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 year ended 31 December 2021.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	4th Quarter Ended		Financial Year Ended	
	31/12/2021	31/12/2020	31/12/2021	31/12/2020
	RM'000	RM'000	RM'000	RM'000
	Unaudited	Audited	Unaudited	Audited
Revenue	**6,903,614**	6,262,516	**25,900,661**	24,203,171
Operating costs				
- depreciation, impairment and amortisation	**(2,232,529)**	(3,032,155)	**(8,094,868)**	(8,484,994)
- foreign exchange (losses)/gains	**(9,165)**	(139,029)	**58,239**	(196,083)
- domestic interconnect, international outpayment and other direct costs	**(680,801)**	(527,052)	**(2,199,930)**	(1,822,171)
- marketing, advertising and promotion	**(576,305)**	(542,478)	**(2,192,658)**	(1,892,272)
- other operating costs	**(2,129,882)**	(1,828,694)	**(7,963,233)**	(7,305,590)
- staff costs	**(479,229)**	(544,288)	**(2,071,006)**	(2,227,532)
- reversal/(provision) of impairment on receivables, net	**4,511**	(90,410)	**(69,817)**	(298,731)
- other (losses)/gains - net	**(12,385)**	739	**52,034**	2,693
Other income - net	**159,280**	65,180	**398,655**	516,393
Profit/(Loss) before finance cost	**947,109**	(375,671)	**3,818,077**	2,494,884
Finance income	**40,357**	40,029	**150,982**	177,183
Finance cost	**(446,833)**	(410,296)	**(1,565,069)**	(1,693,067)
Foreign exchange gains/(losses) on financing activities	**4,256**	209,383	**(234,355)**	173,395
	(442,577)	(200,913)	**(1,799,424)**	(1,519,672)
Joint ventures				
- share of results (net of tax)	**(1,187)**	2,475	**(7,706)**	860
Associates				
- share of results (net of tax)	**5,069**	221	**11,689**	17,862
Profit/(Loss) before taxation	**548,771**	(533,859)	**2,173,618**	1,171,117
Taxation	**(337,270)**	135,452	**(896,737)**	(547,072)
Profit/(Loss) for the financial period/year	**211,501**	(398,407)	**1,276,881**	624,045

(The above Consolidated Statement of Comprehensive Income should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2020)

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 year ended 31 December 2021.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (CONTINUED)

	4th Quarter Ended		Financial Year Ended	
	31/12/2021	31/12/2020	31/12/2021	31/12/2020
	RM'000	RM'000	RM'000	RM'000
	Unaudited	Audited	Unaudited	Audited
Other comprehensive income/(expense) (net of tax):				
Items that will not be reclassified to profit or loss:				
- actuarial gains/(losses) on defined benefits plan, net of tax	**10,200**	(23,045)	**16,095**	(34,909)
- fair value through other comprehensive income	**(24,106)**	(76,190)	**(7,632)**	(117,815)
Items that may be reclassified subsequently to profit or loss:				
- currency translation differences	**(94,037)**	(219,619)	**303,525**	(573,023)
- net cash flow hedge	**(19,098)**	(45,059)	**7,717**	28,640
- net cost of hedging	**(17,218)**	36,079	**(84,949)**	7,025
Other comprehensive (expense)/income for the financial period/year, net of tax	**(144,259)**	(327,834)	**234,756**	(690,082)
Total comprehensive income/(expense) for the financial period/year	**67,242**	(726,241)	**1,511,637**	(66,037)
Profit/(Loss) for the financial period/year attributable to:				
- owners of the Company	**116,024**	(255,959)	**818,900**	365,155
- non-controlling interests	**95,477**	(142,448)	**457,981**	258,890
	211,501	(398,407)	**1,276,881**	624,045
Total comprehensive income/(expense) for the financial period/year attributable to:				
- owners of the Company	**(8,159)**	(533,619)	**945,791**	(184,693)
- non-controlling interests	**75,401**	(192,622)	**565,846**	118,656
	67,242	(726,241)	**1,511,637**	(66,037)
Earnings Per Share (sen) (Part B, Note 12)				
- basic	**1.3**	(2.8)	**8.9**	4.0
- diluted	**1.3**	(2.8)	**8.9**	4.0

(The above Consolidated Statement of Comprehensive Income should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2020)

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

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	31/12/2021 RM'000 Unaudited	31/12/2020 RM'000 Audited
CAPITAL AND RESERVES ATTRIBUTABLE TO OWNERS OF THE COMPANY		
Share capital	13,905,207	13,883,028
Reserves	4,100,117	3,758,114
Total equity attributable to owners of the Company	18,005,324	17,641,142
Non-controlling interests	7,060,505	6,238,288
Total equity	25,065,829	23,879,430
NON-CURRENT LIABILITIES		
Borrowings	14,819,079	14,773,895
Derivative financial instruments	91,162	121,784
Deferred income	260,360	445,237
Deferred gain on sale and leaseback assets	307,754	422,817
Trade and other payables	1,116,080	1,303,042
Lease liabilities	8,412,149	7,894,276
Provision for liabilities	747,795	640,507
Deferred taxation	1,377,516	1,086,780
Total non-current liabilities	27,131,895	26,688,338
	52,197,724	**50,567,768**

(The above Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2020)

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

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)

	31/12/2021 RM'000 Unaudited	31/12/2020 RM'000 Audited
NON-CURRENT ASSETS		
Intangible assets	21,722,687	20,634,399
Contract cost assets	232,519	179,801
Property, plant and equipment	26,975,288	24,495,647
Right-of-use assets	8,983,213	8,518,895
Joint ventures	25,569	33,737
Associates	257,898	274,635
Financial assets at fair value through other comprehensive income	220,744	220,978
Financial assets at fair value through profit or loss	5,678	4,467
Derivative financial instruments	76,817	8,343
Trade and other receivables	1,280,866	1,315,895
Deferred taxation	358,530	310,324
Total non-current assets	60,139,809	55,997,121
CURRENT ASSETS		
Inventories	222,747	141,663
Trade and other receivables	5,060,933	4,362,395
Derivative financial instruments	121	-
Financial assets at fair value through profit or loss	65	138,113
Tax recoverable	109,514	97,610
Deposits, cash and bank balances	6,969,352	7,194,254
Assets classified as held-for-sale	47,889	30,593
	12,410,621	11,964,628
LESS: CURRENT LIABILITIES		
Trade and other payables	13,555,061	12,001,948
Deferred gain on sale and leaseback assets	123,902	121,365
Deferred income	3,609	3,820
Lease liabilities	1,758,846	1,734,320
Borrowings	4,231,416	2,971,544
Derivative financial instruments	20,497	10,881
Current tax liabilities	653,031	532,947
Liabilities classified as held-for-sale	6,344	17,156
Total current liabilities	20,352,706	17,393,981
Net current liabilities	(7,942,085)	(5,429,353)
	52,197,724	**50,567,768**
Net assets per share attributable to owners of the Company (sen)	196	192

(The above Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2020)

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

UNAUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

	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 year	-	-	-	-	818,900	818,900	457,981	1,276,881
Other comprehensive income/(expense):								
-Currency translation differences of subsidiaries	-	-	200,905	-	-	200,905	102,620	303,525
-Net cash flow hedge	-	-	-	6,291	-	6,291	1,426	7,717
-Net cost of hedging	-	-	-	(83,419)	-	(83,419)	(1,530)	(84,949)
-Actuarial gains, net of tax	-	-	-	10,674	-	10,674	5,421	16,095
-Revaluation of financial assets at FVTOCI	-	-	-	(7,560)	-	(7,560)	(72)	(7,632)
Total comprehensive income/(expense)	**-**	**-**	**200,905**	**(74,014)**	**818,900**	**945,791**	**565,846**	**1,511,637**
Transactions with owners:								
-Dilution of equity interest in subsidiaries	-	-	3,491	(14,321)	94,030	83,200	163,727	246,927
-New/Additional investment in subsidiaries	-	-	-	-	(3,707)	(3,707)	27,424	23,717
-Partial disposal of a subsidiary	-	-	55,892	(1,253)	81,456	136,095	285,838	421,933
-Accretion of equity interests in a subsidiary	-	-	-	-	808	808	(808)	-
-Dividends declared to shareholders of the Company	-	-	-	-	(825,539)	(825,539)	-	(825,539)
-Dividends declared to NCI	-	-	-	-	-	-	(214,603)	(214,603)
-Share-based payment expense	-	-	-	21,353	6,181	27,534	(5,207)	22,327
-Transferred from share-based payment reserve upon vesting	5,446	22,179	-	(22,179)	-	-	-	-
Total transactions with owners	5,446	22,179	59,383	(16,400)	(646,771)	(581,609)	256,371	(325,238)
At 31 December 2021 (Unaudited)	**9,174,987**	**13,905,207**	**(741,732)**	**(1,913,101)**	**6,754,950**	**18,005,324**	**7,060,505**	**25,065,829**

