532)	(31,092)	(3,202)	(7,900)	(7,824)	(58,395)	(202,514)
Joint venture:										
- share of results (net of tax)	-	-	-	-	-	-	-	(188)	-	(188)
Associates:										
- share of results (net of tax)	(138)	3,141	-	(44)	-	(753)	-	(322)	-	1,884
Impairment of PPE (net of reversal)	-	218	-	2,759	-	-	236	-	-	3,213
Other income/(expense)	19,307	65,802	(17,713)	(70,724)	8	(29,300)	25,019	(96,059)	14,176	(89,484)
Taxation	(18,332)	(20,076)	(34,618)	(10,284)	(33,660)	(15,591)	(47,645)	(5,152)	10,780	(174,578)
Segment profit/(loss) for the financial period	70,831	93,032	16,410	50,871	66,526	54,308	101,786	(265,905)	(469)	187,390

9. Valuation of PPE

The Group does not adopt a revaluation policy on its PPE.

10. Acquisitions of PPE

During the financial period to date, the Group acquired additional PPE amounting to RM1,027.1 million mainly for its telecommunication network equipment and capital work in progress. Included in the additional PPE is a universal service provision of a subsidiary amounting to RM91.0 million.

11. Events after the Interim Period

(a) Accretion in Equity Interest in ISOC edotco Towers, Inc. (“ISOC edotco Towers”)

edotco Group Sdn Bhd via its wholly owned subsidiary, edotco Investments (Labuan) Limited (“EIL”) had on 8 April 2022 completed the subscription of 250,000,000 common shares of Philippines Peso (“PHP”) 1.00 each representing 49.00% of the issued and paid-up share capital of ISOC edotco Towers for a cash consideration of PHP1.4 billion (RM116.7 million). Accordingly, EIL’s equity interest in ISOC edotco Towers increased from 51.00% to 100.00%.

(b) Sri Lanka One-off Surcharge Tax

Sri Lanka Government Budget Proposals for 2022 proposed a one-off surcharge tax (“Surcharge Tax”) at the rate of 25.0% on individuals or companies whose taxable income exceeds SLR2.0 billion (approximately RM28.2 million) for the year of assessment (“YA”) 2020/2021. Accordingly, the Surcharge Tax Act No.14 of 2022, governing the imposition and administration of the Surcharge Tax was enacted on 8 April 2022.

Dialog Axiata Plc and its subsidiaries (“Dialog”) is liable for the Surcharge Tax of SLR3.8 billion (approximately RM53.9 million) for YA 2020/2021, under the provisions of the aforementioned act. Dialog paid its first installment of SLR1.9 billion (RM23.9 million) on 20 April 2022. The second and final installment of SLR1.9 billion will be due in July 2022.

Since the legislation was not enacted or substantially enacted at the balance sheet date, no provision for Surcharge Tax was made for the current quarter and financial period to date.

(c) Joint Submission for a Digital Banking Licence to Bank Negara Malaysia (“BNM”)

The Group and RHB Bank Berhad (“RHB Bank”) had agreed to collaborate and to jointly apply to BNM for a digital bank licence, and the proposed Group entity selected to collaborate with RHB Bank for the joint application for the digital bank licence is Boost Holdings Sdn Bhd (“Boost Holdings”), a subsidiary of Axiata Digital Services Sdn Bhd.

In relation to the foregoing, Boost Holdings and RHB Bank (collectively the “Parties”) had on 2 June 2021 entered into a heads of agreement (“HOA”) setting out the terms of the proposed application to BNM for a digital banking licence. The joint application for the digital bank licence by the Parties was submitted to BNM on 30 June 2021 and Boost Holdings has received conditional approval from BNM on 29 April 2022.

Other than the above and as disclosed in Part B, Note 10 of this announcement, there was no other significant event after interim period that requires disclosure and/or adjustment as at 18 May 2022.

12. Effects of Changes in the Composition of the Group

(a) Acquisition of Equity Interest in Infront Consulting Group (M) Sdn Bhd ("Infront Malaysia")

On 26 August 2021, Celcom Axiata Berhad ("Celcom") entered into the following agreements for the proposed acquisition and proposed subscription of a total of 362,827 ordinary shares in Infront Malaysia representing 60.00% of the enlarged issued and paid-up share capital of Infront Malaysia for a total cash consideration of RM5.5 million:

(i) a conditional Share Purchase Agreement dated 26 August 2021 ("Infront Malaysia SPA") entered into between Celcom and Redynamics Asia Sdn Bhd ("Vendor") for the proposed acquisition of 258,115 Infront Malaysia shares from the Vendor for a total cash consideration of RM4.0 million, comprising an initial payment of RM2.0 million subject to adjustments in accordance with the terms of the Infront Malaysia SPA and deferred payments of RM2.0 million upon certain profit guarantee targets being achieved;

(ii) a conditional Share Subscription Agreement dated 26 August 2021 ("SSA2") entered into between Celcom as investor, Infront Malaysia as issuer and the Vendor for the proposed subscription by Celcom of 104,712 new Infront Malaysia shares at a subscription price of RM1.5 million; (hereinafter referred to as the "Proposed Infront Malaysia Acquisition").

Both the Infront Malaysia SPA and the SSA2 shall be contemporaneous and conditional upon one another.

Upon completion of the Proposed Infront Malaysia Acquisition on 3 January 2022, Celcom has effectively owned 60.00% of Infront Malaysia resulting in Celcom becoming the beneficial owner of the said equity interest. As at 20 January 2022, Celcom became the legal owner of the 60.00% equity interest.

The acquisition above did not have material impact to the Group during the current quarter and financial period to date.

(b) Acquisition of Equity Interest in Bridgenet Solutions Sdn Bhd ("Bridgenet Solutions")

On 15 November 2021, Celcom entered into the following agreements for the proposed subscription and proposed acquisition of a total of 1,308,297 ordinary shares in Bridgenet Solutions representing 51.00% of the enlarged issued and paid-up share capital of Bridgenet Solutions for a total cash consideration of RM36.1 million:

(i) a conditional Share Subscription Agreement dated 15 November 2021 ("Share Subscription Agreement") entered into between Celcom, Bridgenet Solutions as issuer and Pang Cheng Hing, Leong Kin Man, Loy Kuang Haow and Queenie Lee Wei Leng (collectively known as "Existing Shareholders") for the proposed subscription by Celcom of 565,289 new Bridgenet Solutions' shares at a subscription price of RM15.6 million. As a result of the issuance of the subscriptions shares, Bridgenet Solutions' issued ordinary shares will increase to 2,565,289 shares ("Enlarged Share Capital");

(ii) a conditional Share Sale Agreement dated 15 November 2021 ("SSA1") entered into between Celcom and Existing Shareholders for the proposed acquisition of 743,008 of Enlarged Share Capital from the Existing Shareholders for a total cash consideration of RM20.5 million subject to adjustments in accordance with the terms of the SSA1; (hereinafter referred to as the "Proposed Bridgenet Solutions Acquisition").

12. Effects of Changes in the Composition of the Group (continued)

(b) Acquisition of Equity Interest in Bridgenet Solutions Sdn Bhd ("Bridgenet Solutions") (continued)

Both the Share Subscription Agreement and SSA1 shall be contemporaneous and conditional upon one another.

Upon completion of the Proposed Bridgenet Solutions Acquisition on 8 January 2022, Celcom has effectively owned 51.00% of Bridgenet Solutions resulting in Celcom becoming the beneficial owner of the said equity interest. As at 15 February 2022, Celcom became the legal owner of the 51.00% equity interest.

The acquisition above did not have material impact to the Group during the current quarter and financial period to date.

(c) Accretion of Equity Interest in Dialog Axiata Digital Innovation Fund (Private) Limited ("DADIF")

DADIF, a subsidiary of Dialog Holdings Lanka (Private) Limited ("DHL") which in turn an indirect subsidiary of the Company via Dialog Axiata Plc ("Dialog") issued 30,754 preference shares out of which 30,276 were issued to DHL and the remaining preference shares were issued to individual shareholders. Accordingly, DHL's equity interest in DADIF increased from 89.04% to 89.67%.

