



axiata

advancing asia

Governance And Audited Financial Statement 2025

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Axiata's Integrated Annual Report 2025 Suite is made up of the following:



 Integrated Annual Report
IAR 2025



 Governance And Audited
GAFS Financial Statements 2025



GROUP CORPORATE STRUCTURE*

AXIATA GROUP BERHAD



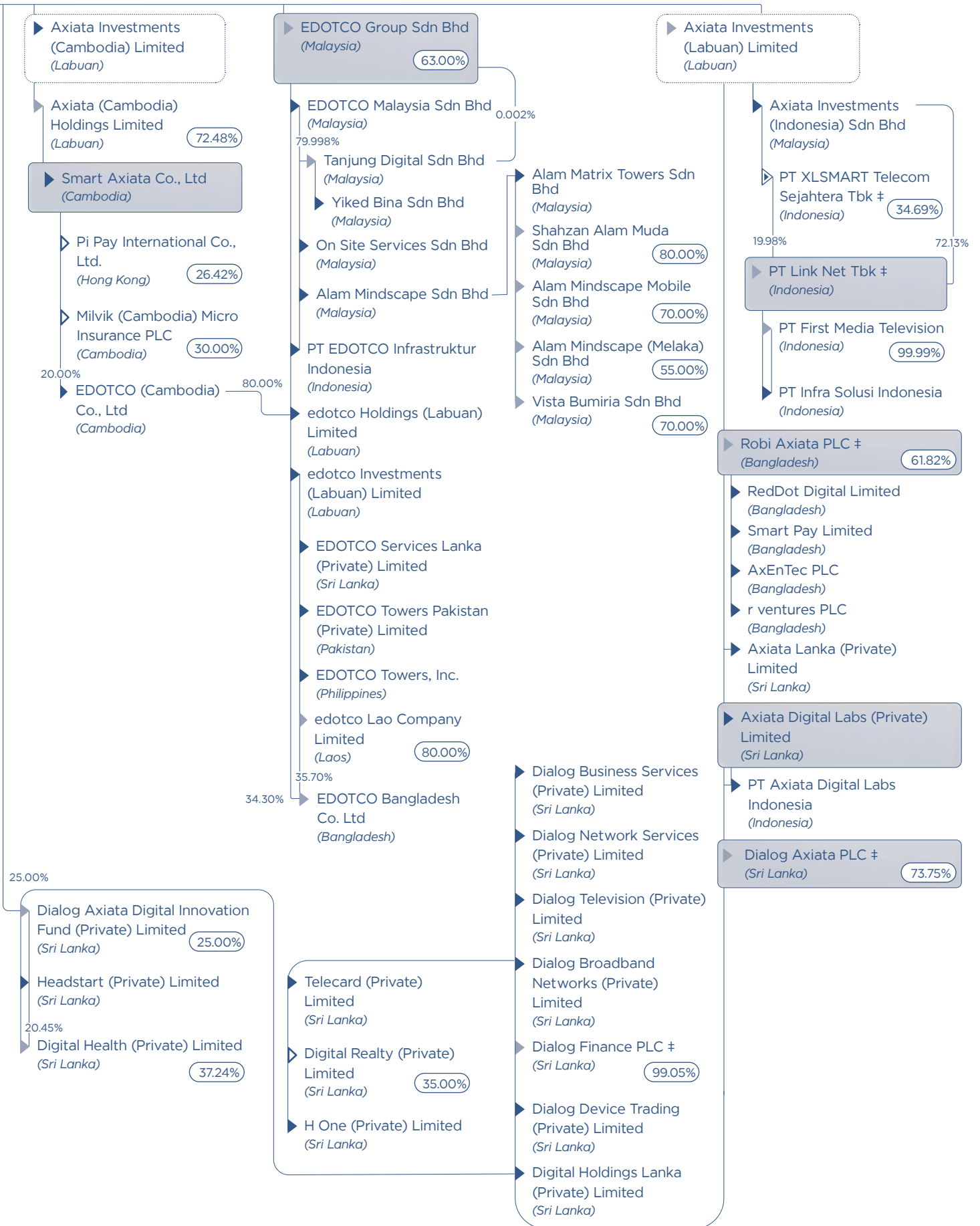
Legend:

- * Depicting active subsidiaries, associates and affiliates as at 31 March 2026
- Key Operating Companies
- ▶ Wholly-owned Subsidiaries
- ▷ Non wholly-owned Subsidiaries
- ▷ Associates/Affiliates
- ▷ Key Associate Companies
- ‡ Listed Companies
- # Company Limited by Guarantee
- ^ Members voluntary winding-up

Note:

¹ The complete list of subsidiaries, associates and joint ventures and their respective principal activities, country of incorporation and the Group's effective interest as at 31 December 2025 are shown in notes 43 to 45 to the financial statements on Pages 191 to 199 of this Governance & Audited Financial Statements 2025.

GROUP CORPORATE STRUCTURE*



BOARD REMUNERATION

Breakdown of the aggregated remuneration of Non-Executive Directors (NEDs) of Axiata Group Berhad (Axiata) into appropriate components including remuneration for services rendered by them to Axiata Group for financial year ended 31 December 2025 (FY2025) is set out below:

Name of Directors	Directors' Fees (Company) RM'000	Meeting Allowances (Company) RM'000	Monetary Value of Benefits-in-Kind RM'000	Fees (Subsidiaries) RM'000	Meeting Allowances (Subsidiaries) RM'000	Total RM'000
Tan Sri Shahril Ridza Ridzuan	360	45	195	0	0	600
Dato Dr Nik Ramlah Nik Mahmood	348	55	40	0	0	443
Khoo Gaik Bee ^a	294	46	35	0	2	377
Amrit Kaur Kaur Singh	366	73	4	0	0	443
Maya Hari ^b	270	35	60	72	4	441
Dr Farid Mohamed Sani ^c	0	0	58	0	0	58
Shahin Farouque Jammal Ahmad ^d	306	57	0	0	0	363
Mohamad Hafiz Kassim ^e	306	50	5	0	0	361
Dr Colin John Patrick Forth ^f	234	33	26	0	0	293
Didi Syafruddin Yahya ^g	182	29	0	0	0	211
Dr David Robert Dean ^h	317	65	91	0	0	473
Zulkifli Ismail ⁱ	0	0	0	0	0	0
Total	2,983	488	514	72	6	4,063

^a Meeting Allowances from subsidiary – Boost Holdings Sdn Bhd

^b Fees and Meeting Allowances from subsidiary – ADA Data AI Solutions Sdn Bhd (formerly known as Axiata Digital & Analytics Sdn Bhd)

^c Representative of Khazanah Nasional Berhad (Khazanah). Director's fees and meeting allowances for Khazanah's internal nominee director are waived by Khazanah effective 1 January 2022

^d Representative of Permodalan Nasional Berhad (PNB). Director's fees are payable to PNB

^e Representative of Employees Provident Fund (EPF). Half of Director's fees are payable to EPF

^f Appointed on 28 March 2025

^g Appointed on 1 June 2025

^h Retired on 28 September 2025

ⁱ Alternate Director to Dr Farid Mohamed Sani

Executive Directors

Breakdown of the aggregated remuneration of the Executive Directors of Axiata for FY2025 into appropriate components is set out below:

	RM'000
a. Salaries, Allowances and Bonus	9,439
b. Benefits (Contribution to EPF, share-based payment expense and Monetary Value of Benefits-in-Kind)	3,418

DIRECTORS' TRAINING LIST 2025

Directors	LIST OF TRAINING/CONFERENCE/SEMINAR/WORKSHOP ATTENDED/PARTICIPATED
Tan Sri Shahril Ridza Ridzuan	<ol style="list-style-type: none"> 1) 17th Annual Malaysia Corporate Day 2025, 7 January 2025 2) Standard Chartered Global Subsidiary Governance Conference, 8 April 2025 3) ASEAN Investment Conference 2025, 8 April 2025 – 9 April 2025 4) ASEAN Women Economic Summit 2025, 24 May 2025 5) e-Invoicing, 29 May 2025 6) Islamic Finance for Board of Directors, 9 July 2025 – 10 July 2025 7) Indonesia Political and Economic Updates, 11 July 2025 8) Axiata Mid Year Board Retreat, 14 July 2025 - 15 July 2025 9) Urban Biodiversity Conference 2025, 5 August 2025 10) Dialogue Session with Securities Commission Malaysia, 8 August 2025 11) The Chairpersons' Circle - 2nd Session, 11 August 2025 12) Guardians of a Trillion, 11 August 2025 13) PIDM National Resolution Symposium 2025, 26 August 2025 14) ASEAN Green Shift Forum 2025, 23 September 2025 15) Board-Ready Women Program 2025, 30 September 2025 16) 2025 Standard Chartered Bank Singapore Limited Model Risk Internal Ratings-Based Approach Training, 30 September 2025 17) OXFORD - 2025 ABS Executive Education Programme, 5 October 2025 – 10 October 2025 18) Axiata Year End Board Retreat, 4 November 2025 - 5 November 2025
Vivek Sood	<ol style="list-style-type: none"> 1) Axiata Group Executive Council, Sustainability Workshop, 14 January 2025 2) Axiata Group Executive Council, 10 February 2025 3) Mobile World Congress Conference, 3 March 2025 4) Corporate Governance and Company Law Workshop, 13 March 2025 5) Asean Investment Conference, 8 April 2025 6) TMT M&A Forum (Conference), 15 May 2025 7) Axiata Senior Leadership Meeting, 10 June 2025 8) Digital Transformation World Ignite, 17 June 2025 – 18 June 2025 9) CelcomDigi Board Strategy Workshops, 1 July 2025 – 2 July 2025 10) Axiata Mid Year Board Retreat, 14 July 2025 - 15 July 2025 11) Bangladesh Summit Conference, 12 August 2025 12) Axiata Group Executive Council, 10 September 2025 13) GSMA Digital Nations Summit KL Conference, 23 September 2025 14) IFRS Sustainability Disclosure Standards in Malaysia, 25 September 2025 15) Axiata Group - Risk & Compliance Conference 2025, 26 September 2025 16) CelcomDigi Operational Excellence Workshop, 3 October 2025 17) Khazanah Megatrends Forum, 6 October 2025 18) CelcomDigi Board Strategy Workshop 2, 24 October 2025 19) Axiata BAC Forum Conference, 28 October 2025 20) Axiata Year End Board Retreat, 4 November 2025 - 5 November 2025 21) Axiata Group Executive Council, 10 November 2025 22) Fortune Innovation Forum, 17 November 2025 23) Sri Lanka Economic & Investment Summit 2025 Conference, 3 December 2025 24) AI Workshop, 9 December 2025 25) Corporate Governance Refresher Session, 10 December 2025
Khoo Gaik Bee	<ol style="list-style-type: none"> 1) Axiata Mid Year Board Retreat, 14 July 2025 - 15 July 2025 2) Briefing on Stamp Duty, 24 September 2025 3) IFRS Sustainability Disclosure Standards in Malaysia, 25 September 2025 4) Axiata Year End Board Retreat, 4 November 2025 - 5 November 2025 5) Workshop Session on the National Sustainability Reporting Framework, 26 November 2025
Maya Hari	<ol style="list-style-type: none"> 1) Mandatory Accreditation Programme Part II, 11 June 2025 - 12 June 2025 2) Axiata Mid Year Board Retreat, 14 July 2025 - 15 July 2025 3) IFRS Sustainability Disclosure Standards in Malaysia, 25 September 2025 4) Axiata Year End Board Retreat, 4 November 2025 - 5 November 2025 5) Workshop Session on the National Sustainability Reporting Framework, 26 November 2025 6) AI Workshop, 9 December 2025