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 2020)

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

UNAUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021 (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 2020	9,163,573	13,857,268	(561,180)	(3,762,267)	6,646,972	16,180,793	6,039,230	22,220,023
Profit for the financial year	-	-	-	-	365,155	365,155	258,890	624,045
Other comprehensive (expense)/income:								
-Currency translation differences of subsidiaries	-	-	(443,878)	-	-	(443,878)	(129,145)	(573,023)
-Net cash flow hedge	-	-	-	28,640	-	28,640	-	28,640
-Net cost of hedging	-	-	-	7,025	-	7,025	-	7,025
-Actuarial losses, net of tax	-	-	-	(24,275)	-	(24,275)	(10,634)	(34,909)
-Revaluation of financial assets at FVTOCI	-	-	-	(117,360)	-	(117,360)	(455)	(117,815)
Total comprehensive (expense)/income	**-**	**-**	**(443,878)**	**(105,970)**	**365,155**	**(184,693)**	**118,656**	**(66,037)**
Transactions with owners:								
-Dilution of equity interest in subsidiaries	-	-	3,638	(64)	217,182	220,756	98,806	319,562
-Additional investment in subsidiaries	-	-	-	-	-	-	7,584	7,584
-Rights issue by a subsidiary	-	-	-	-	-	-	9,596	9,596
-Revaluation of put option	-	-	-	(222,982)	-	(222,982)	-	(222,982)
-Derecognition of put option	-	-	-	2,250,479	-	2,250,479	-	2,250,479
-Share buyback by a subsidiary	-	-	(3,287)	109	(2,554)	(5,732)	(34,737)	(40,469)
-IPO of a subsidiary	-	-	2,687	946	(47,941)	(44,308)	292,995	248,687
-Dividends declared to shareholders of the Company	-	-	-	-	(595,993)	(595,993)	-	(595,993)
-Dividends declared to NCI	-	-	-	-	-	-	(300,530)	(300,530)
-Share-based payment expense	-	-	-	42,822	-	42,822	6,688	49,510
-Transferred from share-based payment reserve upon vesting	5,968	25,760	-	(25,760)	-	-	-	-
Total transactions with owners	5,968	25,760	3,038	2,045,550	(429,306)	1,645,042	80,402	1,725,444
At 31 December 2020 (Audited)	**9,169,541**	**13,883,028**	**(1,002,020)**	**(1,822,687)**	**6,582,821**	**17,641,142**	**6,238,288**	**23,879,430**

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

UNAUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021 (CONTINUED)

	Reserves								
	Capital contribution	Merger	Hedging	Cost of hedging	Actuarial	Share-based payment	FVTOCI	Other	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
At 1 January 2021	16,598	346,774	18,935	1,163	5,232	44,413	(2,255,802)	-	(1,822,687)
Other comprehensive income/(expense):									
-Net cash flow hedge	-	-	6,291	-	-	-	-	-	6,291
-Net cost of hedging	-	-	-	(83,419)	-	-	-	-	(83,419)
-Actuarial gains, net of tax	-	-	-	-	10,674	-	-	-	10,674
-Revaluation of financial assets at FVTOCI	-	-	-	-	-	-	(7,560)	-	(7,560)
Total comprehensive income/(expense)	**-**	**-**	**6,291**	**(83,419)**	**10,674**	**-**	**(7,560)**	**-**	**(74,014)**
Transactions with owners:									
-Dilution of equity interest in subsidiaries	-	-	-	-	(31)	(14,291)	1	-	(14,321)
-Partial disposal by a subsidiary	-	-	-	-	(1,250)	(3)	-	-	(1,253)
-Share-based payment expense	-	-	-	-	-	21,353	-	-	21,353
-Transferred from share-based payment reserve upon vesting	-	-	-	-	-	(22,179)	-	-	(22,179)
Total transactions with owners	-	-	-	-	(1,281)	(15,120)	1	-	(16,400)
At 31 December 2021 (Unaudited)	**16,598**	**346,774**	**25,226**	**(82,256)**	**14,625**	**29,293**	**(2,263,361)**	**-**	**(1,913,101)**
At 1 January 2020	16,598	346,774	(9,705)	(5,862)	28,512	27,351	(2,138,438)	(2,027,497)	(3,762,267)
Other comprehensive income/(expense):									
-Net cash flow hedge	-	-	28,640	-	-	-	-	-	28,640
-Net cost of hedging	-	-	-	7,025	-	-	-	-	7,025
-Actuarial losses, net of tax	-	-	-	-	(24,275)	-	-	-	(24,275)
-Revaluation of financial assets at FVTOCI	-	-	-	-	-	-	(117,360)	-	(117,360)
Total comprehensive income/(expense)	**-**	**-**	**28,640**	**7,025**	**(24,275)**	**-**	**(117,360)**	**-**	**(105,970)**
Transactions with owners:									
-Dilution of equity interest in subsidiaries	-	-	-	-	(60)	-	(4)	-	(64)
-Revaluation of put option	-	-	-	-	-	-	-	(222,982)	(222,982)
-Derecognition of put option	-	-	-	-	-	-	-	2,250,479	2,250,479
-Share buyback by a subsidiary	-	-	-	-	109	-	-	-	109
-IPO of a subsidiary	-	-	-	-	946	-	-	-	946
-Share-based payment expense	-	-	-	-	-	42,822	-	-	42,822
-Transferred from share-based payment reserve upon vesting	-	-	-	-	-	(25,760)	-	-	(25,760)
Total transactions with owners	-	-	-	-	995	17,062	(4)	2,027,497	2,045,550
At 31 December 2020 (Audited)	**16,598**	**346,774**	**18,935**	**1,163**	**5,232**	**44,413**	**(2,255,802)**	**-**	**(1,822,687)**

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

CONSOLIDATED STATEMENT OF CASH FLOWS

	FOR THE FINANCIAL YEAR ENDED	
	31/12/2021	**31/12/2020**
	RM'000	**RM'000**
	Unaudited	**Audited**
Receipt from customers	25,321,996	24,167,782
Payment to suppliers and employees	(14,459,604)	(15,053,690)
Payment of finance costs	(1,398,060)	(1,400,405)
Payment of income taxes (net of refunds)	(576,240)	(576,986)
CASH FLOWS FROM OPERATING ACTIVITIES	**8,888,092**	**7,136,701**
Proceeds from disposal of property, plant and equipment ("PPE")	118,545	64,877
Purchase of PPE	(6,487,545)	(4,583,843)
Proceeds from disposal of an intangible asset ("IA")	3,568	-
Acquisition of IA	(573,915)	(596,723)
Net proceeds from sale of towers	-	580,790
Investments in deposits maturing more than three (3) months	150,263	601,802
Investment in subsidiaries (net of cash acquired)	(1,400,993)	-
Investment in associates	-	(6,054)
Additional investment in associates	(2,421)	(10,743)
Additional investment in a joint venture	-	(11,169)
Additional investment in other investments	(12,672)	(1,953)
Disposal of other investments	559	150,582
Payments for right-of-use ("ROU") assets	(29,794)	(22,495)
Advance to employees	(282)	(647)
Dividend received from associates	5,262	4,884
Interests received	149,820	192,101
Redemption of preference shares by an associate	5,837	-
CASH FLOWS USED IN INVESTING ACTIVITIES	**(8,073,768)**	**(3,638,591)**
Proceeds from borrowings, net of transaction costs	5,095,669	11,295,628
Proceeds from Sukuk	-	2,091,250
Repayment of borrowings	(3,760,522)	(8,411,387)
Repayment of Sukuk	(666,907)	(3,582,091)
Repayment of lease liabilities	(1,522,063)	(1,328,392)
Net proceeds from sale and leaseback transactions	-	561,908
Net proceeds from right issue of a subsidiary	-	9,596
Additional investment in a subsidiary by NCI	-	7,897
Net proceeds from partial disposal of a subsidiary	420,667	-
Net capital injection by NCI of subsidiaries	247,237	294,000
Redemption of preference shares from NCI of a subsidiary	(309)	-
Proceeds from IPO of a subsidiary	-	184,092
Share buyback by a subsidiary	-	(40,469)
Dividend paid to shareholders	(825,539)	(595,993)
Dividends paid to NCI	(204,776)	(256,739)
CASH FLOWS (USED IN)/FROM FINANCING ACTIVITIES	**(1,216,543)**	**229,300**