The accretion above did not have material impact to the Group during the current quarter and financial period to date.

Other than the above, there was no other change in the composition of the Group for the financial period ended 31 March 2022.

13. Significant Changes in Contingent Assets or Contingent Liabilities

The following is the material change in the Group's contingent liabilities since the last disclosed in the 2021 Audited Financial Statements and other than as disclosed in Part B, Note 10 of this announcement:

(a) Robi Axiata Limited ("Robi")Tax Position

During the current quarter, Robi has received favourable judgement from the Taxes Appellate Tribunal, Government of the People's Republic of Bangladesh on certain disputed items such as bad debt written off and interest expense for open year income tax assessment FY 2015. As a result of the favourable outcome, Robi's potential exposure has reduced from BDT2,907.0 million (RM141.0 million) to BDT2,487.7 million (RM121.2 million).

Based on the external legal advice received, the Board of Directors are of the view that Robi has good prospects of succeeding on the remaining claims.

14. Capital Commitments

	Group	
As at	**31 March 2022**	31 December 2021
	RM'000	RM'000
Commitments in respect of expenditure approved and contracted for	**3,957,314**	3,797,885

15. Related Party Transactions

All related party transactions are entered into in the normal course of business and at prices available at negotiated terms. The names of these related parties, nature of these transactions and their total value have been set out in accordance with the provisions of MFRS 124 "Related Party Disclosure".

The Government of Malaysia and bodies controlled or jointly controlled by the Government of Malaysia are related parties of the Group. The Government of Malaysia has significant influence over the Group. The Group enters into transactions with many of these bodies, which includes but is not limited to:

– receiving telecommunications services, including interconnection revenue/charges
– purchasing of goods, including use of public utilities and amenities, and
– placing of bank deposits

The Group has established its procurement policies and approval processes for purchases of products and services, which do not depend on whether the counterparties are government-related entities or not.

The Group provides telecommunications services as part of its ordinary operations. The Group has collectively, but not individually significant transactions with Government-related entities. These telecommunication services are carried out on commercial terms that are negotiated and agreed upon between the parties.

Total amount that the Group entered into with identified related parties for the respective financial period ended are as follows:

	31 March 2022	31 March 2021
	RM'000	RM'000
Sale of telecommunication services to joint ventures	**61,038**	69,080
Sale of telecommunication services to associates	**7,685**	-
Purchase of network related services from associates	**(39,814)**	(28,354)
Revenue sharing with a joint venture	**(286)**	(376)
Receivables from joint ventures	**12,916**	20,682
Receivables from associates	**2,971**	6,091
Payable to an associate	**(6,894)**	(6,448)
Lease payable to an associate	**(128,109)**	(130,630)

16. Financial Instruments at Fair Value Measurements

The Group's financial instruments that were measured at fair value as at reporting date were as follow:

- Derivative financial instruments (assets and liabilities); and
- Securities

The Group measured the financial instruments based on:

- Level 1 (traded in active markets): Quoted market prices
- Level 2 (not traded in active markets): Valuation techniques such as quoted market prices or dealer quotes for similar instruments, present value of the estimated future cash flows based on observable market curves and forward exchange rates at reporting date with the resulting value discounted back to present value
- Level 3 (unobservable inputs): underlying assets' significant inputs are not available from observable market data

The Group's financial instruments were grouped as below:

Financial instruments	**31 March 2022**				31 December 2021			
	Level 1	**Level 2**	**Level 3**	**Total**	Level 1	Level 2	Level 3	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Assets								
Financial assets at FVTPL:								
-Trading securities	42	-	-	42	65	-	-	65
-Unquoted securities	-	-	4,518	4,518	-	-	5,678	5,678
-Non-hedging derivatives	-	45,653	-	45,653	-	45,653	-	45,653
-Derivative used for hedging	-	1,237	-	1,237	-	31,285	-	31,285
Financial assets at FVTOCI[1]:								
-Equity securities	-	-	231,371	231,371	-	-	220,744	220,744
Liabilities								
Financial liabilities at FVTPL:								
-Derivatives used for hedging	-	(195,242)	-	(195,242)	-	(111,659)	-	(111,659)
Total	**42**	**(148,352)**	**235,889**	**87,579**	65	(34,721)	226,422	191,766

[1] Fair value of these instruments are obtained mainly from independent valuations.

PART B: EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA SECURITIES

1. Review of Performance

(a) Quarter-on-Quarter (Q1'22 vs Q1'21)

	Current Year Quarter	Preceding Year Corresponding Quarter	Variance	
	31/03/2022	31/03/2021		
	RM'million	RM'million	RM'million	%
Revenue	6,470.0	6,064.0	406.0	6.7
EBITDA	2,898.5	2,691.9	206.6	7.7
EBIT	1,037.9	716.9	321.0	44.8
PAT[1]	(9.3)	187.4	(196.7)	->100
PATAMI[2]	(43.0)	75.6	(118.6)	->100

[1] EBIT : Earnings before interest and tax
[2] PAT : Profit after tax
[3] PATAMI : Profit after tax and minority interest

Group Performance

Compared to the preceding year's corresponding quarter (Q1'22 vs Q1'21), Group revenue grew by 6.7% to RM6,470.0 million. Consequently, Group EBITDA grew by 7.7% to RM2,898.5 million. Group EBIT increased by 44.8% to RM1,037.9 million, as there was accelerated depreciation of 3G assets amounting to RM171.6 million (PAT: RM128.8 million; PATAMI: RM126.5 million) in Q1'21. Excluding this, EBIT would have increased by 16.8%, mainly flow through from higher EBITDA. At constant currency of Q1'21, revenue, EBITDA and EBIT would have increased by 6.7%, 7.4% and 44.5% respectively.

Group PAT and PATAMI both declined by more than 100% to a net loss of RM9.3 million and RM43.0 million respectively due to significant foreign exchange losses of RM476.9 million (PATAMI: RM400.8 million) (mainly contributed by mobile operations in Sri Lanka). Out of the foreign exchange losses, RM462.5 million are unrealised foreign exchange losses. Excluding the foreign exchange losses, Group PAT and PATAMI would have both increased by more than 100% to RM467.6 million and RM357.9 million respectively, driven by higher top lines, partially offset by higher finance costs, higher taxes and lower one-off gains. In Q1'21, Indonesia recognised a gain on sale of indoor telecommunication infrastructure assets amounting to RM26.7 million, net of tax (PATAMI: RM17.7 million).

Geographical Highlights

- **Malaysia**: Revenue grew by 0.7% to RM1,657.8 million mainly driven by improved prepaid performance coupled with contribution from new subsidiaries, Infront Malaysia and Bridgenet Solutions, acquired to strengthen Information and Communications Technology ("ICT") solutions offering to enterprise customers, partially offset by lower device sales. EBITDA increased by 15.4% to RM745.4 million, on the back of higher revenue and contained operating costs. PAT grew more than 100% to RM263.3 million, driven by lower depreciation and amortisation as there was accelerated depreciation of 3G assets amounting to RM122.7 million, net of tax in Q1'21. Excluding the accelerated depreciation of 3G assets, PAT would have increased by 36.0%, mainly due to higher top lines, partially offset by higher taxes.

1. Review of Performance (continued)

(a) Quarter-on-Quarter (Q1'22 vs Q1'21) (continued)

Geographical Highlights (continued)

- **Indonesia**: Revenue increased by 9.8% to RM1,968.7 million, mainly due to higher data revenue, growth in the digital business and higher device sales. EBITDA grew by 3.6% to RM933.5 million. PAT declined by 44.2% to RM51.9 million, due to higher depreciation and amortisation and lower one-off gains. In Q1'21, Indonesia recognised a gain on sale of indoor telecommunication infrastructure assets amounting to RM26.7 million, net of tax (PATAMI: RM17.7 million). Excluding this, PAT would have declined by 21.8%.

- **Bangladesh**: Revenue rose by 3.5% to RM981.3 million, mainly driven by higher data revenue from growth in prepaid and postpaid businesses. EBITDA increased by 5.9% to RM407.7 million. PAT grew by 18.0% to RM19.4 million, due to higher top lines and lower taxes, partially offset by higher depreciation and amortisation and higher foreign exchange losses.