DIRECTORS' TRAINING LIST 2025

Directors	LIST OF TRAINING/ CONFERENCE/ SEMINAR/ WORKSHOP ATTENDED/ PARTICIPATED
Amrit Kaur	<ol style="list-style-type: none"> 1) Mandatory Accreditation Programme Part II, 15 January - 16 January 2025 2) PwC's AI Leadership Conference, 13 May 2025 3) Axiata Mid Year Board Retreat, 14 July 2025 - 15 July 2025 4) Strategic Approach to Cyber Resilience and Compliance for Board of Directors, 12 September 2025 5) Briefing on Stamp Duty, 24 September 2025 6) IFRS Sustainability Disclosure Standards in Malaysia, 25 September 2025 7) Axiata Annual Group Risk & Compliance Conference 2025, 26 September 2025 8) Axiata BAC Forum Conference, 28 October 2025 9) AI at the Helm, 30 October 2025 10) Axiata Year End Board Retreat, 4 November 2025 - 5 November 2025 11) Workshop Session on the National Sustainability Reporting Framework, 26 November 2025 12) Future-Ready Boards, 2 December 2025 13) Axiata Finance Summit 2025, 8 December 2025 14) AI Workshop, 9 December 2025
Dr Colin John Patrick Forth ¹	<ol style="list-style-type: none"> 1) Axiata Mid Year Board Retreat, 14 July 2025 - 15 July 2025 2) IFRS Sustainability Disclosure Standards in Malaysia, 25 September 2025 3) Mandatory Accreditation Programme Part I, 27 & 28 October 2025 4) Axiata Year End Board Retreat, 4 November 2025 - 5 November 2025 5) Workshop Session on the National Sustainability Reporting Framework, 26 November 2025 6) AI Workshop, 9 December 2025
Didi Syafruddin Yahya ²	<ol style="list-style-type: none"> 1) Basel III Workshop for Board of Directors, 13 January 2025 2) AI training for Board of Directors, 15 January 2025 3) Climate Risk Training Session, 10 April 2025 4) Cloud Security Management & Regulatory Expectations, 12 June 2025 5) Axiata Mid Year Board Retreat, 14 July 2025 - 15 July 2025 6) Mandatory Accreditation Programme Part II, 19 August 2025 - 20 August 2025 7) ACIIA CAE Roundtable 2025, 8 September 2025 8) Briefing on Stamp Duty, 24 September 2025 9) IFRS Sustainability Disclosure Standards in Malaysia, 25 September 2025 10) Khazanah Megatrends Forum, 6 October 2025 - 7 October 2025 11) Leadership Council Position Paper - Establishing Islah Through Islamic Finance, 2 October 2025 12) H&S Workshop for Board - Session 1, 14 October 2025 13) Navigating Shareholder Expectations, 24 October 2025 14) Regional Directors' Sharing Session, 4 November 2025 - 7 November 2025 15) Axiata Year End Board Retreat, 4 November 2025 - 5 November 2025 16) AI Development Session for BOD, 20 November 2025 17) Workshop Session on the National Sustainability Reporting Framework, 26 November 2025
Dr Farid Mohamed Sani	<ol style="list-style-type: none"> 1) Axiata Mid Year Board Retreat, 14 July 2025 - 15 July 2025 2) Mandatory Accreditation Programme Part II, 22 September 2025 - 23 September 2025 3) IFRS Sustainability Disclosure Standards in Malaysia, 25 September 2025 4) Axiata Year End Board Retreat, 4 November 2025 - 5 November 2025 5) Workshop Session on the National Sustainability Reporting Framework, 26 November 2025
Shahin Farouque Jammal Ahmad	<ol style="list-style-type: none"> 1) Culture Equation Workshop, 6 March 2025 - 7 March 2025 2) Brookfield Forum, 20 May 2025 3) Fireside Chat: What do CEO's Need from Boards, 3 June 2025 4) Corporate Liability Training (Section 17A of the MACC Act), 4 June 2025 5) BNP Paribas Global Institutions Conference, 19 June 2025 - 20 June 2025 6) Liquid Alternatives: Resilience and Agility for Today's Market, 23 June 2025 7) Invest ASEAN Malaysia Conference 2025, 1 July 2025 8) Mandatory Accreditation Programme Part II, 14 & 15 May 2025 9) Axiata Mid Year Board Retreat, 14 July 2025 - 15 July 2025 10) Capital Allocation & Deal Certainty Navigating Growth and Risk in the Evolving PE Landscape, 28 August 2025 11) Nikko AM AHAM Capital Exclusive Invitation, 2 September 2025 12) Khazanah Megatrends Forum, 6 October 2025 13) IFRS Sustainability Disclosure Standards in Malaysia, 25 September 2025 14) PNB Knowledge Forum, 21 October 2025 15) Axiata Year End Board Retreat, 4 November 2025 - 5 November 2025 16) Workshop Session on the National Sustainability Reporting Framework, 26 November 2025 17) Six Signals for 2026, 10 December 2025

DIRECTORS' TRAINING LIST 2025

Directors	LIST OF TRAINING/ CONFERENCE/ SEMINAR/ WORKSHOP ATTENDED/ PARTICIPATED
Mohamad Hafiz Kassim	<ol style="list-style-type: none"> 1) Advanced Management Program, Harvard Business School, 9 February 2025 until 16 May 2025 2) Introduction to Corporate Directorship in the New Era of ESG, 23 June 2025 - 24 June 2025 3) Axiata Mid Year Board Retreat, 14 July 2025 - 15 July 2025 4) IFRS Sustainability Disclosure Standards in Malaysia, 25 September 2025 5) The World Social Security Forum, 29 September 2025 - 3 October 2025 6) Axiata Year End Board Retreat, 4 November 2025 - 5 November 2025 7) AI Workshop, 9 December 2025
Zulkifli Ismail ³	<ol style="list-style-type: none"> 1) Mandatory Accreditation Programme Part I, 26 & 27 February 2025 2) Axiata Mid Year Board Retreat, 14 July 2025 - 15 July 2025 3) Briefing on Stamp Duty, 24 September 2025 4) IFRS Sustainability Disclosure Standards in Malaysia, 25 September 2025 5) Axiata Year End Board Retreat, 4 November 2025 - 5 November 2025 6) Workshop Session on the National Sustainability Reporting Framework, 26 November 2025 7) AI Workshop, 9 December 2025
Dato Dr. Nik Ramlah Nik Mahmood ⁴	<ol style="list-style-type: none"> 1) Future-ready Boards Navigating tomorrow's Disruptions today, 15 January 2025 2) SDG-HIVE ASEAN Global Ethical Finance Initiative, 18 February 2025 3) Capital Market Conversations 2025, 21 February 2025 4) PIDM Digital Conference 2025, 11 June 2025 5) Axiata Mid Year Board Retreat, 14 July 2025 - 15 July 2025 6) Shaping the Future of Business in ASEAN Sustainability, 29 July 2025 - 30 July 2025 7) PIDM National Symposium Resolution, 26 August 2025 - 27 August 2025 8) IFRS Sustainability Disclosure Standards in Malaysia, 25 September 2025 9) SC-OCIS Roundtable, 30 September 2025 10) Khazanah Megatrends Forum, 6 October 2025 - 7 October 2025 11) Axiata Year End Board Retreat, 4 November 2025 - 5 November 2025 12) Workshop Session on the National Sustainability Reporting Framework, 26 November 2025 13) AI Workshop, 9 December 2025
Dr David Robert Dean ⁵	<ol style="list-style-type: none"> 1) Indonesia Political and Economic Updates, 11 July 2025 2) Axiata Mid Year Board Retreat, 14 July 2025 - 15 July 2025 3) IFRS Sustainability Disclosure Standards in Malaysia, 25 September 2025 4) Axiata Annual Group Risk & Compliance Conference 2025, 26 September 2025
Dr Hans Wijayasuriya ⁶	

Notes:

¹ Appointed on 28 March 2025

² Appointed on 1 June 2025

³ Appointed on 7 February 2025

⁴ Retired on 20 March 2026

⁵ Retired on 28 September 2025

⁶ Resigned on 15 January 2025

NOTABLE ANNOUNCEMENTS IN 2025

21 January 2025	ADA Digital Singapore Pte Ltd (now known as ADA Data AI Solutions Pte Ltd), a subsidiary of Axiata, completed the incorporation of ADA Data AI Solutions LLC (ADA US). ADA US was incorporated with an initial subscription of RM44,965 (USD10,000). The newly incorporated company is intended to provide data analytics, consulting services, digital marketing services and all businesses incidental or related thereto.
28 March 2025	Appointment of Dr Colin John Patrick Forth as an Independent Non-Executive Director of Axiata.
16 April 2025	PT XL Axiata Tbk (XL) completed the Proposed Business Combination with PT Smartfren Telecom Tbk (Smartfren) via issuance of 5,071,431,786 ordinary shares of XL to the eligible shareholders of Smartfren and all the assets and liabilities of Smartfren were transferred to XL. Accordingly, Smartfren was dissolved and XL, being the surviving entity is named as PT XLSMART Telecom Sejahtera Tbk (XLSMART). Pursuant to the Proposed Equalisation, Axiata Investments (Indonesia) Sdn Bhd (All) transferred its 2,383,446,894 ordinary shares in XLSMART to PT Wahana Inti Nusantara, PT Global Nusa Data, PT Bali Media Telekomunikasi, PT Gerbangmas Tunggal Sejahtera (collectively referred to as Sinar Mas Shareholders) for a total consideration of RM2,096.9 million (USD475.0 million). Upon the completion of the Proposed Equalisation, All and Sinar Mas Shareholders hold equal effective shareholding in XLSMART. Effectively, XL ceased to be part of Axiata Group.
16 May 2025	Axiata Digital Labs Sdn Bhd completed the incorporation of Axiata Digital Labs Port City (Private) Limited (ADL Port City), a private company with limited liability under the Companies Act No. 7 of 2007 of Democratic Socialist Republic of Sri Lanka. ADL Port City was incorporated with an issued and paid up of one (1) share. The newly incorporated company is intended to engage in business related to IT and digital transformation for organisations by leveraging innovative technologies, offering solutions such as software development, IT services, and digital engineering.
30 May 2025	Appointment of Didi Syafruddin Yahya as an Independent Non-Executive Director of Axiata.
13 June 2025	edotco Investments (Labuan) Limited completed the disposal of its entire 87.50% stake in EDOTCO Investments Singapore Pte Ltd comprising 1,750,000 ordinary shares to Zillion Tower Holdings Limited, for a total cash consideration of RM381.4 million (USD 90.0 million).
1 October 2025	Appointment of Finton Tuan as Joint Company Secretary of Axiata.
2 October 2025	Boost Holdings Sdn Bhd's equity interest in PT Creative Mobile Adventure (PT CMA) increased from 77.44% to 78.04% following PT CMA's completion of the issuance of 1,457 Series C shares to BHSB for a total consideration of RM6.4 million (IDR25,497.5 million).

PROFILE OF OPERATING COMPANIES' MANAGEMENT TEAM

Key Associate Company

ALBERN MURTY

Chief Executive Officer
CelcomDigi Berhad

Nationality / Age / Gender:

Malaysian / 53 / Male

Date of Appointment to Current Position:

10 February 2026

Length of Service at Axiata Group:

3 years 4 months

Academic/Professional Qualification(s):

- Bachelor of Science in Marketing and Advertising Management from Portland State University, Oregon, USA

Working Experience:

Albern has been leading the management team through the foundational years of integration following the merger of Celcom and Digi on 30 November 2022 as Deputy Chief Executive Officer (CEO) and now as CEO. He brings over 25 years of leadership experience in the telecommunications industry, including 7 years as CEO of Digi.Com Berhad (Digi). He has also held previous leadership roles in Digi including as Chief Operating Officer and Chief Marketing Officer, and as Executive Vice President and Head of Emerging Asia for Telenor Asia. His earlier experience includes business and commercial management roles at Lucent Technologies across the Asian region.

Key Associate Company

RAJEEV SETHI

President Director & Chief Executive Officer
PT XLSMART Telecom Sejahtera Tbk

Nationality / Age / Gender:

Indian / 53 / Male

Date of Appointment to Current Position:

25 March 2025

Length of Service at Axiata Group:

3 years

Academic/Professional Qualification(s):

- Brand Academy, London Business School
- Master of Business Administration, Marketing Finance & Operations, Indian Institute of Management, Lucknow
- Bachelor of Engineering, Electrical Engineering, Gujarat University

Working Experience:

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

Rajeev joined Robi Axiata PLC as Chief Executive Officer followed by his notable success in turning around Myanmar's leading mobile operator, Ooredoo as its CEO. Under his leadership, Ooredoo had a significant turnaround in terms of growth in market share. Prior to that he successfully served as the Chief Commercial Officer of Airtel for Africa. Being responsible for commercial success in 15 African countries, he was able to significantly turn around Airtel's business in Africa.

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

Directorships of Public Companies:

Axiata Group

Listed

- PT XLSMART Telecom Sejahtera Tbk

PROFILE OF OPERATING COMPANIES' MANAGEMENT TEAM

SUPUN WEERASINGHE

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

Nationality / Age / Gender:

Sri Lankan / 50 / Male

Date of Appointment to Current Position:

1 January 2017

Length of Service at Axiata Group:

26 years

Academic/Professional Qualification(s):

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

Working Experience:

Supun is the Executive Director and Group Chief Executive at Dialog Axiata PLC, a position he holds since 2017. His career in telecommunications began with Dialog in 1999, where he progressed through various key roles, including Head of Strategy, CEO of the Mobile Business, and Group Chief Operating Officer.

In 2013, Supun functioned as the Group Chief Strategy Officer at Axiata Group Berhad in Malaysia. He then led Robi Axiata Limited in Bangladesh as the CEO and Managing Director from 2014 to 2016.

Supun serves on the Board of the Ceylon Chamber of Commerce and UNGC Network, Sri Lanka. In addition, he serves on the Board of Hemas Holdings PLC as an Independent Non- Executive Director.

Directorships of Public Companies:

Axiata Group

Listed

- Dialog Axiata PLC
- Dialog Finance PLC

Others

Listed

- Hemas Holdings PLC

ZIAD SHATARA

*Managing Director and Chief Executive Officer
Robi Axiata PLC*

Nationality / Age / Gender:

Canadian / 58 / Male

Date of Appointment to Current Position:

6 September 2025

Length of Service at Axiata Group:

5 months

Academic/Professional Qualification(s):

- Master of Science, Computer Engineering, Budapest University of Technology and Economics
- Bachelor of Science, Electrical Engineering, Budapest University of Technology and Economics

Working Experience:

With over 30 years of experience in steering telecommunications businesses across diverse markets—including Jordan, Italy, Bangladesh and Cambodia—Ziad brings a wealth of expertise in driving innovation, commercial excellence, and technology-led transformation across mobile, broadband and fixed-line services.

A seasoned telecom leader and transformation architect, Ziad has a proven ability to scale operations, modernize businesses, and reimagine growth strategies in dynamic, high-potential markets. His deep expertise spans information technology, customer experience, and retail operations.

Ziad has held key leadership roles in multiple global communications and technology companies, where he consistently delivered sustainable growth and operational excellence. He was the Chief Technology Officer at Wind Telecommunications in Italy before becoming the Chief Executive Officer of Banglalink Digital Communications Ltd. in Dhaka, Bangladesh.