(The above Consolidated Statement of Cash Flows should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2020)

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

CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)

	FOR THE FINANCIAL YEAR ENDED 31/12/2021 RM'000 Unaudited	FOR THE FINANCIAL YEAR ENDED 31/12/2020 RM'000 Audited
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	(402,219)	3,727,410
NET (INCREASE)/DECREASE IN RESTRICTED CASH AND CASH EQUIVALENT	(49,707)	46,528
EFFECT OF EXCHANGE RATE CHANGES	92,439	(66,881)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL YEAR	6,722,162	3,015,105
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL YEAR	**6,362,675**	**6,722,162**
Deposits, cash and bank balances	6,969,352	7,194,254
Financial assets at fair value through profit or loss ("FVTPL")	-	138,063
Less:		
Deposits pledged and restricted cash	(242,054)	(192,346)
Deposits maturing more than three (3) months	(150,991)	(301,254)
Bank overdraft	(213,632)	(116,555)
Total cash and cash equivalents	**6,362,675**	**6,722,162**

(The above Consolidated Statement of Cash Flows should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2020)

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

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

1. Basis of Preparation

The unaudited financial statements for the financial year ended 31 December 2021 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 2020 ("2020 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 2020 Audited Financial Statements except for the following:

- Amendment to MFRS 16 "Leases" : COVID-19-Related Rent Concessions
- Amendments to MFRS 9 "Financial Instruments", MFRS 139 "Financial Instruments: Recognition and Measurement", MFRS 7 "Financial Instruments: Disclosures", MFRS 4 "Insurance Contracts" and MFRS 16 "Leases" on 'Interest Rate Benchmark Reform—Phase 2'

The above adoptions did not have material impact to the Group during the current quarter and financial year 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 year to date, certain subsidiaries of the Group had revision of useful life of its telecommunication network equipment under modernisation plans and accordingly recognised:
- in the current quarter savings of RM26.3 million with related deferred tax impact of RM4.8 million; and
- in the financial year to date accelerated depreciation of RM274.4 million with related deferred tax impact of RM71.1 million.

(b) On 31 May 2021, ADA Digital Singapore Pte Ltd ("ADADS"), an indirect subsidiary of Axiata Digital Services Sdn Bhd ("ADS") held via Axiata Digital & Analytics Sdn Bhd (formerly known as Axiata Digital Advertising Sdn Bhd) ("ADA") completed its acquisition of AAD Holdings Pte Ltd ("AADH") as disclosed in Part A, Note 12(j) of this announcement.

During the financial year to date, a total goodwill of RM71.5 million was recognised on the date of acquisition in conjunction with the above acquisition. The Group assessed the fair value of the identified assets acquired and liabilities assumed on the date of acquisition via purchase price allocation ("PPA") exercise. However, MFRS 3 "Business Combinations" allows any adjustments to PPA up to twelve (12) months from the date of acquisition.

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

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

(c) On 16 August 2021, edotco Malaysia Sdn Bhd ("edotco Malaysia") and its subsidiaries, a subsidiary of the Company held via edotco Group Sdn Bhd ("edotco Group"), introduced to its employees a Flexi Retirement Benefit ("FRB") program that will benefit long service employees who seek early retirement. As of 31 December 2021, an FRB provision of RM40.1 million has been recognised under MFRS 119 "Employee Benefits".

(d) On 20 December 2021, edotco Malaysia completed the acquisition of Touch Mindscape Sdn Bhd ("TMs") as disclosed in Part A, Note 12(l) of this announcement.

During the current quarter and financial year to date, a total goodwill of RM1.1 billion was recognised on the date of acquisition in conjunction with the above acquisition. The Group assessed the fair value of the identified assets acquired and liabilities assumed on the date of acquisition via purchase price allocation ("PPA") exercise. However, MFRS 3 allows any adjustments to PPA up to twelve (12) months from the date of acquisition.

(e) The Group has performed an annual impairment assessment on its goodwill under MFRS 136 "Impairment of Assets" and impaired the goodwill of mobile operations in Nepal amounting to RM338.4 million during the current quarter and financial year to date.

(f) As disclosed in Part A, Note 13 of this announcement, review of Robi Axiata Limited ("Robi")'s open year income tax assessments resulted in recognition of additional corporate tax expense of BDT3.4 billion (RM166.5 million). Based on the assessment, additional deferred tax assets of BDT3.5 billion (RM170.7 million) was also recognised, resulting in net tax credit impact of BDT86.2 million (RM4.2 million).

(g) During the current quarter and financial year to date, the Group recognised net foreign exchange losses of RM4.9 million and RM176.1 million respectively, mainly arising from the revaluation of USD borrowings and working capital.

Other than the above, 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 year ended 31 December 2021.

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 year 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 2020 Audited Financial Statements.

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

(a) During the financial year 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 RM3.44 to RM4.82 being the fair value of RSP issued	5,446	22,179
Total	5,446	22,179

(b) During the current quarter and financial year to date, Celcom Networks Sdn Bhd, a wholly owned subsidiary of Celcom Axiata Berhad (“Celcom”) had:

(i) fully repaid its RM400.0 million Sukuk Murabahah Series 5 (“Series 5 Sukuk”) which matured on 27 August 2021. The Series 5 Sukuk carried a coupon rate of 4.05% per annum (payable semi-annually) and had a tenure of 9 years from the date of issuance; and

(ii) fully repaid its RM150.0 million Sukuk Murabahah Series 7 (“Series 7 Sukuk”) which matured on 28 October 2021. The Series 7 Sukuk carried a coupon rate of 4.85% per annum (payable semi-annually) and had a tenure of 9 years from the date of issuance.

(c) PT XL Axiata Tbk (“XL”) fully repaid its IDR399.0 trillion (RM116.9 million) Sukuk Ijarah II Tranche I Year 2018 Series B which matured on 16 October 2021.

(d) XL fully repaid its IDR450.0 trillion (RM131.9 million) Bond I Tranche 1 Year 2018 Series B which matured on 16 October 2021.

Aside from the above, there was no other significant issues, repurchases and repayments of debt and equity securities during the financial year ended 31 December 2021.