- **Sri Lanka**: Revenue grew by 7.2% to RM734.8 million, driven by growth across core revenue segments. EBITDA fell marginally by 0.6% to RM283.2 million, impacted by higher operating costs. PAT declined by more than 100% to a net loss of RM304.1 million, mainly due to significant foreign exchange losses of RM387.4 million (PATAMI: RM320.6 million) recorded for the quarter, primarily from exposure to the United States Dollar ("USD") from USD denominated loans and liabilities. Out of the foreign exchange losses, RM370.8 million are unrealised foreign exchange losses.

- **Nepal**: Revenue fell by 9.4% to RM342.4 million due to revenue challenges with lower International Long Distance ("ILD") contribution while voice was impacted by downward revision in interconnect rates since January 2022, partially cushioned by higher data revenue. Consequently, EBITDA declined by 12.0% to RM197.2 million. PAT declined by 33.2% to RM44.4 million, mainly due to lower top lines, partially cushioned by lower taxes.

- **Cambodia**: Revenue increased by 9.5% to RM370.4 million, driven by higher data revenue from growth in prepaid business. EBITDA grew by 8.4% to RM196.4 million. PAT grew by 37.2% to RM74.5 million due to higher top lines and lower depreciation and amortisation as there was a one-off impairment of investment amounting to RM22.0 million, net of tax in Q1'21, partly offset by higher taxes. Excluding the one-off impairment, PAT would have decreased by 2.3%.

- **Infrastructure**: Revenue increased by 19.1% to RM563.7 million from organic growth and contribution from new acquisition of Touch Mindscape Group in Malaysia late last year. EBITDA grew by 29.5% to RM392.6 million, mainly flow through from higher revenue. PAT declined marginally by 0.3% to RM101.4 million, impacted by higher depreciation and amortisation, foreign exchange losses and finance costs, partially cushioned by higher top lines.

1. **Review of Performance (continued)**

(b) Comparison with Preceding Quarter's Result (Q1'22 vs Q4'21)

	Current Quarter	Immediate Preceding Quarter	Variance	
	31/03/2022	31/12/2021		
	RM'million	RM'million	RM'million	%
Revenue	6,470.0	6,903.6	(433.6)	-6.3
EBITDA	2,898.5	3,041.9	(143.4)	-4.7
EBIT	1,037.9	809.4	228.5	28.2
PAT	(9.3)	211.5	(220.8)	->100
PATAMI	(43.0)	116.0	(159.0)	->100

Group Performance

Compared to the immediate preceding quarter (Q1'22 vs Q4'21), Group revenue fell by 6.3% to RM6,470.0 million. Group EBITDA declined by 4.7% to RM2,898.5 million, mainly due to flow through from revenue. Group EBIT increased by 28.2% to RM1,037.9 million, as there was a one-off impairment of goodwill of mobile operations in Nepal amounting to RM338.4 million in Q4'21. Excluding this, EBIT would have decreased by 9.6%. At constant currency of Q4'21, revenue and EBITDA would have decreased by 5.3% and 3.8% respectively, while EBIT would have increased by 29.4%.

Group PAT and PATAMI both declined by more than 100% to a net loss of RM9.3 million and RM43.0 million respectively, due to significant foreign exchange losses of RM476.9 million (PATAMI: RM400.8 million) (mainly contributed by mobile operations in Sri Lanka). Out of the foreign exchange losses, RM462.5 million are unrealised foreign exchange losses. Excluding the foreign exchange losses, Group PAT and PATAMI would have increased to RM467.6 million and RM357.9 million respectively, due to higher top lines, lower finance costs and lower taxes.

Geographical Highlights

- **Malaysia**: Revenue fell by 5.2% to RM1,657.8 million mainly from lower prepaid and postpaid revenue and lower device sales. Consequently, EBITDA fell by 6.9% to RM745.4 million. PAT declined by 38.6% to RM263.3 million, primarily due to lower top lines and lower one-off gains, partially cushioned by lower depreciation and amortisation.

- **Indonesia**: Revenue fell by 3.3% to RM1,968.7 million, due to lower prepaid and interconnect revenue. EBITDA fell by 7.0% to RM933.5 million, impacted by lower revenue and higher operating costs. PAT declined by 44.2% to RM51.9 million as a result of lower top lines, partially cushioned by lower taxes.

- **Bangladesh**: Revenue fell by 1.4% to RM981.3 million, due to lower prepaid and digital revenue and lower device sales. EBITDA grew by 8.3% to RM407.7 million, mainly due to lower operating costs. Consequently, PAT increased by more than 100% to RM19.4 million, mainly due to higher top lines and lower taxes, partially offset by higher depreciation and amortisation and higher foreign exchange losses.

1. **Review of Performance (continued)**

(b) Comparison with Preceding Quarter's Result (Q1'22 vs Q4'21) (continued)

Geographical Highlights (continued)

- **Sri Lanka**: Revenue fell by 4.2% to RM734.8 million due to unfavourable foreign exchange movements. EBITDA declined by 10.4% to RM283.2 million, flow through from lower revenue. PAT declined by more than 100% to a net loss of RM304.1 million, mainly due to significant foreign exchange losses of RM387.4 million (PATAMI: RM320.6 million) recorded for the quarter, primarily resulting from exposure to USD from USD denominated loans and liabilities. Out of the foreign exchange losses, RM370.8 million are unrealised foreign exchange losses.

  Sri Lanka's mobile operation represents approximately 6% of the Group's net assets. Sri Lanka is engulfed in an economic and political crisis resulting from the impacts of COVID-19, significant tax cuts and large sovereign debt repayments collectively depleting the limited foreign reserves of the country. As a result, the Sri Lankan Rupee depreciated by 46% against the USD during Q1'22. Since then, Sri Lanka is sustaining its operations in this challenging period and will continue to monitor the situation and respond accordingly.

- **Nepal**: Revenue declined by 6.1% to RM342.4 million mainly due to lower voice revenue impacted by downward revision in interconnect rates since January 2022 coupled with lower ILD revenue. Consequently, EBITDA fell by 4.2% to RM197.2 million. PAT declined by 28.6% to RM44.4 million, mainly due to lower top lines, higher foreign exchange losses and higher finance costs, partially cushioned by lower depreciation and amortisation.

- **Cambodia**: Revenue fell by 4.7% to RM370.4 million, impacted by lower prepaid revenue and other revenue as there was a one-off expiration of top-up promotional campaign in the immediate preceding quarter. Consequently, EBITDA declined by 1.4% to RM196.4 million. PAT fell by 5.0% to RM74.5 million, mainly due to lower top lines, partially cushioned by lower depreciation and amortisation.

- **Infrastructure**: Revenue increased by 6.1% to RM563.7 million from organic growth and contribution from new acquisition of Touch Mindscape Group in Malaysia late last year. EBITDA grew by 13.7% to RM392.6 million, mainly flow through from revenue and contained operating costs. PAT surged by 57.9% to RM101.4 million, driven by higher top lines and lower taxes, partially offset by higher depreciation and amortisation and higher finance costs.

  Myanmar is one of the infrastructure segment's operating footprint and it represents approximately 5% of Group's net assets. On 1 February 2021, Myanmar announced one-year state of emergency. On 11 February 2021, United States imposed targeted sanctions followed by European Union on 22 February 2021. Since then, the United States, United Kingdom and European Union continue to expand sanctions for companies and individuals with ties to the military. To-date, none of the expanded list include or cause our operation in Myanmar to be in violation to sanctions regulation. The Group is consistently communicating with all stakeholders including its employees, customers and vendors in Myanmar and will continue to closely monitor and assess the business, operational, financial and regulatory compliance risks to mitigate against any potential impact arising from this challenging environment.