He spent seven years as the Chief Executive Officer of Jordan's leading mobile network provider, Umniah, before joining Smart Axiata of Cambodia, where he was instrumental in driving organisational transformation and building high-performing team that sustainably delivered stellar financial performance.

Ziad also currently serves as the Chairman and Director of RedDot Digital Limited, AxEnTec PLC, and rVentures PLC, all of which are subsidiaries of Robi.

Directorships of Public Companies:

Axiata Group

Listed

- Robi Axiata PLC

PROFILE OF OPERATING COMPANIES' MANAGEMENT TEAM

RITESH KUMAR SINGH

Chief Executive Officer
Smart Axiata Co., Ltd

Nationality / Age / Gender:

Indian / 51 / Male

Date of Appointment to Current Position:

1 September 2025

Length of Service at Axiata Group:

6 months

Academic/Professional Qualification(s):

- Certification in Brand Development & Marketing Strategy, London School of Business
- Bachelor of Engineering in Electronics & Telecommunications, Amravati University, India
- Diploma in Marketing Management, Narsee Monjee Institute of Management Studies, India

Working Experience:

With over three decades of leadership in the global telecommunications industry, he is recognised for driving transformational change, sustainable growth, and digital innovation that empowers economies and communities.

Before joining Smart Axiata, Ritesh served as Director & Chief Commercial Officer of Indosat Ooredoo Hutchison (IOH). His career spans senior leadership roles across Asia, including Chief Commercial Officer at VEON Bangladesh, Circle CEO at Bharti Airtel India, Strategic Project Head at Telenor Asia, and key leadership positions in India, Myanmar, Thailand, Bangladesh and Indonesia. These roles have equipped him with deep expertise in market turnarounds, growth strategies, and leveraging technology as a catalyst for national development.

A people-oriented and innovation-driven leader, Ritesh believes in collaboration, inclusivity and simplicity in execution. He is deeply committed to developing future leaders, nurturing local talent, and building resilient organisations that create lasting value for society and the economy.

MOHAMED ADLAN AHMAD TAJUDIN

Chief Executive Officer
EDOTCO Group Sdn Bhd (EDOTCO)

Nationality / Age / Gender:

Malaysian / 55 / Male

Date of Appointment to Current Position:

1 November 2020

Length of Service at Axiata Group:

22 years

Academic/Professional Qualification(s):

- Bachelor of Arts in Economics & Statistics, University of Exeter, United Kingdom
- Member of the Malaysian Institute of Certified Public Accountants
- Member of the Malaysian Institute of Accountants

Working Experience:

Adlan's leadership continues to anchor EDOTCO's role as a regional catalyst for inclusive digital transformation. Guided by a clear commitment to long-term stakeholder value, he has steered the organisation to strengthen its position as a trusted partner in delivering shared digital infrastructure that supports national connectivity ambitions across Asia.

Under his stewardship, EDOTCO has demonstrated resilience and adaptability amid evolving industry dynamics and rapid technological change. Adlan's emphasis on disciplined execution, innovation, and sustainability has reinforced the Group's ability to scale responsibly, optimise asset utilisation, and deliver reliable connectivity—particularly in underserved and remote communities. His balanced leadership approach combines strategic foresight with operational rigour, ensuring EDOTCO remains agile while consistently creating value for customers, governments, and communities.

With more than 30 years of experience in the telecommunications industry, Adlan has built deep expertise across key regional markets, including Malaysia and Indonesia. He holds a degree in Economics and Statistics from the University of Exeter, United Kingdom, and is a Chartered Accountant certified by the Malaysian Institute of Certified Public Accountants. This strong analytical and financial foundation enables him to navigate complex regulatory, commercial, and technological landscapes while guiding EDOTCO's sustainable growth journey.

PROFILE OF OPERATING COMPANIES' MANAGEMENT TEAM

KANISHKA GAYAN WICKRAMA

*President Director and Chief Executive Officer
PT Link Net Tbk (Linknet)*

Nationality / Age / Gender:

Sri Lankan / 44 / Male

Date of Appointment to Current Position:

14 November 2022

Length of Service at Axiata Group:

19 years

Academic/Professional Qualification(s):

- Bachelor of Science from Bangalore University and Master of Business Administration in Finance from Sikkim Manipal University

Working Experience:

Kanishka was appointed as Director of the Company based on the Extraordinary General Meeting of Shareholders (EGMS) on 14 November 2022 and was subsequently appointed as President Director of the Company based on the EGMS held on 23 January 2025. He has more than 20 years of experience and exposure in the telecommunication industry. He is a seasoned executive within Axiata Group Berhad and began his career with the Group at Dialog Axiata PLC. Prior to joining PT Link Net Tbk as Chief Financial Officer (CFO), he served as CFO of Ncell (Nepal) and Smart Axiata (Cambodia).

ANTHONY SHEYANTHA ABEYKOON

*Chief Executive Officer
Boost Holdings Sdn Bhd*

Nationality / Age / Gender:

Sri Lankan / 46 / Male

Date of Appointment to Current Position:

1 March 2021

Length of Service at Axiata Group:

13 years

Academic/Professional Qualification(s):

- Bachelor of Science in Information Systems and Management, University of London, United Kingdom
- MBA, Wharton School, University of Pennsylvania, USA
- Chartered Accountant, Chartered Institute of Management Accountants, United Kingdom
- CFA Charterholder, CFA Institute

Working Experience:

Sheyantha was appointed as Chief Executive Officer of Boost the fintech holding company of Axiata Digital in March 2021. Sheyantha first joined Axiata in 2013 and served as the Senior General Manager, Finance and Strategy for Dialog Digital Services. Subsequently, he assumed the role of Chief Executive Officer of WOW.lk, the ecommerce subsidiary of Dialog Axiata PLC leading the company to market leadership status.

In 2017, he was appointed as the Chief Financial Officer (CFO) of Axiata Digital Services (ADS). In addition to his CFO responsibilities, he played a pivotal role in overseeing the expansion of Digital Financial Services in ADS, spearheading the growth of the micro-financing business in Malaysia and Indonesia. As CEO of Boost, he has operational oversight over all areas of the business. Prior to Axiata, Sheyantha spent over 13 years in the financial services industry in investment banking, financial advisory and portfolio management.

He also holds a Masters in Business Administration from the Wharton School, University of Pennsylvania, as well as being a Chartered Management Accountant and a Chartered Financial Analyst Charter holder. Sheyantha is currently a Board member of a number of digital portfolio companies under the Axiata Group.

Directorships of Public Companies:

Axiata Group

Non-listed

- Boost Bank Berhad

PROFILE OF OPERATING COMPANIES' MANAGEMENT TEAM

SRINIVAS GATTAMNENI

Chief Executive Officer
ADA Data AI Solutions Sdn Bhd

Nationality / Age / Gender:

Indian / 45 / Male

Date of Appointment to Current Position:

1 September 2018

Length of Service at Axiata Group:

12 years

Academic/Professional Qualification(s):

- Bachelor of Engineering (Computer), National University of Singapore, Singapore
- MBA, London Business School, United Kingdom

Working Experience:

Armed with over 20 years of professional experience, Srinivas is a highly accomplished, decorated business leader, entrepreneur and a leading thinker in data and AI space.

He founded PayZazz, a UK-based mobile payment startup. He also served as the head of China operations for Motorola Mobile Devices software group in Shanghai and led Corporate Venturing at ARM Ltd. in Cambridge, UK. Later, he took on the role of Chief Portfolio Officer at Axiata Digital, where he was responsible for overseeing all mergers and acquisitions (M&A), portfolio operations, and investments across Axiata's diverse range of companies in digital advertising, digital financial services, and platforms.

Srinivas holds an MBA from the London Business School and a Bachelor of Engineering from the National University of Singapore.

Currently, he serves as the Chief Executive Officer of ADA, the Data & AI Experience Company, helping enterprises turn data into intelligent, trusted and measurable customer experiences across digital channels. In this capacity, he leads a team of 1,000 experts spanning data and analytics, AI, technology, and ecommerce, driving transformation at scale across 14 markets globally. Under his leadership, ADA partners with forward-thinking enterprises to build AI-ready data foundations and deploy data- and AI-powered experiences, from secure authentication and identity-led trust, to conversational and personalised commerce journeys, that create real business outcomes.

Notes:

None of the Operating Companies' Management Team have:

- Any family relationship with any Director and/or major shareholder of Axiata
- Any conflict of interest with Axiata
- Any conviction for offences within the past five years and particulars of any public sanctions or penalties imposed on them by any regulatory bodies during the financial year ended 31 December 2025 (other than traffic offences)

ANTHONY RODRIGO

Chief Executive Officer
Axiata Digital Labs (Private) Limited

Nationality / Age / Gender:

Sri Lankan / 58 / Male

Date of Appointment to Current Position:

1 December 2024

Length of Service at Axiata Group:

15 years 6 months

Academic/Professional Qualification(s):

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

Working Experience:

Anthony has been with Axiata Group of companies since 2010 as Group Chief Information Officer and Chief Digital Services Officer of Dialog Axiata. He was appointed Chief Information Officer of Axiata Group Berhad in August 2017 and was appointed as Chief Executive Officer of Axiata Digital Labs in December 2024, leading its platform business, Axonect. Anthony also serves on the Board of Trustees of TM Forum, contributing to the global telecommunications industry's standards and transformation agenda.

Prior to joining the Axiata Group, Anthony was the Head of North America Systems Integration Business for Nokia Siemens Networks, where he was responsible for solution development, systems integration, and wireless solutions for communication service providers across North America.

Anthony brings over three decades of experience across Europe, Asia, and the Americas in Operations Support Systems (OSS), Business Support Systems (BSS), and systems integration. He has held senior leadership roles at British Telecom, AT&T, Nokia, Nokia Siemens Networks and Hayleys.

He holds several European and US patents in the areas of Charging and Speech Recognition technologies.

AWARDS

2025

Axiata Group Berhad

- ▶ **ASEAN Corporate Governance Conference and Awards 2025**
Top 50 ASEAN PLCs
ASEAN Asset Class PLCs
- ▶ **GBS ASEAN Awards 2025 by PIKOM**
Best Digital Transformation Provider of the Year
- ▶ **Asian Telecoms Awards 2025**
Cybersecurity Initiative of the Year - Malaysia
- ▶ **Malaysia National Business Awards 2025**
Initiative Awards - Telecommunications for ACFC - HELIOS
- ▶ **Malaysia Technology Excellence Award 2025**
Cybersecurity in Telecommunications for HELIOS
- ▶ **MARIM Awards 2025**
Cyber Risk Defense Excellence Award
- ▶ **National Corporate Governance and Sustainability Awards (NACGSA)**
Overall Excellence Award 2025 - Top 50 PLCs
- ▶ **UN Global Compact Network Malaysia & Brunei ESG Select List 2025**
1-Star Lister (ESG Trailblazer category)

CelcomDigi Berhad

- ▶ **Brand Finance Malaysia 100**
#8 Most Valuable Malaysian Brands (AAA)
#5 Strongest Malaysian Brands
- ▶ **Business Today Industry Choice Awards**
Centre of Excellence in AI
- ▶ **GSMA Digital Nation Award**
Digital Nation Video Creativity Award - CelcomDigi AI Experience Centre
- ▶ **Life at Work Award by TalentCorp**
Corporate Social Responsibility (International Organisation/ Public Listed Company) (Gold)
Best Organisation (1st runner up)
- ▶ **Opensignal Mobile Experience Awards**
Best Overall Upload Speed Experience
Best 5G Games Experience
Best 5G Voice App Experience
Best 5G Upload Speed Experience
Best Coverage Experience
Best 5G Coverage Experience
Best Consistent Quality
- ▶ **PC.com Readers' Choice Awards**
Best Telco of the Year
Best 5G Service Provider
Best Enterprise Telco
- ▶ **Retail Asia Awards**
Telecommunication Retailer of the Year
Innovation Team of the Year
- ▶ **SEEK People Purpose Award**
Top Voted Employer in Telecommunication (Platinum)
- ▶ **TalentBank**
Malaysia's Top 1% Graduate Employers to Work for in 2026

PT XLSMART Telecom Sejahtera Tbk

- ▶ **MIX Marcomm Award**
Marcomm Dream Team 2025
- ▶ **Selular Award 2025**
Best Digital Technology for Business
Best Embedded Subscriber Identity Module (eSIM)

- ▶ **CXtraordinary Evening 2025**
CXtraordinary Tech Award
Exceptional Service Performance
- ▶ **Anugerah ESG 2025**
Integrated ESG Initiatives Towards a Sustainable Telecommunications Business
- ▶ **PR of The Year Awards 2025**
The Best Crisis Management
Spokesperson in the Telecommunication & Utility Industry Category
Senior PR Practitioners in the Telecommunications & Utility Industry Category
Junior PR Practitioners in the Telecommunications & Utility Industry Category
- ▶ **Customer Service Champions 2025**
Building a Customer-Centric Culture for Sustainable Service Excellence
- ▶ **Customer Journey Experience Award 2025**
Enjoying Internet Service Provider (Conventional)
- ▶ **INAICA (Indonesia AI Corporate Awards) - Markplus Conference 2026**
AI-Driven B2B Marketing Awards
Digital Visioning Awards
- ▶ **Mobile World Congress 2026 - Ookla Speedtest Awards**
GTI Award for Technology Innovation
Fastest 5G Network by Ookla