7. Dividends Paid

The Company declared and paid the dividends during the financial year to date as below:

Date of payment	Description	Per ordinary share	Total
		Sen	RM'000
8 April 2021	Tax exempt dividend under single tier in respect of financial year ended 31 December 2020	5.0	458,631
24 September 2021	Tax exempt dividend under single tier in respect of financial year ended 31 December 2021	4.0	366,908
		9.0	825,539

8. Segmental Information

For the financial year ended 31 December 2021

Segment	Mobile						Infrastructure	Others	Consolidation adjustments/ eliminations	Total
	Malaysia	Indonesia	Bangladesh	Sri Lanka	Nepal	Cambodia				
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Total operating revenue	6,622,722	7,758,675	3,955,039	2,953,532	1,449,095	1,448,542	1,978,663	1,366,476	-	27,532,744
Inter-segment[1]	(18,782)	(14,017)	(96,991)	(30,324)	(11,336)	(28,328)	(1,185,287)	(247,018)	-	(1,632,083)
External operating revenue	6,603,940	7,744,658	3,858,048	2,923,208	1,437,759	1,420,214	793,376	1,119,458	-	25,900,661
Earnings before interest, tax, depreciation and amortisation ("EBITDA")[2]	2,825,957	3,889,711	1,592,997	1,223,195	841,529	774,663	1,238,069	(407,517)	(574,587)	11,404,017
Finance income	67,316	25,437	4,522	9,502	10,666	11,492	22,738	103,858	(104,549)	150,982
Finance cost	(342,188)	(700,821)	(199,658)	(45,184)	(92,812)	(28,787)	(109,732)	(374,622)	328,735	(1,565,069)
Depreciation of PPE	(1,201,112)	(1,707,965)	(709,356)	(492,633)	(272,646)	(260,263)	(398,492)	(13,836)	21,219	(5,035,084)
Depreciation of ROU assets	(421,762)	(1,163,948)	(156,864)	(47,583)	(18,573)	(58,580)	(234,288)	(14,483)	436,421	(1,679,660)
Amortisation of IA	(61,850)	-	(295,535)	(77,742)	(130,975)	(12,923)	(32,469)	(36,541)	(213,227)	(861,262)
Joint ventures:										
- share of results (net of tax)	(3,779)	-	-	-	-	-	-	(4,089)	162	(7,706)
Associates:										
- share of results (net of tax)	13,352	2,497	-	(599)	-	(1,095)	-	(2,466)	-	11,689
Impairment of PPE, net of reversal	-	(7,682)	4,384	(2,737)	-	(6,224)	6,593	(6,091)	-	(11,757)
Other income/(expense)	317,956	199,907	(63,898)	(169,694)	14,229	(33,294)	(174)	(125,079)	(372,485)	(232,532)
Taxation	(252,786)	(130,952)	(88,997)	(42,331)	(108,522)	(86,174)	(199,558)	(23,579)	36,162	(896,737)
Segment profit/(loss) for the financial year	**941,104**	**406,184**	**87,595**	**354,194**	**242,896**	**298,815**	**292,687**	**(904,445)**	**(442,149)**	**1,276,881**

[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.

8. Segmental Information (continued)

For the financial year ended 31 December 2020

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	6,218,831	7,514,215	3,744,616	2,721,085	1,479,397	1,372,696	1,881,176	785,951	-	25,717,967
Inter-segment[1]	(44,784)	(24,022)	(32,713)	(21,339)	(2,872)	(10,856)	(1,119,989)	(258,221)	-	(1,514,796)
External operating revenue	6,174,047	7,490,193	3,711,903	2,699,746	1,476,525	1,361,840	761,187	527,730	-	24,203,171
EBITDA[2]	2,589,948	3,776,653	1,580,705	1,153,679	850,210	751,947	1,087,192	(553,282)	(580,177)	10,656,875
Finance income	59,739	52,933	3,460	7,556	5,840	8,196	49,855	37,579	(47,975)	177,183
Finance cost	(380,497)	(761,506)	(245,477)	(54,194)	(94,879)	(27,952)	(106,552)	(358,019)	336,009	(1,693,067)
Depreciation of PPE	(1,051,920)	(2,468,198)	(708,144)	(522,623)	(305,086)	(256,740)	(383,501)	(14,087)	5,581	(5,704,718)
Depreciation of ROU assets	(394,689)	(1,106,964)	(139,138)	(42,827)	(19,843)	(54,453)	(226,461)	(14,916)	410,219	(1,589,072)
Amortisation of IA	(61,850)	(6,312)	(218,011)	(78,526)	(131,076)	(13,276)	(32,467)	(31,856)	(236,579)	(809,953)
Joint venture:										
- share of results (net of tax)	860	-	-	-	-	-	-	-	-	860
Associates:										
- share of results (net of tax)	20,998	(176)	-	(96)	-	(4,720)	-	1,856	-	17,862
Impairment of PPE, net of reversal	-	102	(7,992)	1,116	-	-	(24,901)	(2,839)	-	(34,514)
Other income/(expenses)	83,090	543,990	(68,623)	(152,486)	(107,694)	(40,276)	(44,894)	(65,717)	2,271	149,661
Taxation	(167,360)	57,609	(119,884)	(40,446)	(100,089)	(68,446)	(162,877)	(13,445)	67,866	(547,072)
Segment profit/(loss) for the financial year	698,319	88,131	76,896	271,153	97,383	294,280	155,394	(1,014,726)	(42,785)	624,045

9. Valuation of PPE

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

10. Acquisitions of PPE

During the financial year to date, the Group acquired additional PPE amounting to RM7,235.8 million mainly for its telecommunication network equipment and capital work in progress.

11. Events after the Interim Period

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

Celcom had on 3 January 2022, completed the acquisition and subscription 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 purchase consideration of RM5.5 million comprising the followings:

(i) The acquisition of 258,115 existing ordinary shares in Infront Malaysia from Redynamics Asia Sdn Bhd for a consideration of RM4.0 million; and

(ii) The subscription of 104,712 new ordinary shares in Infront Malaysia for a consideration of RM1.5 million.

(b) Spectrum Assignment in the 2530MHz to 2540MHz paired with 2650MHz to 2660MHz Frequency Bands

Celcom has accepted an offer from the Malaysian Communications and Multimedia Commission ("MCMC") for spectrum assignment in the 2530MHz to 2540MHz paired with 2650MHz to 2660MHz frequency bands.

The effective period for the spectrum assignment commences 1 July 2022 for a period of 5 years at a one-time fee of RM11.8 million to be paid by 12 noon, 14 February 2022 and annual fee component fixed at RM20.8 million payable before 15 December each year throughout the validity of the spectrum assignment.

Celcom had on 11 February 2022 paid to MCMC the price component (one-time) fee of RM11.8 million in one lump sum.

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

Celcom had on 8 January 2022, completed the acquisition and subscription 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 purchase consideration of RM36.1 million comprising the followings:

(i) The subscription of 565,289 new ordinary shares in Bridgenet Solutions for a consideration of RM15.6 million; and

(ii) The acquisition of 743,008 existing ordinary shares of enlarged share capital in Bridgenet Solutions from the existing shareholders, namely Pang Cheng Hing, Leong Kin Man, Loy Kuang Haow and Queenie Lee Wei Ling for a consideration of RM20.5 million.

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 15 February 2022.

12. Effects of Changes in the Composition of the Group

(a) Acquisition of Equity Interest in H One (Private) Limited ("H One")

Dialog Broadband Networks (Private) Limited, a subsidiary of Dialog Axiata PLC ("Dialog"), had on 23 December 2020, entered into a Share Sale and Purchase Agreement with Hirdaramani Investment Holdings Private Limited and W K A S A Fernando for the acquisition of 1,111,111 ordinary shares representing 100.0% of the issued share capital of H One at a purchase consideration of SLR481.7 million (RM10.0 million). The acquisition of H One was completed on 7 January 2021.

The acquisition above did not have material impact to the Group during the financial year to date.

(b) Acquisition of Equity Interest in My Health Solutions (Private) Limited ("My Health Solutions")

Digital Health (Private) Limited ("DH"), an indirect subsidiary of Dialog, had on 20 February 2021, acquired 100% of the issued share capital of My Health Solutions from its existing shareholders, Dialog Axiata Digital Innovation Fund (Private) Limited ("DADIF") and Aartiz Technologies (Private) Limited ("Aartiz") via the issuance of DH's ordinary shares to DADIF and Aartiz, representing 20.45% and 9.55% respectively.

The acquisition above did not have material impact to the Group during the financial year to date.

(c) Dilution of Equity Interest in DH

On 20 February 2021, the Group's equity interest in DH decreased from 53.20% to 37.24% following to the issuance of 5,639,098 ordinary shares by DH to its new shareholders, DADIF and Aartiz of 3,844,493 and 1,794,605 ordinary shares of LKR12.87 each.

The dilution above did not have material impact to the Group during the financial year to date.