2. Headline Key Performance Indicators ("KPIs") for the Financial Year Ending 31 December 2022

On 22 February 2022, the Group announced its Headline KPIs guidance for the financial year ending 31 December 2022. The Group's 2022 Headline KPIs announced were as below:

	FY 2022 **Headline KPIs** @ Constant rate[1]
Revenue Growth[2]	Mid single digit
Earnings before Interest, and Tax ("EBIT") Growth	High single digit

Notes:
[1] Constant rate is based on FY21 Average Forex Rate (e.g. 1 USD = RM4.143)
[2] Revenue is based on revenue excluding device ("revenue ex-device")

The Group posted strong operational performance in Q1'22 with high single digit year on year growth in revenue and EBITDA contributed by all OpCos except Ncell. Higher growth and absence of 3G asset accelerated depreciation led to expansion in EBIT. PATAMI however was impacted by unrealised foreign exchange translation losses due to USD denominated borrowings and working capital mainly in Sri Lanka.

Year on year (Q1'22 versus Q1'21), Celcom in Malaysia recorded higher revenue primarily from improved prepaid performance coupled with contribution from new subsidiaries, Infront Malaysia and Bridgenet Solutions, acquired to strengthen ICT solutions offering to enterprise customers. Mobile data remained the primary revenue growth driver for our OpCos in Indonesia, Bangladesh, Cambodia and Sri Lanka on the back of higher data subscribers and increased usage. Dialog in Sri Lanka further benefitting from improved contribution from fixed broadband and TV businesses. Ncell in Nepal faced revenue challenges with lower International Long Distance ("ILD") contribution while voice revenue was impacted by downward revision in interconnect rate since January 2022.

Digital businesses posted strong revenue growth on the back of accelerated digitalisation amongst consumer and businesses. edotco also recorded a good performance benefitting from organic growth and acquisition of Touch Mindscape Group in Malaysia late last year.

While operational performance in Q1'22 is good, Board of Directors recognises the current global macro environment risks particularly in Sri Lanka and proactive measures are being taken to manage these risks. Board of Directors remain cautiously optimistic that the Group's performance for the financial year ending 31 December 2022 will be broadly in line with headline KPIs.

3. Variance of Actual Profit from Forecast Profit / Profit Guarantee

The Group has not provided any profit forecast or profit guarantee in a public document in respect of the financial period ended 31 March 2022.

4. Revenue

	Current and Cumulative Quarter	
	31/3/2022	31/3/2021
	RM'000	RM'000
Disaggregation of revenue from contracts with customers under MFRS 15:		
Goods or services transferred:		
-at a point in time	401,340	295,926
-over time	5,840,340	5,616,217
Revenue under other MFRSs:		
Lease and services of passive infrastructure	218,789	147,951
Financial Institution interest income	9,482	3,925
	6,469,951	6,064,019

5. Taxation

The taxation charge for the Group comprises:

	Current and Cumulative Quarter	
	31/3/2022	31/3/2021
	RM'000	RM'000
Income tax	198,787	101,047
Deferred tax	63,724	73,531
Total taxation	**262,511**	174,578

The current quarter and financial period to date's effective tax rate of the Group are higher than the statutory tax rate mainly due to non-deductible expenses, varying tax regimes and blended statutory tax rates.

6. Status of Corporate Proposals

(a) Proposed Merger of Celcom Axiata Berhad ("Celcom") and Digi.com Berhad ("Digi")

On 8 April 2021, the Company announced that the Company and Telenor Asia Pte Ltd ("Telenor Asia") (collectively, the "Parties") are in advanced discussions to undertake a merger of the telco operations of Celcom and Digi ("MergeCo").

On 21 June 2021, the Company announced that the Parties have successfully concluded the due-diligence exercise and signed the following agreements for the proposed merger between Celcom and Digi ("Proposed Merger"):

(i) conditional share purchase agreement with Digi ("SPA"); and
(ii) master transaction agreement with Telenor Asia and Telenor ASA ("Telenor") ("MTA").

On the closing of the SPA, the Company intends to enter into a shareholders' agreement with Telenor Asia and Telenor to establish the respective rights and obligations of the parties with respect to the activities and governance of MergeCo as well as ownership and disposition of the securities in MergeCo ("SHA"). (The SPA, MTA and the agreed form of the SHA are collectively referred to as the "Transaction Agreements").

At completion, the merger of Celcom and Digi will result in the Company receiving newly issued ordinary shares in Digi, representing 33.10% of the enlarged issued share capital of Digi, cash consideration of RM2.0 billion adjusted with movement in net debt and working capital of which RM1.7 billion from Digi as new debt and RM297.9 million from Telenor Asia for the purpose of ownership equalisation under the terms of the Transaction Agreements.

Completion of the transaction will be subject to the approval of both the Company and Digi shareholders, regulatory approvals and other customary terms and conditions. Barring unforeseen circumstances, the Proposed Merger is expected to be completed within the second half of 2022.

(b) Proposed Acquisition of 66.03% Equity Interest in PT Link Net TBK ("Link Net")

The Company and its subsidiary, XL (XL together with the Company collectively referred to as the "Purchasers") had on 30 July 2021 entered into a non-binding term sheet with Asia Link Dewa Pte. Ltd. and PT First Media Tbk (collectively, referred to as the "Sellers") to facilitate discussions and negotiations for a potential acquisition of 1,816,735,484 ordinary shares representing approximately 66.03% equity interest in Link Net owned by the Sellers.

6. Status of Corporate Proposals (continued)

(b) Proposed Acquisition of 66.03% Equity Interest in PT Link Net TBK ("Link Net") (continued)

On 27 January 2022, the Purchasers signed a conditional share purchase agreement ("Link Net SPA") to jointly acquire an aggregate 66.03% equity interest in Link Net from the Sellers. The purchase consideration has been agreed at IDR4,800 per ordinary share in Link Net ("Link Net Shares") or approximately IDR8.7 trillion (equivalent to approximately RM2.6 billion) (the "Proposed Acquisition"). This translates to a value of about IDR13.2 trillion (equivalent to approximately RM3.9 billion) for 100.00% equity interest in Link Net.

Under the terms of the Link Net SPA, Axiata Investments (Indonesia) Sdn Bhd ("AII"), an indirect wholly owned subsidiary of the Company, and XL shall acquire 46.03% and 20.00% respectively from the combined equity interest of 66.03% in Link Net held by the Sellers. AII will be obligated to undertake a mandatory tender offer to acquire the remaining 33.97% Link Net Shares pursuant to regulatory requirements in Indonesia ("Proposed MTO").

The Proposed Acquisition and Proposed MTO ("Proposals") are expected to be completed in the third quarter of 2022 and will be subjected to customary completion conditions, including regulatory and shareholder approvals. The Proposals will be funded via a combination of internally generated funds and/or bank borrowings, the proportion of which will be determined at a later date.

(c) Proposed Acquisition of Tower Assets from Smart Communications, Inc. ("SMART") and Digitel Mobile Philippines, Inc. ("DMPI")

ISOC edotco Towers, Inc, a wholly owned subsidiary of edotco Group Sdn Bhd which in turn is a 63.00% owned subsidiary of the Company, had on 19 April 2022 entered into a Sale and Purchase Agreement with SMART and DMPI, (collectively "Sellers") for the acquisition of all of Sellers' rights, title, benefits and interest in 2,973 telecom towers and related assets in the Philippines for a total purchase consideration of PHP42,000 million (equivalent to RM3.4 billion) ("Proposed Acquisition of PLDT Tower Assets").

The Proposed Acquisition of PLDT Tower Assets is expected to be completed in four tranches starting 1 June 2022 with the last tranche to be completed by fourth quarter 2022.

(d) Proposed Acquisition of Equity Interest in PT Hipernet Indodata ("Hipernet")

On 22 March 2022, XL entered into a Conditional Share Purchase Agreement with Bridgefield Prime Investments Pte. Ltd., Ameisys Global Technologies Pte. Ltd., PT Mitra Indo Asia and PT Magna Karya Archipelago for the proposed acquisition of 2,805 ordinary shares in Hipernet representing 51.00% of the equity interest in Hipernet for a purchase consideration of approximately IDR321.3 billion (RM94.1 million). The proposed acquisition is expected to be completed by second quarter 2022.

Other than the above, there was no other corporate proposal announced but not completed as at 18 May 2022.