Dialog Axiata PLC

- ▶ **SLIM-KANTAR People's Awards 2025**
Service Brand (Winner)
Telecommunication Brand (Winner)
- ▶ **LMD Brands Annual 2025**
Most Loved Service Brand in Sri Lanka
Most Loved Telecommunication Brand in Sri Lanka
- ▶ **LMD Awards Night 2025**
Recognised Among Sri Lanka's Leading Corporates
- ▶ **ACCA Sustainability Reporting Awards 2024**
Non-Financial Services Category (Winner)
- ▶ **DEI Champions Awards 2025 by Ceylon Chamber of Commerce (SCOPE Programme)**
Best DEI Initiative (National Winner)
- ▶ **National Best Employer Awards 2025 by the Employers' Federation of Ceylon (EFC)**
Recognised Among Sri Lanka's Top 10 Employers
- ▶ **Customer Centricity World Series Awards 2025**
Best Measurement in Customer Experience (World Series Winner & APAC Regional Winner)
Best Customer Experience Strategy (APAC Regional Winner)
Customer Insight & Feedback - VoC (APAC Regional Winner)
- ▶ **Great HR Awards 2025 by CIPM**
Large Business Category (Overall Winner) - Dialog Business Services
Telecommunication, ICT & BPM Services (Sector Winner) - Dialog Business Services
Excellence Award for Best Reward Management (Winner) - Dialog Axiata PLC

Robi Axiata PLC

- ▶ **Asia Telecom Awards 2025**
Telecom Company of the Year - Bangladesh
HR Initiative of the Year - Bangladesh
- ▶ **Bureau of Business Research (BBR) Corporate Award 2025 by BBR, Faculty of Business Administration, University of Chittagong**
Telecommunication Category
- ▶ **SDG Brand Champion Awards 2025 by Bangladesh Brand Forum**
Most Sustainable Telecommunication Company of the Year in Honorable Mention category
- ▶ **Digital Marketing Awards 2025**
Best Video award

AWARDS

- ▶ **12th Institute of Chartered Secretaries of Bangladesh (ICSB) National Award**
Corporate Governance Excellence (Silver)
- ▶ **15th Institute of Cost and Management Accountants of Bangladesh (ICMAB) Best Corporate Award Competition**
IT and Telecommunication category (Silver)
- ▶ **Federation of Bangladesh Human Resource Organizations (FBHRO) Corporate HR Award 2025**
IT and Communication Industry category
- ▶ **Foreign Investors Chamber of Commerce and Industries (FICCI) Sustainability and Innovation Award 2025**
Excellence in DEI award (1st Runners Up)
- ▶ **14th Edition of COMMWARD by Bangladesh Brand Forum (BBF)**
Best Use of Branded Content Category (Bronze) - Robi & Airtel
Most Creative Use of Media (Bronze) - Airtel
- ▶ **The Fast Mode Awards 2025**
Emerging Telco Brand

Smart Axiata Co., Ltd

- ▶ **AmCham 6th CSR Excellence Award**
Excellence in Digital Inclusion
- ▶ **Best in Class Treasury Solution in ASEAN by Adam Smith Awards ASIA 2025**
Excellence in Treasury Solution
- ▶ **World Communication Awards**
Best Operator in a Growth Market (Silver)
- ▶ **HR Initiative of the Year by Cambodia from Asian Telecom Awards 2025**
Excellence in Human Resources
- ▶ **Cybersecurity Initiative of the Year by Cambodia from Asian Telecom Awards 2025**
Excellence in Cybersecurity
- ▶ **2025 AmCham Cambodia CSR Awards**
Leader in Best Practice in Innovation, Leadership & Partnership Category
Environment & Sustainability Awardee
Education & Empowerment Awardee
Community & Social Impact Awardee

EDOTCO GROUP SDN BHD (EDOTCO)

- ▶ **International Innovation Award 2025, Shanghai China**
Service & Solution Category: NaPA GPT by EDOTCO - Innovation Beyond Connectivity
- ▶ **Anugerah Keselamatan dan Kesehatan Pekerjaan Negara 2024**
Mentor-Mentee (Mentor)
- ▶ **Home Leaders in Procurement Transformation for Resilient Supply Chains (Large Enterprise) Award**
3rd ASEAN Procurement Innovation Summit & Awards 2025
- ▶ **Twimbit Telecom Awards**
Tower Company of the Year Award - EDOTCO Group
- ▶ **Employee Experience Awards (EXA) 2025**
Best Talent Mobility Programme (Bronze)
- ▶ **SDG Brand Champion Awards 2025**
Most Energy Efficient Initiative of the Year & The Most Sustainable Telecommunications Company - EDOTCO Bangladesh
- ▶ **FICCI Sustainability & Innovation Awards 2025**
Champion in Sustainable Operational Excellence & Runner-Up for Innovation Leader of the Year - EDOTCO Bangladesh
- ▶ **UNGCMYB Forward Faster Sustainability Awards 2025**
Partnership for the Goals Recognition
- ▶ **UN Global Compact Network Malaysia & Brunei ESG Select List 2025**
3-Star Lister

PT Link Net Tbk (Linknet)

- ▶ **Indonesian Institute for Corporate Directorship (IICD)**
Top 50 MidCap Public Listed Company
- ▶ **The Fast Mode Awards 2025**
Operational Excellence Leader: Recognised for GROWTH category
Enterprise Growth Leader: Recognised for IMPACT category

Boost Holdings Sdn Bhd

- ▶ **Malaysia Management Excellence Awards 2025**
Financial Technology - Executive of the Year
- ▶ **Malaysian CMO Awards 2025**
Best in Financial Services (Gold)
- ▶ **Malaysia Technology Excellence Awards**
E-Wallet - Financial Technology
- ▶ **Digital CX Awards**
Outstanding Digital CX in Embedded Banking App/Platform category - Boost Bank
Best Digital Bank for CX in Malaysia (Highly Acclaimed) - Boost Bank
- ▶ **The d awards by the Malaysian Digital Awards**
Best Digital Customer Acquisition and Loyalty
Best Digital Customer Acquisition and Loyalty + Best Use of Data - Boost Bank
- ▶ **HR Asia Awards**
HR Asia Best Companies to Work for in Asia 2025
HR Asia Tech Empowerment Awards 2025
- ▶ **Top Employer 2025 by Jobstore.com**
Best Workplace
Top HR Team of the Year
Top HR Leader of the Year
Top Employer of the Year - SME Category (Gold)
- ▶ **International Finance Awards**
Most Innovative New MSME Financing Solutions Provider - Boost Bank
Most Innovative New Digital Financial Services Ecosystem - Boost Bank
- ▶ **MARKies Awards 2025**
Bronze for Most Effective Use - Launch/Relaunch - Boost Bank

ADA Data AI Solutions Sdn Bhd

- ▶ **MOB-EX Awards 2025**
Best Use of Mobile Commerce (Gold)
Best Use of Display Advertising (Silver)
Best Use of Video (Silver)
Best Campaign - Fashion & Beauty (Silver)
Best Campaign - Fashion & Beauty (Bronze)
Best Use of In-App Advertising (Bronze)
Best Use of Mobile-Customer Engagement (Bronze)
- ▶ **HASTAG ASIA AWARDS 2025**
Best Social Media Campaign: YouTube - SILVER
Best Use of Tribal Marketing - BRONZE
- ▶ **Marketing Excellence Awards**
Excellence in Marketing Transformation
- ▶ **Snowflake**
Partner Network Awards - Industry Solution Partner of the Year, ASEAN, 2025
- ▶ **P&G**
Partner Award - Excellence in Showcasing AI Capabilities in Brand Communication

Axiata Digital Labs (Private) Limited

- ▶ **2025 Gartner® Market Guide for CSP B2B Digital Marketplace Solutions**



Scan the QR code to view our past years' awards online

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

According to Paragraph 15.26(b) of Bursa Malaysia Securities Berhad's Main Market Listing Requirements ("MMLR"), the Board of Directors of a listed issuer is obligated to include a statement on the state of risk management and internal control in the company's Annual Report. This statement, addressing the nature and scope of risk management and internal control within Axiata Group Berhad, is prepared in accordance with the guidelines outlined in the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers ("SORMIC Guide 2025"), endorsed by Bursa Securities.

The Group has also adhered to the requirements of the Malaysian Code on Corporate Governance 2021 ("MCCG 2021"), which mandates the establishment and maintenance of a robust risk management framework and internal control system by the Board of a listed issuer.

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

RESPONSIBILITY AND ACCOUNTABILITY

Board of Directors

The Board is responsible for overseeing and managing risks, which involves establishing a risk management framework, ensuring the adequacy and effectiveness of the risk management process, integrating risk management into overall governance, promoting a culture of risk awareness by setting the "tone-at-the-top", and implementing internal controls. The Board performs periodic reviews and responds to significant risks faced by the Group. In view of the inherent limitations in any risk management and internal control system, the Board recognises that such systems can only provide reasonable, and not absolute, assurance against material financial misstatement, fraud or losses. Accordingly, the risk management and internal control framework is designed to manage, rather than eliminate, the risk of failure to achieve the Group's objectives, including effective and efficient project delivery.

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

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

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

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

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

The Group is committed to compliance with all relevant laws, regulations, and standards and has a zero-risk appetite for

any breach of legislative and regulatory requirements, internal fraud, collusion, theft, cyber and privacy risk, and associated reputational risk.

In pursuing the above, the Group will adhere to its core values and fulfil its corporate responsibilities by ensuring it acts responsibly, ethically and with integrity.

The Board Risk and Compliance Committee ("BRCC") has been established to assist the Board to discharge its risk oversight function. The BRCC is responsible for determining that there are robust processes in place for identifying, assessing, managing and monitoring:

- i. Business risks to safeguard shareholders' investment and the Group's assets;
- ii. Cyber security risks and risks relating to Data Privacy;
- iii. risks arising from non-compliant practices and behaviours, particularly relating to Anti-Bribery and Anti-Corruption ("ABAC");
- iv. Environmental, Social and Governance ("ESG") risks;
- v. Regulatory Compliance;
- vi. Occupational Safety and Health ("OSH"); and
- vii. Data & Artificial Intelligence ("AI") Governance.

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

Axiata's Senior Leadership

The Senior Leadership Team ("SLT"), led by the Group Chief Executive Officer ("GCEO"), is committed to identifying, monitoring, and managing risks associated with the Group's business activities. They are responsible for implementing the approved risk management framework and policies, ensuring adequate controls and mitigation measures, and promoting a culture of risk awareness. The Risk and Compliance Management Committee ("RCMC") has been established and chaired by the GCEO with most SLTs as members to deliberate on significant risks and implement the mitigation actions.

Corporate Centre Operations

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

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

- Develop governance instruments, and risk and compliance strategies to facilitate sound and best practices of risk and compliance programmes for the Group.
- Assist RCMC in reviewing the risk and compliance frameworks and its implementation by ensuring that the risk management system is operating effectively.
- Inculcate risk and compliance awareness within the Group and integrate risk and compliance consideration into the decision-making process.
- Monitor implementation of controls, action plans, and strategies to mitigate uncertainties that could impact the Group's objectives.
- Communicate and report material risks to the RCMC, BRCC, and Board for effective and efficient risk management governance.
- Facilitate knowledge sharing and best practices within the Group
- As Secretariat to the BRCC and RCMC, ensure risk and compliance integrated reports are prepared and presented timely.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

Axiata’s Operating Companies

OpCo-level risk management and compliance processes are overseen by governance forums chaired by the respective OpCo CEOs. The OpCo Enterprise Risk Management (“ERM”) and Compliance functions manage end-to-end risk and compliance identification, analysis, oversight, reporting, and monitoring. Moreover, these functions serve as the OpCo’s BRCC Secretariat. The Enterprise Risk Management and Compliance functions provide timely risk updates and are the primary liaisons with the GR&C.