(d) Voluntary Winding Up by PLDT Malaysia Sdn Bhd ("PLDT")

PLDT commenced Members' Voluntary Winding Up on 14 August 2019. The Liquidator has lodged the required return with the Registrar of Companies and Official Receiver on 4 December 2020. Pursuant to Section 459 (5) of the Companies Act 2016, PLDT was dissolved with effect from 5 March 2021.

The above winding up did not have material impact to the Group during the financial year to date.

(e) Dilution of Equity Interest in XL

On 9 March 2021, the Group's equity interest in XL decreased from 66.60% to 66.48% following to the issuance of new ordinary shares by XL to its eligible employees under XL's Long Term Incentive Program.

The dilution above did not have material impact to the Group during the financial year to date.

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

(f) Dilution of Equity Interest in Dialog

On 19 April 2021, the Group's equity interest in Dialog decreased from 83.01% to 82.74% following to the issuance of new ordinary shares by Dialog to its eligible employees under Dialog's performance based Long Term Incentive Plan.

The dilution above did not have material impact to the Group during the financial year to date.

(g) Acquisition of Equity Interest in PT Creative Mobile Adventure ("CMA")

Boost Holdings Sdn Bhd, a subsidiary of the Company held via ADS completed its acquisition of 68.75% interest in CMA via the:

(i) purchase of Series A secondary shares of 2,250 Series A shares in CMA at a total consideration of USD2.25 million (RM9.3 million) from existing shareholders. The said purchase of secondary shares was completed on 19 April 2021; and

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

The acquisition above did not have material impact to the Group during the financial year to date.

(h) Accretion in Equity Interest in ADS Digital Ventures Sdn Bhd (formerly known as Merchantrade Digital Ventures Sdn Bhd) ("ADSDV")

ADS had on 30 April 2021, entered into an agreement with Merchantrade Asia Sdn Bhd for the acquisition of the remaining 49 ordinary shares representing 49.00% of the issued share capital of ADSDV for a total consideration of RM490. Accordingly, ADS's equity interest in ADSDV increased from 51.00% to 100.00%.

The acquisition above did not have material impact to the Group during the financial year to date.

(i) Dilution of Equity Interest in ADA

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

The Group recognised an increase of RM98.8 million in the consolidated retained earnings and non-controlling interest amounting to RM147.6 million respectively.

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

(j) Acquisition of Equity Interest in AADH

ADADS, an indirect subsidiary of ADS held via ADA, had on 31 May 2021, completed its acquisition of 20,000,000 ordinary shares representing 100.00% equity interest in AADH held by TheScaleGroup Pte. Ltd. at a purchase consideration of USD19.6 million (RM81.9 million). Effectively, AADH became a wholly owned subsidiary of ADADS. AADH owns 5 direct subsidiaries namely AAD Indochina Pte Ltd ("AADI"), AADistribution Phils Inc, Awake Asia Distribution Sdn Bhd, Awake Asia Distribution Pte Ltd and PT Awake Asia Distribution Indonesia, and an indirect subsidiary held via AADI, namely Thien An Investment Co Ltd. The principal activity of AADH is that of an investment holding company.

The impact of AADH's acquisition is disclosed in Part A, Note 4(b) of this announcement.

(k) Disposal of Equity Interest in XL

Axiata Investments (Indonesia) Sdn Bhd ("AII"), an indirect wholly owned subsidiary of the Company, had on 27 October 2021 completed the disposal of 533,409,349 ordinary shares in XL, representing approximately 5.00% equity interest in XL at a gross disposal consideration of IDR1,440,205.2 million (equivalent to approximately RM421.9 million) or IDR2,700 (equivalent to approximately RM0.79) per XL share, to Ferrymount Investments Limited. Accordingly, the Group's equity interest in XL decreased from 66.48% to 61.48%.

The Group recognised a decrease in consolidated actuarial reserves of RM1.3 million and increase in consolidated currency translation differences of RM55.9 million, RM81.5 million in the consolidated retained earnings and non-controlling interest amounting to RM285.8 million respectively.

(l) Acquisition of Equity Interest in Touch Mindscape Sdn Bhd ("TMs")

edotco Malaysia had on 20 December 2021 completed its acquisition of 14,100,000 ordinary shares and 10,900,000 preference shares representing 100.00% equity interest in TMs held by Touch Group Holdings Sdn Bhd at a net purchase consideration of RM1.6 billion after adjustments provided under the terms and conditions of the Share Sale Agreement dated 30 November 2021. The net purchase consideration includes contingent consideration of RM200.0 million to be deposited with an escrow agent of which will be released upon fulfilment of the agreed conditions within 12 months from completion date, or such other extended period as may be mutually agreed by both parties. Effectively, TMs became a wholly owned subsidiary of edotco Malaysia.

The impact of TMs' acquisition is disclosed in Part A, Note 4(d) of this announcement.

Other than the above, there was no other change in the composition of the Group for the financial year ended 31 December 2021.

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 2020 Audited Financial Statements and other than as disclosed in Part B, Note 10 of this announcement:

(a) Robi Tax Position

Robi has claimed certain expenses as a deductible expense in its tax provision computations for the FY 2005 to 2017 (2020: FY 2005 to 2016). The National Board of Revenue of Bangladesh has challenged its claims and regarded those expenses as non-deductible.

During the current quarter, Robi has performed a review on its open year income tax assessments from FY 2005 to 2020 and concluded that the outflow of certain disputed items such as subsidy on acquisition, excess perquisites and provision for bad debt, are probable. Outcome of the assessment is disclosed in Part A, Note 4(f) of this announcement.

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 claim.

14. Capital Commitments

	Group	
As at	**31 December 2021**	31 December 2020
	RM'000	RM'000
Commitments in respect of expenditure approved and contracted for	**3,878,817**	1,851,862

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 year ended 31 December are as follows:

	31 December 2021	31 December 2020
	RM'000	RM'000
Sale of telecommunication services to joint ventures	**281,726**	249,460
Purchase of network related services from associates	**(78,743)**	(114,757)
Revenue sharing with a joint venture	**(1,163)**	(1,116)
Receivables from joint ventures	**4,260**	8,148
Receivables from associates	**39,045**	43,222
Payable to an associate	**(6,084)**	(4,904)
Lease payable to an associate	**(123,316)**	(127,489)

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 December 2021**				31 December 2020			
	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	65	-	-	65	138,113	-	-	138,113
-Unquoted securities	-	-	5,678	5,678	-	-	4,467	4,467
-Non-hedging derivatives	-	45,653	-	45,653	-	8,343	-	8,343
-Derivative used for hedging	-	31,285	-	31,285	-	-	-	-
Financial assets at FVTOCI[1]:								
-Equity securities	-	-	220,744	220,744	-	-	220,978	220,978
Liabilities								
Financial liabilities at FVTPL:								
-Derivatives used for hedging	-	(111,659)	-	(111,659)	-	(132,665)	-	(132,665)
Total	**65**	**(34,721)**	**226,422**	**191,766**	138,113	(124,322)	225,445	239,236

[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 (Q4'21 vs Q4'20)

	Current Year Quarter	Preceding Year Corresponding Quarter	Variance	
	31/12/2021	31/12/2020		
	RM'million	RM'million	RM'million	%
Revenue	6,903.6	6,262.5	641.1	10.2
EBITDA	3,041.9	2,729.6	312.3	11.4
PAT[1]	211.5	(398.4)	609.9	>100
PATAMI[2]	116.0	(256.0)	372.0	>100

[1] PAT : Profit after tax
[2] PATAMI : Profit after tax and minority interest

Group Performance

Compared to the preceding year's corresponding quarter (Q4'21 vs Q4'20), Group revenue grew by 10.2% to RM6,903.6 million. Consequently, EBITDA grew by 11.4% to RM3,041.9 million. At constant currency of Q4'20, revenue and EBITDA would have increased by 10.1% and 11.1% respectively.

Group PAT and PATAMI both improved significantly, recording more than 100% increases to RM211.5 million and RM116.0 million respectively mainly due to higher top lines, lower depreciation and amortisation as there was accelerated depreciation of 3G assets amounting to RM1,065.3 million (PAT: RM821.2 million; PATAMI RM604.3 million) in Q4'20. This is partially offset by higher foreign exchange losses, higher finance costs, higher taxes and one-off impairment of goodwill of mobile operations in Nepal amounting to RM338.4 million in Q4'21.