7. Group's Borrowings and Debt Securities

(a) Breakdown of the Group's borrowings and debt securities were as follows:

	31 March 2022		31 December 2021	
	Current	**Non-current**	Current	Non-current
	RM'000	**RM'000**	RM'000	RM'000
Secured	280,575	1,025,044	280,123	1,024,917
Unsecured	3,986,360	13,370,731	3,951,293	13,794,162
Total	**4,266,935**	**14,395,775**	4,231,416	14,819,079

(b) Foreign currency borrowings and debt securities in RM equivalent were as follows:

Foreign Currencies	**31 March 2022**	31 December 2021
	RM'000	RM'000
USD	10,198,160	10,230,291
IDR	2,999,465	3,030,562
BDT	343,337	393,160
SLR	212,847	485,941
NPR	731,759	716,297
Others	103,303	137,510
Total	**14,588,871**	14,993,761

8. Outstanding Derivatives

(a) The details of the Group's outstanding net derivatives financial instruments set out as follow:

Type of derivative financial instruments	31 March 2022 Notional value	31 March 2022 Fair value favourable/ (unfavourable)	31 December 2021 Notional value	31 December 2021 Fair value favourable/ (unfavourable)
	RM'000	RM'000	RM'000	RM'000
Cross currency interest rate swaps:				
- < 1 year	-	(3,204)	-	(20,497)
- > 3 years	4,204,500	(191,986)	4,177,500	(60,484)
Convertible warrants in an associate:				
- 1 - 3 years	19,251	43,342	-	-
- > 3 years	-	-	19,251	43,342
Interest rate swaps:				
- < 1 year	-	651	-	121
- 1 - 3 years	336,360	534	334,200	486
Call option:				
- > 3 years	4,919	2,311	4,888	2,311
Total		**(148,352)**		(34,721)

(b) The risks associated with the derivative financial instrument and the policies in place for mitigating such risks were disclosed in 2021 Audited Financial Statements.

9. Fair Value Changes of Financial Liabilities

There was no derivative financial instrument which is marked to market as at the date of financial statement position that requires the recognition of fair value changes to the consolidated profit or loss for the current quarter and financial period to date.

10. Material Litigations

The status of material litigation of the Group is as follows:

(a) Celcom Axiata Berhad (formerly known as Celcom (Malaysia) Berhad) ("Celcom") and Celcom Resources Berhad (formerly known as Technology Resources Industries Berhad) ("Celcom Resources") vs Tan Sri Dato' Tajudin bin Ramli ("TSDTR") & 6 Others

On 24 October 2008, Celcom and Celcom Resources commenced proceedings against five (5) of its former directors, namely (i) TSDTR, (ii) Dato' Bistaman bin Ramli ("BR"), (iii) Dato' Lim Kheng Yew ("DLKY"), (iv) Axel Hass ("AH"), and (v) Oliver Tim Axmann ("OTA") (the Defendants named in items (iv) and (v) are collectively referred to as the "German Directors"), as well as (vi) DeTeAsia Holding GmbH ("DeTeAsia") and (vii) Beringin Murni Sdn. Bhd. (collectively with the German Directors referred to as "Defendants").

Celcom and Celcom Resources are seeking for damages for conspiracy against the Defendants. Celcom and Celcom Resources claim that the Defendants wrongfully and unlawfully conspired with each other to injure Celcom and Celcom Resources by causing and/or committing Celcom and Celcom Resources to enter into the Supplemental Agreement to the Subscription Agreement and the Management Agreement dated 7 February 2002 ("the 2002 Supplemental Agreement") and the Amended and Restated Supplemental Agreement dated 4 April 2002 with DeTeAsia ("the ARSA") in consideration for the renunciation by DeTeAsia of certain rights issue shares in Celcom Resources in favour of TSDTR and BR ("Main Suit 1").

Separately, Celcom and Celcom Resources reached an amicable settlement with DLKY and the said companies filed their respective notice of discontinuance with no order as to costs and without liberty to file afresh against DLKY on 6 March 2015.

On 23 June 2016, TSDTR and BR filed a statement of defence ("Defence for Main Suit 1") and counterclaim against Celcom, Celcom Resources and Telekom Malaysia Berhad ("TM"), seeking among others payment of the sum of RM6,246.5 million or alternatively the sum of RM7,214.9 million together with interest, being the amount claimed by TSDTR and BR in their counterclaims filed in the Kuala Lumpur High Court, Suit No. D2-22-673-2006 ("Danaharta Suit") which was subsequently withdrawn pursuant to a purported global settlement which did not include Main Suit 1 ("TSDTR and BR's Counterclaim for Main Suit 1"). The German Directors filed their respective defences on 30 June 2017. TM filed an application to intervene in the Main Suit 1 in light of the allegations made against TM in TSDTR and BR's Counterclaim against Main Suit 1.

The trial and TSDTR and BR's Counterclaim for Main Suit 1 commenced on 22 January 2018. Celcom and Celcom Resources obtained leave to continue proceedings against TSDTR and BR in light of a Receiving Order and Adjudication Order ("ROAO") obtained against TSDTR and BR on 8 May 2018. TSDTR and BR were also granted leave to defend their case and continue with the TSDTR and BR Counterclaim against Main Suit 1.

The application for leave to discontinue the trial and record consent judgement against DeTeAsia and the German Directors was heard on 19 November 2021. Oral submissions by parties against TSTDR and BR was heard by the Kuala Lumpur High Court on 20 April 2022. The Kuala Lumpur High Court has fixed 7 June 2022 for further oral submissions and will thereafter fix a decision date.

10. Material Litigations (continued)

The status of material litigation of the Group is as follows: (continued)

(b) Celcom & Another vs TSDTR & 8 Others

On 28 April 2006, Celcom and Celcom Resources instituted a claim against nine of its former directors (namely (i) TSDTR, (ii) BR, (iii) DLKY, (iv) Dieter Sieber ("DS"), (v) Frank-Reinhard Bartsch ("FRB"), (vi) Joachim Gronau, (vii) Joerg Andreas Boy ("JAB"), (viii) AH, and (ix) OTA), (the Defendants named in items (iv) to (ix) collectively referred to as the "German Directors") (collectively referred to as "Defendants").

Celcom and Celcom Resources are seeking an indemnity from the Defendants, for the sums paid by Celcom to DeTeAsia in satisfaction of the award granted in August 2005 ("Award") handed down by the Tribunal of the International Court of Arbitration of the International Chamber of Commerce in Paris ("ICC") alleging that they had breached their fiduciary duties by causing Celcom Resources to enter into a Subscription Agreement dated 25 June 1996 with Deutsche Telekom AG ("Subscription Agreement"), and Celcom and Celcom Resources to enter into the ARSA with TR International Ltd and DeTeAsia whilst they were directors of Celcom and Celcom Resources.

In addition, Celcom and Celcom Resources have also made a claim against TSDTR only, for return of the alleged unauthorised profits made by him, all monies received by the directors arising out of such breaches, losses and damages in connection with the abovementioned agreements ("Main Suit 2").

In brief, Celcom and Celcom Resources are seeking for the following:

(i) a declaration that the Defendants have acted in breach of their fiduciary duties and are liable to indemnify Celcom in relation to the sums paid out to DeTeAsia pursuant to the Award where the ICC found Celcom to be liable for the following:

   (aa) the sum of USD177.2 million (RM745.2 million) being the principal sum plus USD16.3 million (RM68.3 million) representing interest at the rate of 8.0% for the period from 16 October 2002 to 27 June 2003;
   (bb) the cost of arbitration amounting to USD0.8 million (RM3.4 million); and
   (cc) the sum of USD1.8 million (RM7.6 million) representing the legal costs.

(ii) damages for various breaches of fiduciary duties committed by them in relation to the entry into the Subscription Agreement and the ARSA.

(iii) the unauthorised profits claimed to have been made by TSDTR, amounting to RM446.0 million.

The Kuala Lumpur High Court has ruled that the claim against the nine directors as well as Main Suit 2 will be jointly heard with the claims as set out in 10(a) above.

Celcom and Celcom Resources have reached an amicable settlement and entered into a settlement agreement with DeTeAsia and the German Directors dated 15 November 2021 in relation to Main Suits 1 and 2. The settlement was entered into without any admission of liability by the parties and pursuant to the above, Celcom and Celcom Resources will discontinue Main Suits and without liberty to file afresh against DeTeAsia and the German Directors.