RISK MANAGEMENT

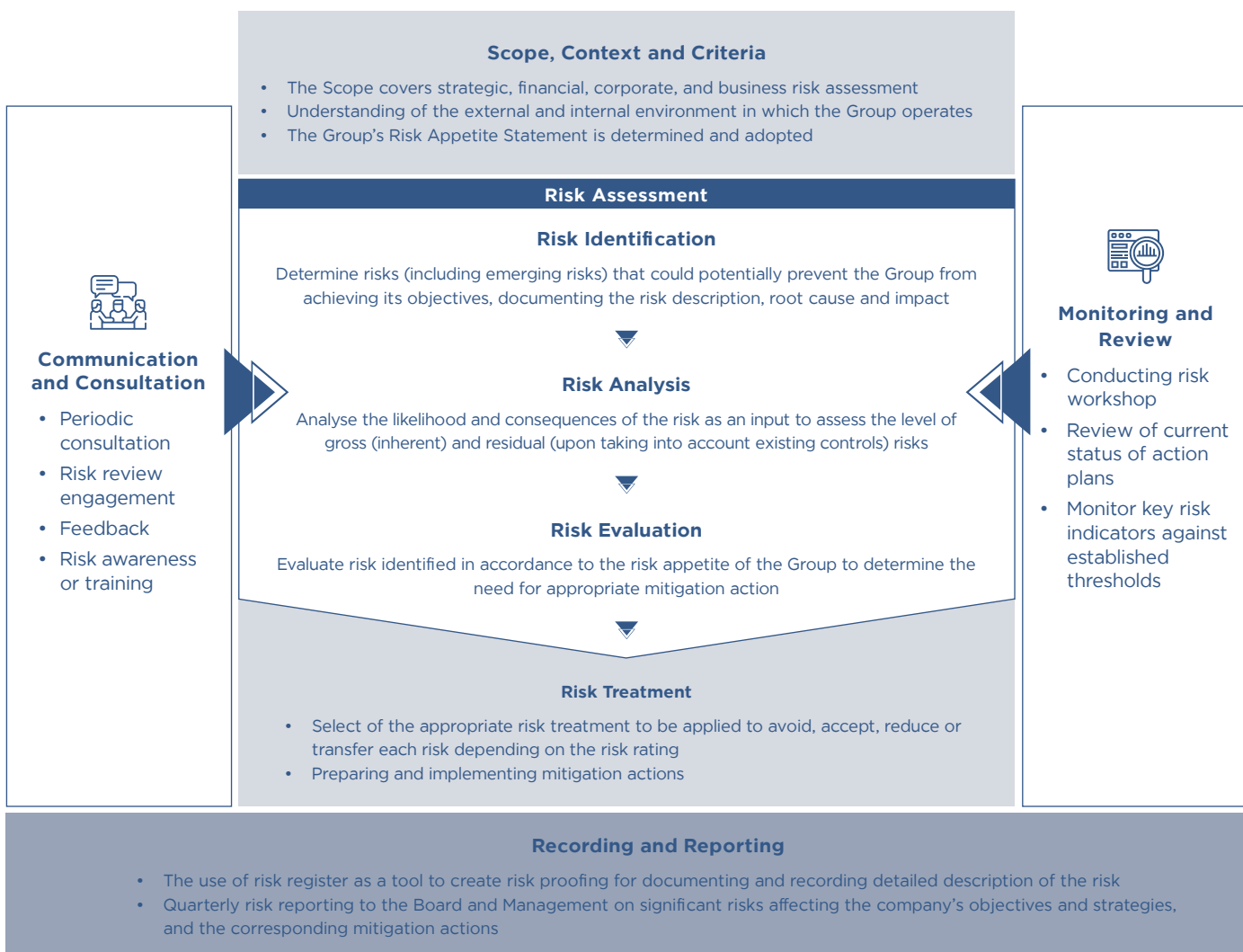
Enterprise Risk Management Policy and Framework

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

Risk Management Process

The Group acknowledges the importance of risk management in supporting and enhancing the system of internal controls established to achieve its key strategic business objectives. Thus, the Group employs a systematic risk assessment process within its ERM framework, encompassing the identification, analysis, evaluation, and treatment of risks. This structured approach is consistently applied across all entities, fostering systematic and collaborative risk management. Drawing upon collective knowledge and global perspectives, each entity develops its respective risk profile.

Aligned with ISO31000:2018, the Group has embraced a risk management approach, customising the guidelines to align with the specific requirements of the Group’s business operations as set out by the ISO31000:2018 process, as illustrated in the diagram below:



STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

Overview of Risk Landscape for 2025

The risk landscape in 2025 remains complex and dynamic, shaped by both ongoing challenges and emerging threats. Economic volatility continues to be a key concern, with fluctuating inflation rates, volatile exchange rates and potential recessionary pressures influencing financial strategies. Geopolitical instability marked by governmental changes, armed conflicts, shifting alliances, and trade tensions, adds another layer of uncertainty, impacting supply chains and foreign investments. Cyber security continues to remain among the top priorities, with organisations facing increasingly sophisticated threats to their data and digital infrastructure, driven in 2025 by the rapid advancement of AI technologies that are enabling more automated, targeted and adaptive cyber attacks. Alongside this, ESG risks are gaining importance, as stakeholders demand greater accountability in areas such as sustainability and corporate responsibility while regulations and standards for compliance continue to improve. Regulatory and compliance risks also persist, with new and evolving laws requiring companies to stay vigilant in meeting legal and financial obligations. Supply chain disruptions, amplified by geopolitical tensions and natural disasters, continue to challenge business continuity, urging companies to strengthen resilience through diversification and flexibility. Furthermore, the rapid pace of technological advancements, including AI and automation, brings both opportunities and risks, necessitating careful evaluation of the ethical, operational, and security implications.

Key Risks and Mitigation

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

RISK	MITIGATION
<p>Strategic and Investment Risk The Group is exposed to strategic and investment risks arising from its investment holding activities, particularly in frontier and emerging markets. These risks include limited availability of new growth opportunities, uncertainties surrounding returns from 5G investments and exposure to evolving macroeconomic conditions. Underperformance of OpCos, foreign exchange volatility, increased funding and debt servicing requirements, and challenges in executing strategic initiatives may adversely affect investment returns and the Group’s financial performance.</p>	<ul style="list-style-type: none"> Strengthen investment governance through the Axiata Board Investment Committee (“ABIC”) and the OpCo Board Investment Committee (“OBIC”) to ensure disciplined capital allocation, optimise investment decisions and enhance return on investment Diversify revenue and growth avenues through expansion into new growth areas and balanced exposure across geographies, markets and business lines to reduce concentration risk Maintain robust mergers and acquisitions (“M&A”) governance, overseen by the M&A Committee, chaired by the Group CEO, and supported by comprehensive due diligence processes to identify, assess and manage transaction related risks Execute structured post investment and post acquisition integration, with dedicated teams to ensure effective implementation of organisational, operational and cultural integration plans Manage capital prudently, guided by the Group’s Capital Allocation Framework, including the use of hedging instruments, where appropriate, to manage funding and financial risks Form strategic partnerships and alliances, including collaboration with key network and technology vendors, to keep pace with technological advancements and mitigate execution and obsolescence risks Actively monitor market and competitive dynamics, with disciplined investments in technology, platforms and product offerings to maintain relevance, competitiveness and long term value creation
<p>Financial Risk The Group is exposed to financial risks arising from foreign exchange fluctuations and broader macroeconomic conditions, particularly in OpCos operating in frontier and emerging markets. Currency volatility, inflationary pressures, and economic slowdowns may adversely affect revenues, costs, funding requirements, and overall profitability.</p> <p>Current financial risks faced by Axiata include:</p> <ul style="list-style-type: none"> Foreign exchange exposure Interest rate volatilities Liquidity risk Potential financial losses from overall investment performance 	<ul style="list-style-type: none"> Maintain centralised oversight and control of the Group’s treasury, funding and financing activities, supported by active monitoring of capital allocation and robust liquidity planning to ensure sufficient and timely availability of funds to meet financial obligations Implement and monitor capital structure guardrails, including net debt-to-EBITDA thresholds, local and foreign currency debt mix, hedging of foreign currency exposures, where available, fixed-to-floating interest rate mix, average debt maturity profile and liquidity ratios Develop and execute hedging strategies in strict accordance with Group Treasury policies and risk appetite, including hedging foreign currency and interest rate exposures, where available, and reducing reliance on USD-denominated funding Continuously engage OpCos, financial institutions, Bank Negara Malaysia, strategic banks and rating agencies to monitor local and global market developments, support overseas investments and repatriation of funds, manage foreign currency uncertainties in frontier markets and sustain the Group’s investment grade rating Continuously enhance business resilience programmes through comprehensive testing, scenario planning and adopting a structured continuous improvement approach, including proactive and pre-emptive solutioning to mitigate any potential in-country liquidity shortages
<p>Operational Risk The Group’s overall operations and assets, which are predominantly based in emerging markets are exposed to heightened operational risks, such as supply chain disruptions, technical failures, partner failures, fraud and unauthorised activities, natural disasters and business disruptions. These risks may potentially have significant adverse impact on the Group’s business continuity, operational effectiveness and financial performance.</p>	<ul style="list-style-type: none"> Establish and roll out the AGB Business Continuity Management (“BCM”) Policy and Standard, conduct annual Crisis Simulation Drills, and improve BCM monitoring processes to assess the Group’s BCM programme health Conduct bi-annual strategic engagements with suppliers to obtain updates, review performance metrics, share best practices, and identify opportunities for innovation and improvement Carry out key supplier audits and assessments focusing on financial aspects, operational resilience, and scalability in relation to potential disruptions Hold quarterly engagements between OpCo Supply Chain Management (“SCM”) teams as a platform for sharing critical updates on supply chain concerns, risk assessments, and potential disruptions which may impact sourcing decisions

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

RISK	MITIGATION
<p>Legal and Regulatory Risk The Group is exposed to regulatory and legal risks arising from operating across multiple jurisdictions, subject to diverse and evolving regulatory frameworks. Uncertainty or changes in telecommunications, data protection, competition, taxation, policies and regulations may increase compliance complexity and costs. Inconsistent regulatory interpretation, delays in approvals and overly strict enforcement actions may adversely affect operations, financial performance and the Group’s strategic initiatives. In addition, exposure to sanctions or export controls may impact the Group’s business performance.</p>	<ul style="list-style-type: none"> • Implement and operationalise the Axiata Regulatory Compliance Framework across all OpCos, advocating strict adherence to government policies and fair and transparent regulatory practices, and driving an overall uplift in regulatory compliance maturity and insights monitoring • Develop Group wide positions on key regulatory and policy issues, supported by joint on ground engagements with OpCos to drive coherent, aligned and strategic regulatory outcomes • Provide thought leadership and actively participate in governmental consultations and industry association engagements to shape policies, foster collaboration, share insights and contribute to the development of effective industry policies and best practices, including through partnerships with organisations such as the International Telecommunication Union (“ITU”), GSM Association (“GSMA”) and Asia Pacific Telecommunity (“APT”) • Establish and operationalise the Regulatory Expert Working Group to enable systematic sharing of regulatory best practices, insights and lessons learned across Axiata’s OpCos • Strengthen and improvise the Associate’s engagement model, strengthening oversight on regulatory compliance, proactively managing regulatory risks, and stakeholder engagement and governance
<p>Market Risk The Group faces market risks arising from evolving customer expectations, slowing economic growth and increasing market saturation across several operating markets. Intensifying competition from traditional mobile network operators, digital-first players and emerging technologies such as satellite communication services is placing pressure on pricing, margins and customer retention. At the same time, changes in consumer behaviour, higher cost sensitivities and rapid shifts towards digital and data-centric services may affect demand patterns and revenue growth. These dynamics, combined with ongoing capital intensity in the telecommunications sector, may impact the Group’s financial performance and long-term competitiveness.</p>	<ul style="list-style-type: none"> • Focus on market repair and price hardening to restore sustainable industry economics, including pricing adjustments, improved pricing discipline, management of customer acquisition costs and reduction of irrational competition where appropriate • Continuously improve operational efficiency and cost structure through tactical cost transformation initiatives, ROI-based capex planning, network efficiency programmes and infrastructure sharing to enhance competitiveness under margin pressure • Invest strategically in new technologies to enhance competitive advantage while reducing the long-term cost per gigabyte (cost/GB) • Source external funding to support the growth and expansion of the infrastructure business • Strengthen Group oversight and heighten cross-entity collaboration to enable OpCo specific risk and opportunities, through • Expert Working Groups to anticipate and respond swiftly to market disruptions, challenges and opportunities
<p>Geopolitical Risk The Group faces geopolitical risks arising from operating across diverse and interconnected markets where political instability, civil unrest, social tensions, changes in government and fragile economies with high dependence in foreign inflows and exports may give rise to regulatory uncertainty, policy shifts and sanctions-related risks, potentially altering market access, financial exposures due to liquidity and forex, regulatory regimes and compliance obligations.</p> <p>Recent geopolitical developments, such as conflicts in the Middle East, have contributed to heightened global uncertainty. These events have led to energy price volatility, trade tensions, and supply-chain disruptions, making some of the operating markets vulnerable to these shocks which may have short to mid-term impact. These crisis may also open up certain opportunities for us in markets where we have strong market position.</p> <p>In turn, such developments are accelerating the shift towards a more multi-polar global order. These dynamics may increase operational and compliance complexity, and weaker customer demand. Prolonged political volatility and policy unpredictability may also undermine investment confidence, elevate cost structures and constrain the Group’s ability to execute strategic priorities, ultimately impacting financial performance and resilience over the long-term.</p>	<ul style="list-style-type: none"> • Manage capital through the establishment of a Capital Management Framework, reducing foreign currency exposure in frontier markets to minimise risk from foreign currency depreciation • Actively monitor geopolitical developments and work closely with the management of the respective OpCos, leveraging their local expertise, market knowledge, and ontheground insights to continually assess evolving political conditions and enable timely responses to emerging developments • Mitigate geopolitical supply chain disruption by adopting multi-vendor and multi-country sourcing strategies for critical network equipment, enhancing supplier due diligence and resilience assessments, and maintaining buffer stock for key components to safeguard service continuity and capital deployment