Geographical Highlights

- **Malaysia**: Revenue grew by 7.7% to RM1,748.5 million mainly driven by growth in the mobile business and higher device sales. EBITDA increased by 0.7% to RM800.6 million. PAT grew more than 100% to RM428.5 million, driven by lower depreciation and amortisation and higher one-off gains, partially offset by higher taxes.

- **Indonesia**: Revenue increased by 12.1% to RM2,036.4 million, mainly due to growth in the mobile and broadband businesses. EBITDA grew by 11.7% to RM1,003.9 million, on the back of higher revenue and contained operating costs. PAT registered an improvement of more than 100% to RM93.0 million, driven by higher top lines and lower depreciation and amortisation as there was accelerated depreciation of 3G assets amounting to RM558.9 million, net of tax in Q4'20, partially offset by higher taxes.

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

(a) Quarter-on-Quarter (Q4'21 vs Q4'20) (continued)

Geographical Highlights (continued)

- **Bangladesh**: Revenue rose by 7.0% to RM995.3 million, mainly driven by growth in the prepaid business. EBITDA increased by 2.3% to RM376.4 million, partly offset by higher operating costs. PAT fell by 66.7% to RM6.3 million, due to foreign exchange losses and higher taxes, partially cushioned by higher top lines.

- **Sri Lanka**: Revenue grew by 7.1% to RM766.9 million, driven by growth across core revenue segments. EBITDA fell by 1.5% to RM315.9 million, impacted by higher operating costs. PAT registered a growth of 25.0% to RM94.4 million, mainly driven by lower depreciation and amortisation as there was accelerated depreciation of 3G assets amounting to RM20.7 million, net of tax in Q4'20.

- **Nepal**: Revenue fell by 1.7% to RM364.6 million, resulting from lower prepaid revenue. Consequently, EBITDA declined by 5.5% to RM205.9 million. PAT registered an improvement of more than 100% to RM62.2 million, driven by lower depreciation and amortisation as there was asset write-off of RM72.2 million, net of tax in Q4'20, partially offset by higher taxes.

- **Cambodia**: Revenue remained flat at RM388.5 million. The preceding year corresponding quarter's revenue includes a catch-up reclassification of dealer discounts, resulting in higher revenue. Excluding this, the like-to-like revenue growth is 13.7%, driven by growth in prepaid business. EBITDA grew by 3.7% to RM199.3 million. PAT increased by 48.6% to RM78.4 million due to higher top lines and lower depreciation and amortisation, partly offset by higher taxes.

- **Infrastructure**: Revenue increased by 8.9% to RM531.3 million. EBITDA grew by 52.5% to RM345.1 million, mainly due to higher revenue, lower operating costs and lower impairment of receivables. PAT increased by more than 100% to RM64.2 million, mainly attributed to higher top lines and lower foreign exchange losses, partially offset by higher taxes.

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

(b) Year-on-Year (FY'21 vs FY'20)

	Current Year to Date	Immediate Preceding Year	Variance	
	31/12/2021	31/12/2020		
	RM'million	RM'million	RM'million	%
Revenue	25,900.7	24,203.2	1,697.5	7.0
EBITDA	11,404.0	10,656.9	747.1	7.0
PAT	1,276.9	624.0	652.9	>100
PATAMI	818.9	365.2	453.7	>100

Group Performance

The Group recorded a total revenue of RM25,900.7 million for FY'21, representing a 7.0% increase compared to the immediate preceding year. Consequently, Group EBITDA increased by 7.0% to RM11,404.0 million with growth across all Operating Companies ("OpCos") except mobile operations in Nepal.

Group PAT and PATAMI improved significantly, recording more than 100% increases to RM1,276.9 million and RM818.9 million respectively, mainly driven by higher top lines, lower accelerated depreciation recorded for 3G assets, and lower finance costs, partially offset by higher foreign exchange losses, higher taxes, one-off impairment of goodwill of mobile operations in Nepal amounting to RM338.4 million, and lower one-off gains. In FY'21, Indonesia recognised a gain on sale of indoor telecommunication infrastructure assets amounting to RM52.2 million, net of tax (PATAMI: RM34.7 million) as opposed to FY'20, in which Indonesia had recognised a gain on sale and leaseback of telecommunication towers of RM444.2 million, net of tax (PATAMI: RM294.8 million).

Geographical Highlights `

- **Malaysia**: Revenue increased by 6.5% to RM6,622.7 million, mainly driven by growth in prepaid business and sale of devices. EBITDA improved by RM236.0 million, representing a 9.1% increase mainly due to higher revenue and contained operating costs. In addition, there were one-off costs incurred for employee restructuring programme of RM101.2 million in FY'20. PAT increased by 34.8% to RM941.1 million, attributed to higher top lines, lower finance costs and higher one-off gains, partially offset by higher taxes.

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

(b) Year-on-Year (FY'21 vs FY'20) (continued)

Geographical Highlights (continued)

- **Indonesia**: Revenue increased by 3.3% to RM7,758.7 million mainly due to growth in mobile and broadband businesses. Consequently, EBITDA grew by 3.0% to RM3,889.7 million. PAT grew by more than 100% to RM406.2 million, attributed to higher top lines, lower finance costs, and lower depreciation and amortisation as there was accelerated depreciation of 3G assets amounting to RM558.9 million, net of tax in FY'20, partially offset by higher taxes. In addition, XL recorded lower one-off gains as there was a sale and leaseback of telecommunication towers of RM444.2 million, net of tax (PATAMI: RM294.8 million) recognised in FY'20.

- **Bangladesh**: Revenue rose by 5.6% to RM3,955.0 million, mainly driven by growth in prepaid business. EBITDA grew by 0.8% to RM1,593.0 million, partially offset by higher operating costs. PAT increased by 13.9% to RM87.6 million, driven by higher top lines, lower finance costs and lower taxes due to a one-off tax credit recorded in FY'21, partly offset by higher foreign exchange losses and higher depreciation and amortisation which includes the accelerated depreciation of 3G assets amounting to RM24.9 million, net of tax.

- **Sri Lanka**: Revenue increased by 8.5% to RM2,953.5 million, due to growth across core revenue segments. Consequently, EBITDA grew by 6.0% to RM1,223.2 million. PAT increased by 30.6% to RM354.2 million, attributed to higher top lines, lower finance costs, lower depreciation and amortisation as there was accelerated depreciation of 3G assets amounting to RM20.7 million, net of tax in FY'20, partly offset by higher foreign exchange losses and higher taxes.

- **Nepal**: Revenue declined by 2.0% to RM1,449.1 million mainly due to adverse impact from the COVID-19 pandemic and existing business challenges. Consequently, EBITDA fell by 1.0% to RM841.5 million, partly cushioned by lower impairment of receivables. PAT improved by more than 100% to RM242.9 million, due to lower taxes and lower depreciation and amortisation as there was asset write-off amounting to RM72.2 million, net of tax in FY'20.

- **Cambodia**: Revenue grew by 5.5% to RM1,448.5 million, primarily due to growth in prepaid and broadband businesses. Consequently, EBITDA grew by 3.0% to RM774.7 million. PAT increased by 1.5% to RM298.8 million mainly due to higher top lines, partially offset by higher foreign exchange losses, higher taxes and one-off provision for impairment of investment amounting to RM22.4 million, net of tax.

- **Infrastructure**: Revenue increased by 5.2% to RM1,978.7 million. EBITDA grew by 13.9% to RM1,238.1 million, mainly due to flow through from revenue and lower provision for impairment of receivables, partially offset by one-off provision for FRB for staff. PAT increased by 88.4% to RM292.7 million, mainly attributed to higher top lines, lower depreciation and amortisation and higher foreign exchange gains, partially offset by lower finance income and higher taxes.