10. Material Litigations (continued)

The status of material litigation of the Group is as follows: (continued)

(b) Celcom & Another vs TSDTR & 8 Others (continued)

The proceedings against TSTDR and BR in relation to Main Suits 1 and 2 will continue subject to new directions from the Court following discontinuation of the same against DeTeAsia and the German Directors.

(c) Robi Axiata Limited ("Robi") vs Commissioner of Large Taxpayer Unit ("LTU-VAT") and Ors. (SIM Replacement Tax)

Robi SIM Replacement Dispute 2007-2011

On 17 May 2015, the LTU-VAT of the National Board of Revenue ("LTU-VAT of the NBR") issued a revised demand letter for BDT4,145.5 million (RM202.0 million) [the earlier show cause letter dated 23 February 2012 for BDT6,549.9 million (RM319.2 million)] ("2007 to 2011 Revised Claim") to Robi alleging that Robi had evaded payment of supplementary duty and VAT levied on the issuance of a certain number of SIM cards to new customers of Robi for the duration from March 2007 to June 2011 when such SIM cards were issued as replacement cards to the 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 10.0% of the sum set out in the respective demand notices with the LTU-VAT of the NBR based on provisions of the VAT Act 1991. 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 Division against the Customs, Excise and VAT Appellate Tribunal's decision ("VAT Appeal No.1"). This VAT Appeal No. 1 is currently pending for hearing before the High Court Division.

Robi SIM Replacement Dispute July 2012 to July 2015

On 20 November 2017, the LTU-VAT of the NBR issued a demand letter for BDT2,852.0 million (RM139.0 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 the 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 10.0% of the sum set out in the respective demand notices with the LTU-VAT of the NBR based on provisions of the VAT Act 1991. This appeal was dismissed by the Customs, Excise and VAT Appellate Tribunal.

Robi then filed an appeal to the High Court Division against the Customs, Excise and VAT Appellate Tribunal's decision ("VAT Appeal No.2").

10. Material Litigations (continued)

The status of material litigation of the Group is as follows: (continued)

(c) Robi Axiata Limited ("Robi") vs Commissioner of Large Taxpayer Unit ("LTU-VAT") and Ors. (SIM Replacement Tax) (continued)

Robi SIM Replacement Dispute July 2012 to July 2015 (continued)

On 23 November 2020, both VAT Appeal No.1 and VAT Appeal No.2 pending in the High Court Division were fixed for hearing whereupon the High Court Division ordered parties to file the remaining paper books.

On 3 December 2020, the High Court Division took the view that Robi needed to file a revision application for the VAT Appeal No. 2 under the new VAT and Supplementary Duty Act 2012 which became effective on 1 July 2019, and pursuant thereto, to deposit a further 10.0% of the sum set out in the respective demand notices with the LTU-VAT of the NBR.

Robi has filed written arguments against such views on the basis that the new VAT and Supplementary Duty Act 2012 is not applicable. This legal point was heard on 2 March 2021 in which the High Court Division dismissed Robi's argument and advised Robi to file a revision application under the new VAT and Supplementary Duty Act 2012, to which Robi had on 23 March 2021 filed the Civil Miscellaneous Petition for Leave to Appeal ("CMP") before the Appellate Division contending the dismissal. Pending the hearing of the CMP by the Appellate Division, the High Court Division 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.

(d) Robi vs LTU-VAT of the NBR (VAT Audit)

The LTU-VAT of the NBR issued 5 show cause cum demand notices to Robi for a total amount of BDT9,245.0 million (RM450.5 million). Robi filed writ petitions for judicial review) on 3 May 2018 to challenge these claims. The details are as below. The LTU-VAT of the NBR referred the matter to the Directorate General of Audit Intelligence and Investigation ("DGAI") to re-examine the claims and as such, Robi is not pursuing the Writ Petitions.

(i) the first show cause cum demand notice for BDT7,118.2 million (RM346.9 million) was issued based on the credit balance of VAT payable General Ledger ("GL") and VAT Return and VAT payable for the period from 2013 to 2016. While conducting its audit, the LTU-VAT of the NBR asked for month-on-month movement of output and withholding GL from Systems, Applications and Products i.e., SAP (Opening, debit balance during the month, credit balance during the month and closing balance). Robi had submitted the required documents. The LTU-VAT of the NBR just considered the total credit balance of SAP GL as payable and compared it with VAT return without considering the documents or explanation submitted by Robi.

10. Material Litigations (continued)

The status of material litigation of the Group is as follows: (continued)

(d) Robi vs LTU-VAT of the NBR (VAT Audit) (continued)

(ii) the second show cause cum demand notice for BDT910.5 million (RM44.4 million) alleges unpaid VAT on merger and spectrum fee. The LTU-VAT of the NBR which collected merger fee/spectrum information from the Bangladesh Telecommunication Regulatory Commission ("BTRC") in relation to merger directly, thereafter arbitrarily calculated VAT without considering Robi's documents and information regarding actual payment to BTRC. This issue has already been covered in item (i), nevertheless the LTU-VAT of the NBR still arbitrarily made the same claim separately.

(iii) the third show cause cum demand notice for BDT16.5 million (RM0.8 million) is to claim that VAT is payable on interconnection charges from Bangladesh Telecommunications Limited ("BTCL") for 2012. The output VAT for BTCL service to customer is centrally collected by the LTU-VAT of the NBR and that BTCL cannot adjust input VAT on interconnection charges payable to Robi. Therefore, BTCL did not pay the VAT on same to Robi. This issue has already been covered in item (i), nonetheless the LTU-VAT of the NBR still arbitrarily made the same claim separately.

(iv) the fourth show cause cum demand notice for BDT35.7 million (RM1.7 million) is to claim that VAT is payable on interconnection charges from BTCL for 2013 to 2016 (the issue is same as item (iii) of this case but relating to different period (2013-2016)).

(v) the fifth show cause cum demand notice for BDT1,164.1 million (RM56.7 million) is for VAT rebate cancellation on imported telecom items. The LTU-VAT of the NBR directly collected imports information from Customs Authority, then cancelled few imported items such as battery, switch, cable, router, system, etc. on arbitrary basis. These are the integral parts of machineries and spare parts.

Pursuant to re-examinations of the aforementioned demand notices by the DGAI, the LTU-VAT of the NBR issued 4 new show cause notices dated 22 March 2020 to Robi on the cumulative amount of BDT7,459.5 million (RM363.5 million) for the period of January 2013 to December 2016, details of which are set out as follows:

(i) the first show cause notice is on BDT3,676.0 million (RM179.1 million) in relation to VAT deducted at source on grounds of (I) withholding VAT on handsets; (II) withholding VAT on dealer's commission; (III) withholding VAT not paid on revenue sharing on the basis of audited financial statements; (IV) less withholding VAT paid on the basis of audited accounts etc.

(ii) the second show cause is on BDT394.3 million (RM19.3 million) in relation to VAT of BDT368.6 million (RM17.9 million) and supplementary duty payment of BDT25.7 million (RM1.2 million) based on Robi's audited financial statements.

10. Material Litigations (continued)

The status of material litigation of the Group is as follows: (continued)

(d) Robi vs LTU-VAT of the NBR (VAT Audit) (continued)

(iii) the third show cause notice is on BDT1,308.0 million (RM63.7 million) in relation to VAT on revenue sharing.

(iv) the fourth show cause notice is on BDT2,081.2 million (RM101.4 million) in relation to VAT rebate cancellation.

Robi has filed writ petitions for judicial review on 27 June 2020 to the High Court Division against these 4 new show-cause notices. The High Court Division subsequently issued a rule nisi in favour of Robi on 31 August 2020 and the rule nisi is pending for hearing.

(e) Robi vs BTRC

The BTRC conducted an audit on Robi's information system for the years between 1997 to 2014 and issued a claim of BDT8,672.4 million (RM422.6 million) against Robi on 31 July 2018 ("Information System Audit Claim"). This Information System Audit Claim is disputed by Robi and a Notice of Arbitration was served on BTRC on 30 May 2019.