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

RISK	MITIGATION
<p>Governance Risk</p> <p>The Group is exposed to governance and integrity risks, including bribery, corruption and non-compliance with applicable laws and regulations across the jurisdictions in which it operates. Unethical conduct, weak corporate governance practices or insufficient oversight could result in increased exposure to corporate liability. Breaches or perceived lapses in ABAC compliance could result in material regulatory fines, penalties and legal sanctions, as well as significant reputational damage. These outcomes may erode stakeholder and investor confidence, adversely affect financial performance and undermine trust in the Group’s governance framework and long-term sustainability.</p>	<ul style="list-style-type: none"> • Enhance and implement the compliance framework on a Group wide basis, including the ABAC Plan, Corruption Risk Assessments and Compliance Monitoring & Evaluation (“CME”), supported by periodic reviews, automation and benchmarking to ensure effectiveness and consistency • Execute a structured annual compliance monitoring and evaluation plan, comprising multiple monitoring activities conducted throughout the year and reported to relevant management and risk committees across the Group, including bi-annual reporting to the Malaysian Anti Corruption Commission (“MACC”) on the activities of the Integrity and Governance Unit (“IGU”) • Maintain and continually strengthen a robust ethical platform and corporate governance standards to uphold business integrity, regulatory compliance and sustained performance across the Group • Update and reinforce ABAC and Gifts, Donations & Sponsorships (“GDS”) policies and procedures, including process realignment and targeted controls for high risk activities to mitigate bribery and corruption risks • Manage Conflict of Interest (“COI”) through mandatory employee training, quarterly COI declarations and a structured disclosure process across the Group and OpCos • Deliver comprehensive, mandatory training and awareness programmes for all employees, supplemented by targeted training for high risk departments, to strengthen compliance culture, ethical conduct and organisational readiness • Engage with Axiata Key Suppliers through annual Supplier Engagement Forums to reinforce zero tolerance positions on bribery and corruption, and communicate key compliance expectations, including collaboration with Group Sustainability on supplier related integrity initiatives
<p>Technology Risk</p> <p>The Group is exposed to technology-related risks arising from the rapid advancements in the emergence of new technologies in the market due to an increasingly dynamic technological landscape. Failure to proactively adapt to technological changes or adopt suitable technologies may challenge the Group’s competitive position, constrain revenue growth and limit future expansion opportunities. In addition, risks to network resiliency such as potential outages, service disruptions, or blackouts could adversely impact brand perception, disrupt revenue generation, and increase operational costs.</p>	<ul style="list-style-type: none"> • Adopt the Axiata A3 Network Architecture blueprint, which aligns with the evolving Digital Telco OpCos’ network architecture towards decoupled, open stacks, enabling hyper automation towards an Autonomous Network Level 3.5+ operation • Design techno commercial procurement and network planning processes to prioritise future proofing and alignment with long term technological trends, thereby reducing technology obsolescence and technical debt • Continuously review technology capabilities to ensure competitiveness while maintaining financial prudence • Implement a comprehensive customer experience measurement framework to provide actionable insights, support data driven decision making and improve service quality across customer touchpoints • Develop and expand strategic technology partnerships with industry leaders and emerging technology providers to drive innovation, enhance service offerings and capture synergies. This includes establishing new partnerships focused on next generation technologies to strengthen long term competitive advantage • Optimise operational costs, including process efficiency, supply chain improvements and resource management, to support sustainable technology deployment • Strengthen network resiliency and risk management through regular assessments, disaster recovery planning and local mitigation policies to minimise service disruption and protect brand reputation
<p>Cyber Risk</p> <p>The Group operates in a fast-moving cyber threat landscape where attackers use AI to accelerate phishing, ransomware and data-theft attempts, shortening detection time and heightening the risk of service disruption across our telco networks, digital platforms, fintech services and infrastructure. Our multi-market footprint increases exposure to geopolitical and cross-border threats, including state-linked and hacktivist Distributed Denial of Service (“DDoS”) attacks, intrusions and coordinated misinformation that can trigger rapid, multi-jurisdictional incidents.</p> <p>An extensive vendor ecosystem further elevates supply-chain cyber exposure, while diverse and evolving data-privacy and cyber security regulations add compliance complexity, particularly where digital services and cross-border data intersect. These dynamics reinforce the inherent cyber and data-privacy risks within Axiata’s diversified business and the need for strong governance and continuous monitoring to safeguard customers and operations.</p>	<ul style="list-style-type: none"> • Advance cyber maturity to 3.52 under NIST 2.0, surpassing regional peers and strengthening readiness against AI-driven and identity-based threats • Complete Group wide Zero Trust Infrastructure rollout across identity, data, endpoints, workloads, APIs and segmentation, establishing a strong defence against credential misuse and lateral movement attacks • Embed Secure-by-Design across all technology initiatives, integrating DevSecOps, API security, secret management and GenAI/ Predictive AI safeguards to counter emerging AI enabled attack vectors • Enhance threat detection through cloud automation and deception technologies, leveraging state-of-the-art technologies to reduce dwell time and improve response effectiveness • Elevate data privacy maturity to Level 3.0, supported by CEO driven Key Performance Indicators (“KPIs”) that strengthened governance and consistent compliance across evolving regulatory landscapes in all operating markets • Embed Privacy by Design across high risk processes, updated Group policies, conducted Privacy Enhancing Technologies (“PET”) assessments, and achieved 99.9% training completion, including controls for GenAI-related risks

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

RISK	MITIGATION
<p>People Risk The Group faces people-related risks arising from challenges in attracting and retaining talent, particularly digital- and AI-skilled professionals, as well as an insufficient pipeline of future-ready leaders across the Group. Limited AI readiness and uneven internal capability adoption may hinder the Group’s ability to execute its business aspirations, weaken succession planning, workforce effectiveness and organisational resilience. In addition, the safety and security of employees remain a key concern in certain operating markets due to political instability and security-related events.</p>	<ul style="list-style-type: none"> • Strengthen talent acquisition and development, combining targeted external recruitment with robust internal talent development programmes, performance based rewards, and a safe and healthy work environment • Empower and engage staff, enabling employees to respond effectively to changing customer demands and work processes, while maintaining motivation and reducing attrition • Advance leadership and succession planning, supported by the Group Talent Management and Succession Framework, ensuring a pipeline of future ready leaders across the Group • Enhance Employee Assistance Programmes and wellbeing initiatives, including workshops on change management, mental health and wellbeing, alongside proactive measures to ensure employee safety and security through engagement with local authorities, situational monitoring and timely communications in politically or socially sensitive markets • Drive the Axiata Winning Culture through structured programmes to enhance awareness, understanding and adoption of refreshed core values and desired behaviours at all levels, supported by Role Modelling initiatives and Culture Champions
<p>ESG Risk The Group faces ESG-related risks arising from increasing expectations by regulators, investors and stakeholders for enhanced disclosure and responsible business practices. Non-compliance with evolving ESG regulations could lead to regulatory penalties, reputational damage and reduced stakeholder confidence. Uncertainties in climate and environmental policies, particularly in frontier markets, may affect operational planning, capital allocation and long-term business sustainability. Additionally, intentional or unintentional greenwashing, or inability to meet internal targets, could further damage brand value, reputational standing and access to capital. The growing physical and transition impacts of climate change also necessitate proactive and strategic measures to mitigate potential adverse effects on the Group’s operations, financial performance and long-term resilience.</p>	<ul style="list-style-type: none"> • Continuously monitor ESG and climate developments, including regulatory changes, policy updates and emerging best practices, to anticipate risks and adapt strategies across operating markets • Continuously enhance the Group’s sustainability strategy, framework and governance to drive sustainability initiatives and programmes in a structured, cohesive and consistent manner across the Group • Build capacity through training for OpCo Sustainability teams to strengthen ESG governance, awareness and operational capabilities • Centralise monitoring and reporting of ESG metrics, using a consolidated tool to ensure consistent tracking, measurement and transparency across the Group • Engage subject matter experts for guidance to achieve compliance with IFRS S1 and S2 reporting requirements and align disclosures with international ESG standards • Implement climate risk and opportunity management plans to identify, assess and mitigate climate-related risks while capturing opportunities across operating markets

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

INTERNAL CONTROLS

The Institute of Internal Auditors' ("IIA") Three Lines Model is an industry-standard risk management framework that the Group utilises to enhance its governance and integrity risk management processes. This framework involves the implementation of internal controls and policies as the first line, risk oversight as the second line, and internal audit oversight as the third line to provide independent and objective assurance on the adequacy and effectiveness of governance and risk management (including controls). In this regard, quarterly reports on financial and operational control issues are tabled and subsequently reviewed by the BAC.

Internal Control Initiatives

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

People Management

Integrity and Ethical Values

Code of Conduct and Practice

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

Guidelines on Misconduct and Discipline

The Group has established and implemented guidelines for managing employee misconduct and disciplinary matters, which include breaches of the Code of Conduct ("CoC") or failure to meet employment terms and conditions. The CoC is adopted by the OpCos, with a degree of localisation to align with local laws and regulations.

Whistleblowing Policy and Procedures

The Group has a Whistle-Blowing Policy and Procedures which sets out the procedures for employees, vendors and external parties to raise a concern on matters related to corruption, fraud, sexual harassment or other misconduct. This policy provides assurance on confidentiality and anonymity, as well as protection from retaliation if the disclosure is reported in good faith. A Group-wide Speak Up channel (managed by independent third-party service provider and under the supervision of Group Internal Audit) has been established to allow the reporting of a concern. Quarterly report on whistleblowing investigations and progress are tabled and subsequently reviewed by the Board Audit Committee ("BAC").

Organisation Structure

Clear Organisation Structure

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

Commitment to Competency

Competency Framework

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

Performance Management

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

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

Training and Development Framework

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

Talent Development and Succession Planning

There is a Talent Management Framework in place to identify and develop a talent pipeline to meet future leadership demands. In this regard, targets have been set to ensure the availability and readiness of successors for Critical Leadership Positions ("CLP"). This is done via structured leadership development programmes, mentoring and coaching, regular leadership readiness assessments, as well as cross-functional and cross-country assignments.

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

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

Process Management

Control Activities

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

Policies and Procedures

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

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

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

Limits of Authority (“LoA”)

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

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

Budgeting Process

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

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

Insurance and Physical Safeguard

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

Regulatory and Compliance

Group Regulatory Affairs (“GRA”)

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

This approach encompasses:

Regulatory Strategy:

- Constant monitoring of regulatory developments and identification of regulatory issues for each OpCo based on issues of highest strategic, financial and/ or reputational impact.
- Periodic review of OpCo annual and tactical regulatory strategies which addresses these issues. This would translate into an advocacy plan engaging regulators and other authorities through formal and informal submissions and where appropriate, joint advocacy with international partners.
- Development of Group-wide positions on key issues such as regulations for the digital economy, digital financial services regulations, spectrum policy, taxation, industry sustainability and regulatory fairness, digital competition and others.

- Establishment of a Regulatory Experts Working Group across the OpCos to enable systematic sharing of expertise on best approaches in resolving common regulatory issues, including effective stakeholder management, developing core arguments and positions, build industry alignment and others.

Stakeholder Engagement:

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

Regulatory Compliance Framework:

- Forms an essential part of the Group’s corporate governance and states the principles and the tone by which regulatory compliance is to be approached and implemented.
- Underpinning the framework is the understanding that the Group shall comply with all applicable laws and regulations, regulatory obligations, and governmental policies in the jurisdictions in which it operates, and that regulatory advice should be obtained in an efficient and cost-effective manner as and when required.
- GRA regularly embarks on ensuring a Group-wide baseline of best practice regulatory skills and knowledge, through the development of industry collaterals, position papers and regular capacity-building programmes.

Information and Communications

Information and communications are key elements that support the other components to work effectively and efficiently to maintain and build a strong and positive image of the Group across its operating footprint. In the Group’s efforts to transform to become a converged connectivity group, digital and online communication tools and platforms have become the mainstay of connecting with the public as well as employees in a seamless and purposeful manner.

The use of social media to engage and share information with the diverse communities across the footprint and to engage and keep employees informed of activities and corporate development exercises has become more important and relevant in a timely manner.

Employee Communications

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

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

Media and Public Relations

The engagement of media fraternity which includes building positive relations with business journalists, senior writers, editors and other content influencers in ensuring timely and accurate messages are shared and positioned, is an important and strategic role of Corporate Communications.

Amongst others, the media relations function includes writing and distributing news releases, overseeing all planning work and content development required for staging news conferences and media interviews, responding to media inquiries, preparing the Group's spokespersons to speak and engage with media via media trainings and generally, ensuring the transparent and quality representation and position of the Group's interests and plans. The role also requires proactively and reactively managing issues and addressing any misinformation and misrepresentation that may in any way, impact the Group's reputation.

Monitoring and tracking of and reporting on print, social, online and digital media to include blogs, is an important function to ensure a firm and realistic grasp of what the public, media and social influencers are saying, and devising communication strategies to improve perception and address inaccuracies or public queries. The Board also recognises the need for more dialogue with investors and analysts, details of investor relations activities are listed within the Statement on Corporate Governance section of this Integrated Annual Report.

Statutory disclosure

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

Sustainability and Governance

The Group Sustainability Department is responsible for developing, implementing, and managing ESG-related programmes and initiatives guided by the Group's Sustainability Framework, applicable across the Group, for consistent and effective adaptation. Group Sustainability strives to ensure adherence to sustainability-related frameworks, guidelines, and standards both locally and internationally (including Malaysia's National Sustainability Reporting Framework ("NSRF") as well as Bursa Malaysia's MMLR).

Group Sustainability regularly communicates on its approach, priorities and performance with internal as well as external stakeholders. The ISSB as well as Sustainability Statements, as part of the Integrated Annual Report FY 2025, outlines the Group's sustainability strategies, priorities and targets as well as performance for communication to its internal and external stakeholders.

OpCos are encouraged to produce their own Sustainability Statements, in compliance with their local regulatory requirements (e.g., stock exchanges). Several other platforms and methods of communication are further adopted such as the Group's corporate website and stakeholder engagement sessions (e.g. public events or forums, quarterly results, briefing sessions and/or one-on-one meetings).

For internal stakeholders, regular engagements and communications on sustainability-related matters take place through Sustainability steering committees, townhalls, events,

briefing sessions, one-on-one meetings, and/ or updates on the Group's intranet site. In addition, Group Sustainability works collaboratively with several other key functions, to engage with investors and respond to external ESG rating agencies or analysts for purposes of improving the position and ranking on sustainability indexes and recognised ESG ratings.