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

(c) Comparison with Preceding Quarter's Result (Q4'21 vs Q3'21)

	Current Quarter	Immediate Preceding Quarter	Variance	
	31/12/2021	30/09/2021		
	RM'million	RM'million	RM'million	%
Revenue	6,903.6	6,543.0	360.6	5.5
EBITDA	3,041.9	2,859.4	182.5	6.4
PAT	211.5	463.1	(251.6)	-54.3
PATAMI	116.0	349.6	(233.6)	-66.8

Group Performance

Compared to the preceding quarter (Q4'21 vs Q3'21), Group revenue grew by 5.5% to RM6,903.6 million. Group EBITDA improved by 6.4% to RM3,041.9 million, mainly due to flow through from revenue and contained operating costs.

PAT and PATAMI declined by 54.3% and 66.8% to RM211.5 million and RM116.0 million respectively, impacted by higher finance costs, higher taxes and one-off impairment of goodwill of mobile operations in Nepal amounting to RM338.4 million, cushioned by higher top lines, lower depreciation and amortisation and lower foreign exchange losses.

Geographical Highlights

- **Malaysia**: Revenue grew by 9.3% to RM1,748.5 million mainly from growth in prepaid business and higher device sales. Consequently, EBITDA grew by 14.1% to RM800.6 million. PAT improved by 56.4% to RM428.5 million, primarily due to higher top lines, lower depreciation and amortisation, and higher one-off gains, partially offset by higher taxes.

- **Indonesia**: Revenue grew by 1.9% to RM2,036.4 million, driven by higher prepaid revenue and device sales. EBITDA fell by 0.9% to RM1,003.9 million, impacted by higher operating costs. PAT declined by 4.5% to RM93.0 million as a result of lower top lines, higher taxes and lower one-off gains from the sale of indoor telecommunication infrastructure assets as the sale completed in Q3'21. (Q4'21: nil; Q3'21: RM7.6 million, net of tax).

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

(c) Comparison with Preceding Quarter's Result (Q4'21 vs Q3'21) (continued)

Geographical Highlights (continued)

- **Bangladesh**: Revenue and EBITDA fell by 2.9% and 10.5% to RM995.3 million and RM376.4 million respectively. PAT declined by 85.0% to RM6.3 million, mainly due to lower top lines and higher taxes as there was a one-off tax credit recorded in the preceding quarter, partially cushioned by lower depreciation and amortisation.

- **Sri Lanka**: Revenue fell by 0.7% to RM766.9 million. EBITDA declined by 3.4% to RM315.9 million, mainly due to flow through from revenue and higher operating costs. PAT decreased by 16.6% to RM94.4 million, mainly due to lower top lines, higher depreciation and amortisation, and higher foreign exchange losses.

- **Nepal**: Revenue increased by 2.3% to RM364.6 million mainly driven by higher voice revenue. EBITDA fell marginally by 0.9% to RM205.9 million due to higher operating costs. PAT grew by 8.2% to RM62.2 million, mainly due to lower taxes, partially offset by higher depreciation and amortisation.

- **Cambodia**: Revenue increased by 4.4% to RM388.5 million, driven by higher data revenue. EBITDA fell by 2.5% to RM199.3 million, impacted by higher operating costs. PAT fell by 9.3% to RM78.4 million, mainly due to lower top lines and higher depreciation and amortisation.

- **Infrastructure**: Revenue increased by 7.6% to RM531.3 million. EBITDA grew by 26.1% to RM345.1 million as the preceding quarter's EBITDA was impacted by a one-off provision for FRB for staff. PAT surged by 74.8% to RM64.2 million, driven by higher top lines and lower foreign exchange losses, partially offset by higher depreciation and amortisation and higher taxes.

  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 included, as part of the sanction list. 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.

1. Review of Performance (continued)

(d) Economic Profit ("EP") Statement

	4th Quarter Ended		Financial Year Ended	
	31/12/2021	31/12/2020	**31/12/2021**	31/12/2020
	RM'000	RM'000	**RM'000**	RM'000
EBIT	809,379	(302,560)	3,309,149	2,171,881
Adjusted tax 24%	(194,251)	72,614	(794,196)	(521,251)
Share of results in associates and joint ventures	3,882	2,696	3,983	18,722
NOPLAT	**619,010**	(227,250)	**2,518,936**	1,669,352
AIC	45,688,589	43,857,348	45,688,589	43,857,348
WACC	8.86%	8.78%	8.86%	8.78%
Economic Charge (AIC*WACC)	1,012,002	962,669	4,048,009	3,850,675
Economic Profit	**(392,992)**	(1,189,919)	**(1,529,073)**	(2,181,323)

EP is a yardstick to measure shareholder value as it provides a more accurate picture of underlying economic performance of the Group vis-à-vis its financial accounting reports, i.e. it explains how much return a business generates over its cost of capital. This can be measured from the difference of NOPLAT and Economic Charge.

The Group recorded:

(i) a higher WACC during the current quarter and financial year to date mainly resulted from higher cost of equity; and

(ii) higher NOPLAT during the current quarter and for the financial year to date are mainly contributed by higher EBIT achieved by the Group as disclosed in Part B, Note 1(a) and 1(b) of this announcement.

Note:

EBIT	=	Earnings Before Interest and Tax
NOPLAT	=	Net Operating Profit/Loss After Tax
AIC	=	Average Invested Capital, consist of average operating capital, average net PPE, and average net other operating assets
WACC	=	Weighted Average Cost of Capital is calculated as weighted average cost of debt and equity taking into account proportion of debt position and market capitalisation at end of the period

2. Headline Key Performance Indicators ("KPIs") for the Financial Year Ended 31 December 2021

On 25 February 2021, the Group announced its Headline KPIs guidance for the financial year ended 31 December 2021. The Group's 2021 Headline KPIs announced were as below:

	FY 2021 Achievement @ Actual currency	**FY 2021 Headline KPIs** @ Constant rate[1]	**FY 2021 Achievement** @ Constant rate[1]
Revenue Growth[2]	6.8%	Low single digit	8.3%
EBITDA Growth	7.0%	Low single digit	8.5%

Notes:
[1] Constant rate is based on FY20 Average Forex Rate (e.g. 1 USD = RM4.202)
[2] Revenue is based on revenue excluding device ("revenue ex-device")

Despite another challenging year arising from the COVID-19 pandemic, the Group posted a strong set of results in FY'21 on the back of higher contribution across all OpCos (except for Ncell in Nepal), digital businesses and infrastructure. Underlying profit improved, driven by growth in EBITDA, lower net finance cost and narrowed losses at digital businesses, moderated by the impact of accelerated depreciation of 3G assets.

Year on year (FY'21 vs FY'20), Celcom in Malaysia recorded strong revenue recovery in tandem with positive subscriber momentum, while EBITDA improved from cost optimisation initiatives. XL in Indonesia registered low single digit revenue growth amidst heightened competitive pressures and EBITDA margin remained healthy. Robi in Bangladesh and Smart in Cambodia benefited from higher data contribution in tandem with higher data subscribers and usage, leading to high single digit revenue growth. Dialog in Sri Lanka achieved double digit growth in revenue and EBITDA, with higher contribution across all segments of mobile, fixed and TV. Ncell in Nepal faced challenges in the international long-distance business, prolonged lockdowns and increased competition although diligent cost management led to improvement in EBITDA margin.

Our digital business focuses on two business verticals namely Digital Financial Services ("Boost") and Digital Analytics & Artificial Intelligence ("ADA"). Positively, Boost posted lower losses driven by lower marketing expense whilst ADA posted its third consecutive year of profit, benefiting from the acceleration of digital marketing transformation amongst enterprises. edotco, our regional tower company also recorded a good performance driven by improved contribution from new tower build in major markets of Bangladesh and Malaysia.

Overall, the Group posted revenue ex-device growth of 6.8% and EBITDA growth of 7.0% in FY'21. Against headline KPIs at constant rate[1], the Group exceeded targets of low single digit growth for both metrics with 8.3% growth in revenue ex-device and 8.5% growth in EBITDA.

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 year ended 31 December 2021.