On 13 June 2019, notwithstanding Robi's Notice of Arbitration, the BTRC directed Robi to make payment for the Information System Audit Claim within 10 days. Challenging the demand, Robi filed a suit on 25 August 2019 before the Joint District Judge, Dhaka seeking a declaration and permanent injunction against BTRC's Information System Audit Claim. The District Court admitted the suit.

Additionally, Robi filed an application seeking an ad interim relief in relation to: (i) temporary injunction restraining BTRC from demanding payment of the Information System Audit Claim; (ii) temporary injunction restraining BTRC from causing any interference with the operation of Robi's mobile telecommunication services; and (iii) direction from the court to the effect that BTRC shall issue all relevant No Objection Certificate(s) for the importation of telecommunication equipment and software, and grant all relevant approvals for tariff, service, package, etc. as and when required by Robi from time to time.

The abovementioned application for ad interim relief was dismissed on 1 September 2019 by the Joint District Judge, Dhaka. Robi referred an appeal before the High Court Division in respect of the rejection of temporary injunction application on 5 September 2019.

On 5 January 2020, the High Court Division issued an injunction upon BTRC on condition that Robi deposit BDT1,380.0 million (RM69.0 million) in five installments. Robi has deposited these five equal installments up to 31 May 2020. Robi had on 31 March 2022 filed its written statement at the High Court Division. This matter is currently pending for hearing before the Joint District Judge in Dhaka.

10. Material Litigations (continued)

The status of material litigation of the Group is as follows: (continued)

(f) Robi vs LTU-VAT of the NBR (VAT Rebate Cancellation)

For the period of 2010 to 2016, Robi claimed rebate for input VAT payable on certain services and goods related to capital machineries (i.e. antenna, cable, media gateway switch, battery, modem, telephone and telegraphic switch, power system, optical multi service systems, universal service router, printed service board, racks, etc.). The LTU-VAT of the NBR cancelled the rebates and issued the following demand notices cumulatively for BDT3,636.2 million (RM177.3 million) to which Robi is challenging:

(i) the demand notice for the period of March 2012 to April 2013 is for BDT830.6 million (RM40.5 million).

(ii) the demand notice for the period of July 2013 to June 2014 is for BDT596.8 million (RM29.1 million).

(iii) the demand notice for the period of July 2014 to January 2016 is for BDT993.2 million (RM48.4 million).

(iv) the demand notice for the period of February 2016 to April 2016 for BDT41.0 million (RM2.0 million).

(v) the demand notice for the period of May 2016 to December 2016 is for BDT707.7 million (RM34.5 million).

(vi) the demand notice for the financial years of 2010 to 2012 is for BDT466.9 million (RM22.8 million).

Robi filed VAT appeals to the High Court Division on 26 August 2013 for item (i), 21 January 2019 for items (ii) to (v), and on 1 June 2020 for item (vi). For item (i), Robi paid the amount in full. For items (ii) to (vi), Robi deposited 10.0% of the sum set out in the respective demand notices with the LTU-VAT of the NBR based on the provisions of the VAT Act 1991.

All the cases are currently pending for hearing before the High Court Division.

10. Material Litigations (continued)

The status of material litigation of the Group is as follows: (continued)

(g) Robi vs The Commissioner of Taxes

The Commissioner of Taxes assessed the income tax return of Robi and disallowed certain losses and expenses (i.e. subsidy on acquisition expenses/promotional expense (SIM tax subsidy), foreign exchange losses, non-adjustment of depreciation allowances, etc.) and further determined the income tax payable as follows:

(i) for the assessment year 2013-2014, BDT2,273.6 million (RM110.8 million) and interest of BDT378.2 million (RM18.4 million);

(ii) for the assessment year 2014-2015, BDT2,246.3 million (RM109.5 million) and interest of BDT414.4 million (RM20.2 million); and

(iii) for the assessment year 2015-2016, BDT2,263.2 million (RM110.3 million) and interest of BDT295.3 million (RM14.4 million).

Robi has referred its appeals to the High Court Division against the Commissioner of Taxes' respective determination and such appeals are pending hearing before the High Court Division.

10. Material Litigations (continued)

The status of material litigation of the Group is as follows: (continued)

(h) Dialog Broadband Networks (Private) Limited (Amalgamated with Suntel Limited) ("DBN") vs Electroteks Network Services (Private) Limited ("Electroteks")

On 20 November 2001, DBN initiated a claim against Electroteks for SLR68.8 million (RM1.0 million) to recover an outstanding amount due for the provision of telecommunication facilities. This claim has concluded and is currently at execution stage.

On 30 May 2002, Electroteks filed a counterclaim for SLR4,200.0 million (RM59.2 million) together with the interest thereon and it was allowed by the court ("Counterclaim Judgment"). DBN filed an appeal against the Counterclaim Judgment to the Supreme Court of Sri Lanka.

Pending disposal of the aforesaid appeal, Dialog Axiata Plc., the holding company of DBN, has provided a bank guarantee for SLR1,000.0 million (RM14.1 million) and a corporate guarantee for SLR3,200.0 million (RM45.1 million) to stay execution of the Counterclaim Judgment.

Parties filed written submissions on 30 November 2016. The Judgment was delivered by the Supreme Court of Sri Lanka on 14 December 2018 allowing the appeal of DBN and setting aside the Judgment of the Commercial High Court. Principal sum with the legal interest as at 14 December 2018 is SLR11,608.9 million (RM163.7 million).

Electroteks has filed a revision application in the Supreme Court of Sri Lanka under Case Number SC/MISC/3/2019 against the Judgment delivered by the Supreme Court of Sri Lanka and the matter came up for support on 17 May 2019. On that date, the Presiding Judge of the Supreme Court bench referred the matter to be mentioned on 12 June 2019 before a bench comprising the judges who delivered the Judgment. However, when the matter came up on 12 June 2019, no direction was made by the Supreme Court.

The matter was supported on 14 September 2020. The order was reserved by the Supreme Court.

10. Material Litigations (continued)

The status of material litigation of the Group is as follows: (continued)

(i) Writ petition filed by 6 individuals against Ncell Private Limited ("Ncell"), Reynolds Holdings Limited ("Reynolds"), Axiata Investments (UK) Limited ("Axiata UK"), Large Tax Payers' Office of Nepal ("LTPO"), Inland Revenue Department of Nepal ("IRD"), Nepal Rastra Bank, Department of Industry, Industry and Investment Promotion Board, Nepal Telecommunications Authority, Sunivera Capital Ventures Pvt. Ltd. and the Office of Company Registrar

A public interest litigation ("PIL") has been filed at the Supreme Court of Nepal ("SC") seeking various orders from the SC including that tax to be collected from Ncell and Axiata UK in relation to the indirect transfer to Axiata UK of an 80.0% stake in Ncell through the sale of Reynolds by Ncell's previous foreign investor, TeliaSonera Norway Nepal Holdings AS ("TeliaSonera") to Axiata UK ("Transaction").

The SC issued its full written order on 9 April 2019 ("Order") in relation to its oral order dated 6 February 2019 that the LTPO should determine the outstanding tax to be paid in relation to the Transaction within three months from the date of receipt of the Order by the LTPO and that the responsibility to pay tax lies with Ncell and Axiata Group Berhad, the latter who is not a party to the PIL. Ncell received a letter issued by the LTPO on 16 April 2019 stating that its assessment order in relation to the Transaction initially issued to TeliaSonera ("Telia Assessment") is now transferred to Ncell and that the further balance amount of the Capital Gains Tax ("CGT") arising from the Transaction is NPR39,060.7 million (RM1,353.8 million). Ncell is ordered to deposit the said amount within 7 days, or by 22 April 2019 ("LTPO Direction").

Ncell had on 21 April 2019 filed a Writ Petition for Certiorari, Prohibition and Mandamus to the SC against the LTPO, IRD and the Ministry of Finance of Nepal ("Ncell Application") for an annulment of the LTPO Direction and to challenge the legality of the LTPO Direction on grounds, including but is not limited to: (a) that the LTPO Direction in transferring the Telia Assessment unto Ncell is not incompliance with the procedures as required under the Income Tax Act, 2058 (2002) ("ITA"); (b) that the LTPO is obliged to undertake a tax assessment on Ncell and not, as demanded in the LTPO Direction, merely a tax collection; (c) that in issuing the LTPO Direction, the LTPO has: (i) failed in providing or affording Ncell the opportunity in making any submission or representation in relation to the imposed tax liability; and (ii) failed in providing Ncell with the option to file or submit an application for administrative review over the LTPO Direction.