Crisis Communications

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

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

Monitoring

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

Performance Reporting

SLT Meetings

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

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

Business Control Incident ("BCI") Reporting

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

Headline Performance KPIs

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

Ongoing Monitoring

Financial and Operational Review

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

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

Technology Management

Security (Application and Information Technology (“IT”) Network)

Disaster Recovery and Business Continuity Management

The Board protects stakeholder interests by ensuring business continuity during crises, guided by the Group’s BCM Policy, which aligns with ISO 22301. The Group has established and regularly tests business recovery plans for critical processes to maintain employee readiness and coordination. Additionally, the Group conducts cyber crisis simulations and DR tests for critical systems to strengthen business resilience.

Information Technology (“IT”)

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

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

CONCLUSION

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

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

JOINT VENTURES AND ASSOCIATES

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

REVIEW OF THIS STATEMENT BY EXTERNAL AUDITORS

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

This statement is made in accordance with the resolution of the Board of Directors dated 31 March 2026.

BOARD AUDIT COMMITTEE REPORT

Overview

The BAC supports the Board in ensuring that there is a reliable and transparent financial reporting process within the Group including the subsidiaries and operating companies (“OpCos”), and to review the corporate governance practices and internal control system in ensuring checks and balances within the Group. Roles and responsibilities of the BAC are outlined in the Terms of Reference (“ToR”) of the BAC which is set out on Axiata’s website at www.axiata.com.

Composition And Meetings

The BAC comprises three (3) members, two (2) of whom are Independent Non-Executive Director (“INED”) and one (1), a Non-Independent Non-Executive Director (“NINED”). This is in line with the provisions of the Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa”), which prescribes that the audit committee must be composed of not fewer than three (3) members, all of whom must be non-executive directors, with a majority being independent directors.

The BAC held nine (9) meetings during 2025, where the meeting dates are synchronised to coincide with the key dates within the financial reporting and audit cycle with ample time for a report to be prepared for the Board, particularly on irregularities and significant findings on matters of concern.

The financial year ended 31 December 2025 (“FY2025”) saw a change in the composition of the BAC with Didi Syafruddin Yahya being appointed on 1 July 2025 and Dr. David Robert Dean retiring on 28 September 2025 as part of a seamless transition of BAC members.

The BAC Members’ appointments are made by the Board on the recommendation of the BNRC and in consultation with the BAC Chairman. The attendance record of BAC members for meetings of the BAC for FY2025 is as follows:

Name of Director	Status of Directorship/Qualifications	No. of Meetings Attended	Full Profile on page
Amrit Kaur (Chairperson)	INED	9 out of 9	121
Shahin Farouque Jammal Ahmad	NINED	9 out of 9	123
Didi Syafruddin Yahya ⁽¹⁾	INED	4 out of 4	122
Dr David Robert Dean ⁽²⁾	INED	7 out of 7	-

Note: ¹ Appointment - 1 July 2025

² Retirement - 28 September 2025

The Group Chief Internal Auditor (“GCI”) and members of the Axiata Management team attended these meetings to present the internal audit (“IA”) and investigation reports. Representatives of the audited units were invited to the meetings as and when required, to clarify specific topics and issues arising from the audit reports, as well as to provide assurance that any rectifications needed would be undertaken.

The external auditors were invited to selected Axiata BAC meetings in FY2025 to discuss their results and issues arising from their audit including key audit matters and updates on Management’s responses and action plans on issues highlighted in their report. Together with the Senior Leadership Team, the

external auditors also attended Axiata BAC meetings where quarterly unaudited financial reports and the annual audited financial statements of the Group are reviewed and discussed.

Financial Literacy

1. All members demonstrate financial literacy and the ability to analyse and interpret financial statements:

- Amrit Kaur retired as a Senior Assurance Partner at PricewaterhouseCoopers (PwC) Malaysia in 2021 after 31 years with the firm. She is a Chartered Accountant with the Malaysian Institute of Accountants and a Certified Public Accountant under the Malaysian Institute of Certified Public Accountants.
- Shahin Farouque Jammal Ahmad is currently the Group Head, Strategic Investments of Permodalan Nasional Berhad (“PNB”). Previously, he was an Executive Director in Investments Division of Khazanah Nasional Berhad (“Khazanah”). He holds a Bachelor of Science in Economics (Accounting & Finance), London School of Economics and Political Science, University of London.
- Didi Syafruddin Yahya is currently the President Commissioner at PT Bank CIMB Niaga Tbk and the Senior Independent Director of CIMB Group Holdings Berhad. He is a Fellow Chartered Accountant, Institute of Chartered Accounts in England and Wales, United Kingdom (“ICAEW”).

2. Each member brings extensive professional experience to effectively discharge their duties.

SUMMARY OF THE BOARD AUDIT COMMITTEE’S KEY ACTIVITIES IN 2025

The key activities undertaken by the BAC are as follows:

A. Financial Reporting and Processes

- Reviewed the annual Audited Group Financial Statements, quarterly unaudited financial results and announcements to Bursa prior to recommending to the Board for approval, including:
 - Key Accounting Matters (“KAM”) which arose during the year;
 - Impairment assessment of goodwill across the Group; and
 - Compliance with the International Financial Reporting Standards (“IFRS”) and Malaysian Financial Reporting Standards (“MFRS”) across Axiata and its OpCos.
- Reviewed the carrying value and their useful lives of assets, including legacy technologies such as 2G, 3G, 4G and 5G related investment and technology growth;
- Reviewed the accounting implications of mergers and acquisitions, as well as revisions to accounting policies to enhance governance and controls;
- Reviewed the quality and reliability of financial information issued publicly;
- Reviewed the reported business control incidents (BCIs), including the effectiveness of fraud countermeasures implementation across the Group;
- Reviewed the Group Treasury risks and controls, including cash management, foreign and local borrowings, compliance with debt covenants, and optimization of interest expenses;
- Reviewed foreign currency exposures and impact of currency translation on the Axiata’s financial statements amid volatile economic, geopolitical, interest rate movements and currency volatility;
- Reviewed the Shariah screening disclosure requirements to be submitted to Bursa Malaysia;

BOARD AUDIT COMMITTEE REPORT

- In reviewing the financial results and financial statements of the Group, BAC discussed and made enquiries on, among others:
 - Changes in accounting policies including the implementation of any major new accounting standards;
 - Significant financial and tax matters highlighted, including significant judgements, estimates and assumptions made by Management, significant and unusual events or transactions during the year and how these matters were addressed; and
 - Impact of emerging external events and business developments to the financial statements.
- Reviewed the monthly audit finding remediation status and discussed the corrective actions and timeline taken by Management to ensure prompt resolution of the control lapses highlighted;
- BAC had one (1) meeting with Axiata Group Internal Audit (“AGIA”) without the presence of Management on 25 September 2025;
- Deliberated the results of the internal quality assurance review (“IQAR”) for 2025 as part of Quality Assurance and Improvement Programme (“QAIP”) which summarised the conformance status of the IA function to the international standards promulgated by the IIA;
- Deliberated and noted the update by AGIA on its core digital auditing capabilities across subsidiaries, including the ongoing initiatives by AGIA to enhance audit effectiveness through the adoption of data analytics and technology, continuous auditing enabling broader audit coverage and deeper insights;
- Reviewed and approved the Annual Audit Plan 2026, ensuring that the scope and coverage were risk-based and sufficiently comprehensive, and that audit resources were adequate to support effective execution. The BAC also reviewed and endorsed the IA budget as presented as part of the Audit Plan; and
- Approved the 2026 Key Performance Indicators for the GCIA, aligned to the key priorities and strategic focus areas for the year.

B. External Auditors

- Reviewed and approved the appointment of external auditors, including the scope of work for the year which included the audit strategy and approach for 2025, new areas of audit emphasis arising from emerging events and recent developments in accounting standards and laws and regulations, multi-location audit scoping, audit timelines, significant audit areas that may give rise to KAM and the proposed statutory audit fees;
- Deliberated on Internal Control Recommendations arising from the audits together with Management’s responses or comments;
- Reviewed and approved the non-audit services provided by the external auditors after due consideration to ensure that the transparency and independence of the external auditors remained intact; and
- Held two (2) meetings with the external auditors on 26 March 2025 and 25 November 2025 respectively, without the presence of Management to discuss key audit matters, adequacy of information provided for the purpose of audit, competencies of the Group Finance personnel and cooperation provided by the Management.

C. Internal Audit Function

- Reviewed and endorsed the revised IA Charter and IA Manual. The revision performed was to ensure alignment with the Global Internal Audit Standards (“GIAS”) issued by the Institute of Internal Auditors (“The IIA”) in January 2024 and in effect from January 2025;
- IA matters are a standing agenda item at BAC meetings. The BAC monitored progress against the approved audit plan and reviewed the results of IA activities, with particular focus on high-risk audit results and audits conducted across multiple OpCos;
- Reviewed audit outcomes analysed by process and OpCos, highlighting changes in the control environment and areas requiring management attention. IA coverage during the year focused on principal risk areas, including Procurement, Finance, Cost Excellence, Network Fixed Assets, Enterprise Risk Management, and Corporate Culture and Conflict of Interest processes;
- Reviewed the quarterly Internal Audit Reports, which covered, among others:
 - Completion status of planned audits against the approved Audit Plan 2025, including audit ratings;
 - Head of Internal Audit (“HIA”) succession plan and IA talents development across the Group;
 - IA staff composition and movements;
 - The Guest Auditor Programme; and
 - Progress on continuous auditing (“CA”) and Artificial Intelligence (“AI”) initiatives.

D. Integrated Annual Report

- Reviewed and endorsed the Board Audit Committee Report for the Board’s approval and disclosure in the 2025 Integrated Annual Report;
- Reviewed, deliberated and endorsed the Statement on Risk Management and Internal Control (“SORMIC”), Corporate Governance Overview Statement for Board’s approval and disclosure in the 2025 Integrated Annual Report; and
- Reviewed and endorsed the Corporate Governance Overview Statement and Report for the Board’s approval and inclusion in the 2025 Integrated Annual Report.

E. Company & Group Oversight

- Reviewed and recommended the changes made to the Axiata Group Whistleblowing Policy for Board’s approval;
- Reviewed the Whistleblowing’s Standard Operating Procedures (“SOP”) and Governance Matrix for Whistleblowing & Consequence Management;
- Reviewed the whistleblowing channel and investigations across the Group to ensure the security, independence and awareness of the whistleblowing channel for employees, business partners / suppliers and other stakeholders is satisfactory, including the Groupwide Whistleblowing Pulse Survey result;
- Reviewed the Report of the Independent Auditor on the allocation of the shares granted to eligible employees (as defined in the Bye-Laws) and noted that the allocation complied with the conditions approved for the scheme, in which during the financial year ended 31 December 2025, Axiata granted a total of 10,199,800 shares in February 2025 and 798,700 shares in August 2025 under the Axiata Group Long Term Incentive Plan. Details of the grants are provided in Notes 14 to the Audited Financial Statements. The shares were granted at a reference share price of RM2.07 and RM2.65 respectively; and
- Held a half yearly discussion on Axiata’s Risk Profile, Enterprise Risk Management (“ERM”), Compliance, Cyber Security and Data Privacy.

BOARD AUDIT COMMITTEE REPORT

F. Related Party Transactions (“RPT”)

- Reviewed RPT to ensure compliance with Axiata’s Policy, including the identification, monitoring, reporting and review of such transactions;
- On a quarterly basis, BAC reviewed related party disclosures to ensure compliance with MFRS 124 Related Party Disclosures, the Main Market Listing Requirements (“MMLR”) and the Companies Act 2016. This included assessing the nature and value of transactions to ensure they were undertaken on normal commercial terms, were fair and reasonable, and in the best interests of Axiata; and
- Reviewed transactions entered into by Axiata pursuant to the shareholders’ mandate on Recurrent Related Party Transactions (“RRPT”) approved at the Company’s 33rd Annual General Meeting held on 28 May 2025, and the appropriate disclosure of these transactions in the 2025 Financial Statements.

G. Conflict of Interest (“COI”)

- Reviewed Conflict of Interest (“COI”) and the monitoring processes for Directors, Key Management Personnel, and employees, including Management’s implementation of mitigation measures across the Group, subsidiaries, and OpCos’ Board Audit Committees. The enhanced framework broadened COI coverage to include indirect financial interests, non financial interests and competing interests, strengthening the identification and management of actual and potential COI in compliance with the amended MMLR. The following summarises the COI reviews conducted during FY2025:

Axiata Group COI Review	Total COI Reported for FY2025	Reviewed	Resolution in Progress (as at end of 2025)
Directors	82	82	Nil
Employees	437	428	9

H. Other Matters

- Reviewed and approved changes to Corporate Policies and Limit of Authority (“LOA”) to ensure decision-making authority remains aligned with the Axiata’s business strategy, risk profile and governance expectations; and
- Received and discussed as required, the quarterly updates on related proposed and new statutory and regulatory requirements and updates relating to the Companies Commission of Malaysia, Bursa Malaysia Securities Berhad and Securities Commission of Malaysia that have been announced and/or implemented and relevant to Axiata.

Internal Audit Function at Group and OpCos Groupwide

Organisational Independence

The AGIA was established by the Board to provide independent and objective assurance of the adequacy and effectiveness of the governance, risk management, anti-corruption, whistleblowing and internal control processes implemented by the Management.

The AGIA is led by the GCIA, who reports functionally to the BAC and administratively to the Group Chief Executive Officer, in accordance with the IA Charter. This reporting structure preserves the independence, objectivity and authority of the AGIA function.