4. Revenue

	4th Quarter Ended		Financial Year Ended	
	31/12/2021	31/12/2020	**31/12/2021**	31/12/2020
	RM'000	RM'000	**RM'000**	RM'000
Disaggregation of revenue from contracts with customers under MFRS 15:				
Goods or services transferred:				
-at a point in time	660,511	261,555	1,866,104	1,094,058
-over time	6,060,732	5,897,861	23,380,076	22,437,358
Revenue under other MFRS:				
Lease and services of passive infrastructure	172,671	97,220	631,363	661,704
Financial institution interest income	9,700	5,880	23,118	10,051
	6,903,614	6,262,516	**25,900,661**	24,203,171

Comparatives have been reclassified to conform with current quarter and financial year to date presentation.

5. Taxation

The taxation charge for the Group comprises:

	4th Quarter Ended		Financial Year Ended	
	31/12/2021	31/12/2020	**31/12/2021**	31/12/2020
	RM'000	RM'000	**RM'000**	RM'000
Income tax	296,473	159,666	763,185	606,839
Deferred tax	40,797	(295,118)	133,552	(59,767)
Total taxation	**337,270**	(135,452)	**896,737**	547,072

The current quarter and financial year 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 (a company listed on the Main Market of Bursa Malaysia Securities Berhad), ("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:

(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 by the second quarter of 2022.

(b) Proposed Joint Submission for a Digital Banking Licence to Bank Negara Malaysia ("BNM")

The Group and RHB Bank Berhad ("RHB Bank") have 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.

6. Status of Corporate Proposals (continued)

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

The Company and its indirect 61.48% owned subsidiary, XL 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.

Axiata Investments (Indonesia) Sdn Bhd ("AII"), an indirect wholly owned subsidiary of the Company, and XL ("collectively referred to as the "Purchasers") had on 27 January 2022 entered into a conditional share purchase agreement ("SPA") with the Sellers for the proposed of an aggregate 66.03% equity interest in Link Net. The purchase consideration has been agreed at IDR4,800 per ordinary share (equivalent to approximately RM1.40 per ordinary share) in Link Net ("Link Net Share") or approximately IDR8.7 trillion (equivalent to approximately RM2.5 billion) (the "Proposed Acquisition").

Under the terms of the SPA, AII 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.

Other than the above, there was no other corporate proposal announced but not completed as at 15 February 2022.

7. Group's Borrowings and Debt Securities

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

	31 December 2021		31 December 2020	
	Current	**Non-current**	Current	Non-current
	RM'000	**RM'000**	RM'000	RM'000
Secured	280,124	1,024,917	278,391	1,031,905
Unsecured	3,951,292	13,794,162	2,693,153	13,741,990
Total	**4,231,416**	**14,819,079**	2,971,544	14,773,895

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

Foreign Currencies	**31 December 2021**	31 December 2020
	RM'000	RM'000
USD	10,230,289	10,281,357
IDR	3,030,562	2,707,443
BDT	393,160	617,301
SLR	485,941	202,965
NPR	716,297	690,862
Others	137,510	208,426
Total	**14,993,759**	14,708,354

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 December 2021 Notional value	31 December 2021 Fair value favourable/ (unfavourable)	31 December 2020 Notional value	31 December 2020 Fair value favourable/ (unfavourable)
	RM'000	RM'000	RM'000	RM'000
Cross currency interest rate swaps:				
- < 1 year	-	(20,497)	-	(10,881)
- > 3 years	4,177,500	(60,484)	2,018,000	(121,784)
Convertible warrants in an associate:				
- 1 - 3 years	-	-	19,251	8,343
- > 3 years	19,251	43,342	-	-
Interest rate swaps:				
- < 1 year	-	121	-	-
- 1 - 3 years	334,200	486	-	-
Call option:				
- > 3 years	4,888	2,311	-	-
Total		**(34,721)**		(124,322)

(b) The risks associated with the derivative financial instrument and the policies in place for mitigating such risks were disclosed in 2020 Audited Financial Statements.

9. Fair Value Changes of Financial Liabilities

The Group recognised a total net gains in the consolidated profit or loss arising from the fair value changes in the derivative financial instruments which are marked to market as at date of statement of financial position are as follow:

	Current and Cumulative Quarter 31/12/2021	Current and Cumulative Quarter 31/12/2020
	RM'000	RM'000
Total net gains	**34,999**	-

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. The Kuala Lumpur High Court has now fixed 20 April 2022 to hear oral submissions by parties against TSTDR and BR 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 (RM740.4 million) being the principal sum plus USD16.3 million (RM67.9 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 (RM7.5 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 (RM201.1 million) [the earlier show cause letter dated 23 February 2012 for BDT6,549.9 million (RM317.8 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 (RM138.4 million) ("2012 to 2015 Claim") to Robi alleging that Robi had evaded payment of supplementary duty and VAT levied on the issuance of certain number of SIM cards to new customers of Robi for the duration from July 2012 to June 2015 when such SIM cards were issued as replacement cards to 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 (RM448.6 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 (RM345.4 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 (RM44.2 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 (RM56.5 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 (RM362.0 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 (RM178.4 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 (RM19.1 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 (RM63.5 million) in relation to VAT on revenue sharing.

(iv) the fourth show cause notice is on BDT2,081.2 million (RM101.0 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 (RM420.8 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 instalments. Robi has deposited these five equal instalments up to 31 May 2020. 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 (RM176.5 million) to which Robi is challenging:

(i) the demand notice for the period of March 2012 to April 2013 is for BDT830.6 million (RM40.3 million).

(ii) the demand notice for the period of July 2013 to June 2014 is for BDT596.8 million (RM29.0 million).

(iii) the demand notice for the period of July 2014 to January 2016 is for BDT993.2 million (RM48.2 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 (RM34.3 million).

(vi) the demand notice for the financial years of 2010 to 2012 is for BDT466.9 million (RM22.7 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 (RM110.3 million) and interest of BDT378.2 million (RM18.4 million);

(ii) for the assessment year 2014-2015, BDT2,246.3 million (RM109.0 million) and interest of BDT414.4 million (RM20.1 million); and

(iii) for the assessment year 2015-2016, BDT2,263.2 million (RM109.8 million) and interest of BDT295.3 million (RM14.3 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 (RM1.4 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 (RM86.1 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 (RM20.5 million) and a corporate guarantee for SLR3,200.0 million (RM65.6 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 (RM238.0 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 (RM1,369.9 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 (RM740.1 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 (RM787.2 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 (RM1,648.7 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 (RM787.2 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.

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 (RM4,483.0 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 (RM2,028.9 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 29 March 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 year to date.

12. Earnings Per Share ("EPS")

(a) Basic EPS

	4th Quarter Ended		Financial Year Ended	
	31/12/2021	31/12/2020	**31/12/2021**	31/12/2020
Profit attributable to owners of the Company (RM'000)	116,024	(255,959)	818,900	365,155
Weighted average number of ordinary shares ('000) in issue	9,173,997	9,169,522	9,172,317	9,167,584
Basic EPS (sen)	**1.3**	(2.8)	**8.9**	4.0

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 year 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.

	4th Quarter Ended		Financial Year Ended	
	31/12/2021	31/12/2020	**31/12/2021**	31/12/2020
Profit attributable to owners of the Company (RM'000)	116,024	(255,959)	818,900	365,155
Weighted average number of ordinary shares in issue ('000)	9,173,997	9,169,522	9,172,317	9,167,584
Adjusted for diluted effect of Axiata PBLTIP ('000)	9,334	7,597	8,579	8,136
Adjusted weighted average number of ordinary shares ('000)	9,183,331	9,177,119	9,180,896	9,175,720
Diluted EPS (sen)	**1.3**	(2.8)	**8.9**	4.0

13. Qualification of Preceding Audited Financial Statements

The 2020 Audited Financial Statements were not subject to any qualification.

14. Dividend Proposed

The Board of Directors have resolved tax exempt dividend under single tier system of 5.5 sen per ordinary share of the Company for the current financial quarter under review (Q4'20: 5.0 sen). The details of entitlement and payment date of the dividend will be determined and announced in due course.

Full year dividend declared for the financial year ended 31 December 2021 is 9.5 sen (2020: 7.0 sen).

By Order of the Board

Suryani Hussein (LS0009277)
Secretary

Kuala Lumpur
22 February 2022