Following the Ncell Application, the SC on 25 April 2019 issued a show cause order against the LTPO, IRD and the Ministry of Finance of Nepal (collectively, the "Respondents") to appear before a Division Bench on 6 May 2019 ("Hearing Date") and that a temporary stay order is granted until the Hearing Date, during which period the Respondents were refrained from taking any steps to enforce the LTPO Direction against Ncell.

The Division Bench on 7 May 2019 ordered that a full bench of the SC to be convened to hear and decide on the Ncell Application and that the temporary stay order granted on 25 April 2019 be continued, in the period of which the Respondents are refrained from taking any steps against Ncell. Hearing of the Ncell Application before a full bench of the SC was concluded on 7 July 2019.

10. Material Litigations (continued)

The status of material litigation of the Group is as follows: (continued)

(i) Writ petition filed by 6 individuals against Ncell Private Limited ("Ncell"), Reynolds Holdings Limited ("Reynolds"), Axiata Investments (UK) Limited ("Axiata UK"), Large Tax Payers' Office of Nepal ("LTPO"), Inland Revenue Department of Nepal ("IRD"), Nepal Rastra Bank, Department of Industry, Industry and Investment Promotion Board, Nepal Telecommunications Authority, Sunivera Capital Ventures Pvt. Ltd. and the Office of Company Registrar (continued)

On 26 August 2019, the SC issued a short-form judgment on the Ncell Application ("Short Form Order") in which the SC partially upheld the Ncell Application. The full written judgment of the SC's decision was issued on 21 November 2019 ("SC Judgment"). The SC Judgment states that the prior tax amount assessed by the LTPO is to be reduced to the extent of fees purportedly levied under section 120(a) of the Nepalese Income Tax Act which were found to be unlawful. The SC has held that Ncell remains liable to pay NPR21,104.0 million (RM731.4 million) in allegedly outstanding CGT (including fees 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 this SC Judgment, on 6 December 2019, the LTPO demanded that Ncell pay NPR22,445.1 million (RM777.9 million) in allegedly outstanding CGT (including interest and penalties) ("Demand Amount"). On 22 December 2019, the LTPO issued a second demand letter, repeating the demand from 6 December 2019 for Ncell to deposit the sums demanded within 15 days (collectively, the "LTPO Demand Letters"). On 12 April 2020, Ncell settled 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 Axiata UK's position in the international arbitration proceedings commenced by Ncell and Axiata UK against the Federal Democratic Republic of Nepal (detailed below).

The LTPO Demand Letters represent a clear violation of the terms of the Provisional Measures Order (defined below) issued by the Tribunal on 18 December 2019 in the arbitration proceedings commenced by Ncell and Axiata UK which ordered Federal Democratic Republic of Nepal ("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.

<u>Arbitration of Axiata UK and Ncell vs Nepal</u>

Following the LTPO Demand Letters, Axiata UK and Ncell have 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").

10. Material Litigations (continued)

The status of material litigation of the Group is as follows: (continued)

(i) Writ petition filed by 6 individuals against Ncell Private Limited ("Ncell"), Reynolds Holdings Limited ("Reynolds"), Axiata Investments (UK) Limited ("Axiata UK"), Large Tax Payers' Office of Nepal ("LTPO"), Inland Revenue Department of Nepal ("IRD"), Nepal Rastra Bank, Department of Industry, Industry and Investment Promotion Board, Nepal Telecommunications Authority, Sunivera Capital Ventures Pvt. Ltd. and the Office of Company Registrar (continued)

Arbitration of Axiata UK and Ncell vs Nepal (continued)

Axiata UK and Ncell's claims as set out in the Request relate to Nepal's conduct in contravention of its international law obligations under the Bilateral Investment Treaty. In particular, the claims relate to Nepal's conduct in imposing capital gains tax in connection with Axiata UK's acquisition of 100.0% of the shares of Reynolds, which owns 80.0% of the shares of Ncell.

Axiata UK and Ncell dispute the entirety of the CGT allegedly payable by Ncell in connection with the Transaction and will argue, among other things, that the imposition of CGT by Nepal in relation to the Transaction is unlawful. AIUK and Ncell will seek remedies including restitution of sums already paid, a permanent injunction against further attempts to collect CGT from Ncell in connection with the Transaction and damages for all losses suffered in consequence of Nepal's unlawful conduct. Ncell has paid a total of NPR47,009.9 million (RM1,629.3 million) in alleged outstanding CGT.

Pursuant to the ICSID, Axiata UK 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 Axiata UK and Ncell's application for provisional measures in large part and ordered that Nepal, its organs, agencies and officials, including the LTPO and the IRD, immediately be restrained from:

(i) taking any steps to enforce or otherwise give effect to the demand letter served by the LTPO against Ncell dated 6 December 2019 in which the LTPO demanded that Ncell pay NPR22,445.1 million (RM777.9 million) in allegedly outstanding CGT (including interest and penalties) in connection with the Transaction; and

(ii) taking any steps which would alter the status quo between Axiata UK, 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 with 5 July 2022 in reserve, following which the Tribunal will prepare the award. The award is expected to be delivered within 6-12 months.

10. Material Litigations (continued)

The status of material litigation of the Group is as follows: (continued)

(j) Ncell vs LTPO and others

Amended Assessment Notice by the LTPO

Notwithstanding letters dated 12 April 2020 and 15 April 2020 by the LTPO to confirm that Ncell has fully discharged all of its tax obligations under the ITA arising from the Transaction, the 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.

The 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 (RM4,430.4 million). Ncell responded to the Reassessment Notice on 12 January 2021 disagreeing, among 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. 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 and its organs and agencies will not take any measures against Ncell in relation to the section 57 demand and the Transaction.

Notwithstanding the order from the SC, LTPO had on the same day issued a further notice ("Demand Notice") under section 102 of the ITA for additional tax liability of NPR57,852.3 million (RM2,005.1 million). Ncell has filed another writ petition ("Second Writ") to dispute the Demand Notice as the remedies sought in the First Writ have 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 31 May 2022.

11. Other Disclosure Requirements under Appendix 9B of the Main LR

Other than those items disclosed in the statements of comprehensive income and notes in Part A of this announcement, there are no material impairment of inventories, gains/loss on disposal of investments, properties and assets during the current quarter and financial period to date.

12. Earnings Per Share ("EPS")

(a) Basic EPS

	Current and Cumulative Quarter	
	31/3/2022	31/3/2021
(Loss)/Profit attributable to owners of the Company (RM'000)	(42,974)	75,560
Adjusted weighted average number of ordinary shares ('000) in issue	9,175,289	9,169,814
Basic EPS (sen)	**(0.5)**	0.8

Basic EPS of the Group was calculated by dividing the net profit attributable to shareholders by the weighted average number of ordinary shares during the current quarter and financial period to date.

(b) Diluted EPS

For the diluted EPS, the weighted average number of ordinary shares in issue is adjusted to assume conversion of all dilutive potential ordinary shares.

	Current and Cumulative Quarter	
	31/3/2022	31/3/2021
(Loss)/Profit attributable to owners of the Company (RM'000)	(42,974)	75,560
Weighted average number of ordinary shares in issue ('000)	9,175,289	9,169,814
Adjusted for diluted effect of Axiata PBLTIP ('000)	8,141	7,475
Adjusted weighted average number of ordinary shares ('000)	9,183,430	9,177,289
Diluted EPS (sen)	**(0.5)**	0.8

13. Qualification of Preceding Audited Financial Statements

The 2021 Audited Financial Statements were not subject to any qualification.

14. Dividend Proposed

There is no dividend proposed for this current quarter and financial period to date.

By Order of the Board

Suryani Hussein (LS0009277)
Secretary

Kuala Lumpur
25 May 2022