The HIA of each Operating Company (“OpCo”) reports directly to its respective BAC, with a dotted line reporting relationship to the GCIA. The GCIA also serves as Secretary to the BAC and attends OpCos BAC meetings, enabling effective oversight and coordination of IA activities across the Group. AGIA provides independent and objective assurance on areas reviewed and makes recommendations to strengthen controls and enhance value creation. AGIA coordinates and conducts groupwide audits, and establishes IA standards, policies, guidelines and advisory support to OpCos IA functions to ensure consistency and alignment with the GIAS.

Hadi Helmi Zaini Sooria served as the GCIA and led AGIA for eight (8) years since 2018. The BAC and Management recorded their appreciation for his significant contributions during his tenure.

Subsequent to the financial year, Parash Swaminathan was appointed GCIA with effect from 5 January 2026. He brings extensive experience in audit, finance and accounting, as well as leadership in driving business and operational transformation.

Responsibility, Scope and Methodology

AGIA adopts a systematic and disciplined approach in evaluating the adequacy and effectiveness of the Group’s risk management, financial, operational, compliance and governance processes.

A risk-based and strategically aligned methodology is applied in identifying audit activities that support Axiata’s 5 Vector by 5 Strategic Priorities, ensuring that principal risks are appropriately reviewed in line with the Group’s vision to be a Next Generation Digital Champion and Sustainable Dividend Company, while embedding digitalisation within IA practices.

The Annual Audit Plan 2025, approved by the BAC, defined the scope of AGIA activities for the year and was subject to revisions to reflect changes in the risk landscape and stakeholder inputs. The Annual Audit Plan 2025 defined the AGIA scope of work for the year, covering key business strategies and operations of the Group, as well as Management’s feedback on their areas of concern and potential risks. Audit priorities were determined through a risk ranking of auditable areas, with focus on high-risk and high-value areas, using the COSO Internal Control Framework to assess internal control adequacy and effectiveness.

The adoption of the GIAS further enhances the relevance and effectiveness of IA activities. Audit reports provide independent and objective assessments of:

- the adequacy, effectiveness and efficiency of internal control systems in managing operations and safeguarding the Group’s assets and shareholders’ value; and
- the effectiveness of risk management, governance and compliance processes in identifying, managing and addressing risks faced by the Group.

The status of audit findings and remedial actions is closely monitored and periodically reported to the BAC to ensure timely resolution. Any requests for extensions to agreed remediation timelines are tabled to the BAC for consideration and approval.

Under the QAIP, IA functions across the Group conducted half-yearly IQAR to assess conformance with the GIAS, with results reported to the respective BACs. The IQAR is performed by independent internal quality assurance personnel under the supervision of the GCIA. Groupwide IQAR results and remediation action plans, including those of OpCos, were reported to the Group BAC. A GIAS based IQAR will be conducted across the Group in 2026. In addition, an external quality assessment is conducted at least once every five years, with the most recent assessment across all OpCos completed in 2023.

BOARD AUDIT COMMITTEE REPORT

Resources

The total cost incurred by AGIA in 2025, inclusive of all OpCos, was RM13.8 million (2024: RM17.5 million). There are total of 63 internal auditors (2024: 69) across the Group, with diverse professional backgrounds, including 10 auditors based at the Corporate Centre.

AGIA continues to invest in talent development through structured and flexible learning programmes, supporting auditors in obtaining relevant professional certifications, including the Certified Internal Auditor (“CIA”) and other recognised qualifications. These initiatives strengthen auditor competencies and support continuous professional development across the Group.

Key Internal Audit Activities in 2025

In addition to the AGIA activities in relation to IA as stated Part C above, AGIA had also undertaken the following initiatives throughout 2025:

- Implemented the Collective Brain sessions for continuous auditing (“CA”) and Artificial Intelligence (“AI”) use case sharing across the Group. This enabled the use of data analytics, CA and AI in relevant audits, enhancing audit quality through improved efficiency, effectiveness, completeness, risk focus and the generation of quantifiable insights;
- Organised the BAC Forum on 28 October 2025, bringing together BAC Chairs and members from Axiata and all OpCos to align expectations, exchange perspectives and discuss strategic priorities; and
- Conducted two (2) HIA Forums on 7 July and 23 September 2025 to align Group and OpCos IA strategic priorities, including whistleblowing and technology initiatives, in accordance with Group expectations and BAC feedback.

BAC Priorities for 2026

The BAC has endorsed a forward-looking IA focus for 2026 to ensure that assurance coverage remains responsive to the evolving risk landscape and continues to support sustainable value creation for the Group.

In line with its ongoing responsibilities, the BAC priorities for 2026 continues to include the prioritisation of oversight and review of Financial Reporting and Processes, External Auditors, the Internal Audit Function, Related Party Transactions (“RPT”) and Conflicts of Interest (“COI”), as outlined in the Summary of BAC’s key activities section above. Consistent with the Annual Audit Plan approved by the BAC, the BAC priorities for 2026 will also include audits on the following:

Environment, Social and Governance (“ESG”) Framework, Process, Reporting

In line with the BAC’s 2026 priority to review the Group’s ESG framework, AGIA will strengthen assurance over the governance, controls, and data management underpinning sustainability reporting with a focus on assessing the reliability and consistency of ESG data across OpCos.

Cyber Security and Data Privacy Maturity

Recognising cyber security and data privacy as critical risks, AGIA will enhance its review of cyber security governance, and incident response across the Group. The review will focus on high-risk systems, cross-border data flows, and third-party dependencies to provide assurance over the protection of digital assets and sensitive information.

Artificial Intelligence Governance and Implementation Maturity

As the Group expands the use of automation, data analytics, and AI, AGIA will conduct targeted reviews of AI governance and implementation maturity. This will include assessing accountability, data integrity, model governance, and ethical considerations to ensure AI adoption supports efficiency and innovation while maintaining transparency, compliance, and trust.

User Access Management

In line with the BAC’s focus on safeguarding information assets, AGIA will audit selected IT and network systems to assess the adequacy and effectiveness of user access management controls. The audit will focus on access design and provisioning, authentication and security controls, as well as monitoring and review mechanisms to support data integrity and confidentiality.

Regulatory Framework and Stakeholder Engagement Maturity

Recognising the importance of regulatory compliance and effective stakeholder engagement, AGIA will assess the maturity of the Group’s regulatory framework and stakeholder engagement. The audit will cover governance arrangements, accountability structures and implementation practices supporting compliance with applicable regulatory requirements and stakeholder expectations.

Reporting framework for COI (for Employees and Directors)

In line with the BAC’s oversight of conflicts of interest, AGIA will audit the COI reporting framework. The audit will cover COI training, declaration and monitoring processes, risk assessment and mitigation practices, as well as the reporting of COI matters to the relevant Board and Audit Committees.

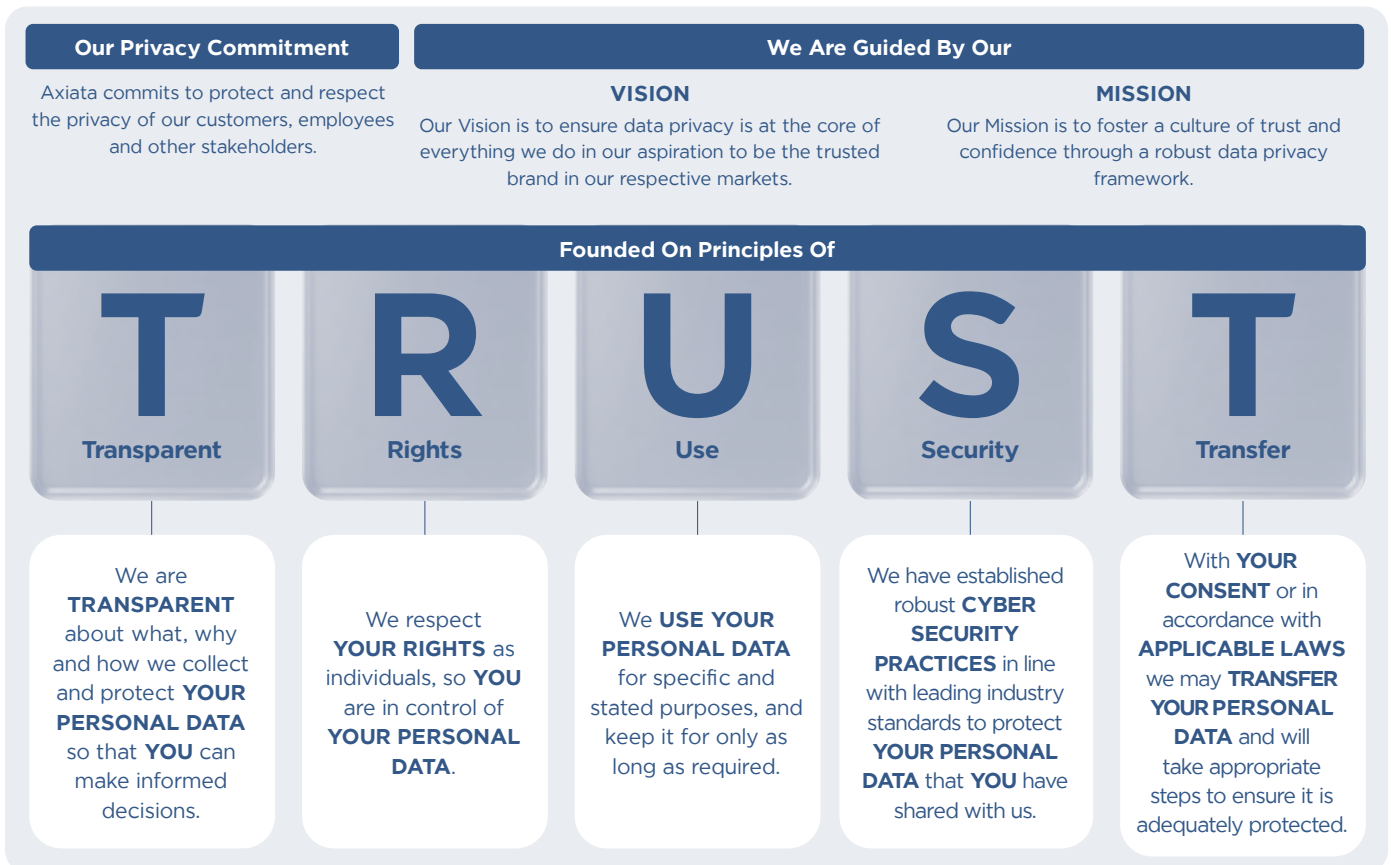
BUILDING DIGITAL TRUST THROUGH DATA PRIVACY AND CYBER SECURITY

Axiata prioritises digital trust as a core enabler of its sustainable digital and connectivity ambitions across Southeast and South Asia. As digital services scale and data volumes expand, trust becomes inseparable from performance, resilience and long-term value creation. A strong foundation in data privacy and cyber security allows the Group to operate with confidence, protect stakeholder interests and deliver digital solutions without disruption.

The Group governs data privacy and cyber security through a Three Lines of Defence model, comprising operational teams,

a governance function and an independent audit function. Oversight rests with the Risk and Compliance Management Committee (RCMC) and the Board Risk and Compliance Committee (BRCC), with regular reporting to the Board of Directors.

Each year, the Group sets its key objectives to reflect strategic direction, regulatory developments and the evolving threat landscape, reinforcing its approach to data protection and cyber resilience as business-critical capabilities.



DATA PRIVACY

Protecting stakeholder data privacy remains a priority. We foster a strong culture of compliance and proactive data protection, handling data with care, diligence and respect while ensuring consistent and robust safeguards across all markets.

Regulatory expectations continue to intensify, with new laws and amendments focused on organisational responsibility, breach management and demonstrable controls. Expansion in digital, fintech and platform-based businesses further increases expectations to protect personal and sensitive data.

To uphold our commitment to protecting customer data, we renewed our Data Privacy Strategy, #ASH 3.0, in early of 2024 and completed two years of implementation. The strategy aligns with evolving regulatory requirements across operating markets, advances in technology, the growing sophistication of Artificial

Intelligence (AI) in privacy management and Axiata's business objectives. Governance sits with the BRCC, supported by the Risk and Compliance Department, with dedicated Data Protection Officer (DPOs) across all Operating Companies (OpCos).

Commitment To Data Privacy

Axiata's privacy commitment rests on the T.R.U.S.T principles - Transparency, Rights, Use, Security and Transfer - which guide our security and privacy governance across technology, processes and people.

We operationalise this commitment through Group-wide data privacy instruments, including the Group Data Privacy Policy and Privacy Notices available on our website, supported by policies and procedures covering data retention, data subject rights, privacy by design, impact assessments, incident and breach management, vendor privacy management and information security.

BUILDING DIGITAL TRUST THROUGH DATA PRIVACY AND CYBER SECURITY

Key Highlights in 2025

Advancing #ASH 3.0 Roadmap

The #ASH 3.0 Strategy completed its Augment and Integrate phases, achieving a Group-wide data privacy maturity level of Level 3 out of 5, and is positioned to enter the Automate phase in 2026.

The strategy strengthens the Group's Data Privacy Maturity posture and Regional Exposure to manage regulatory exposure across different business segments and markets. The roadmap aligns with recognised global best practices, including the NIST Privacy Framework, NIST Cybersecurity Framework 2.0, ISO 27701:2019, BS 10012, the General Data Protection Regulation (GDPR) and applicable personal data protection laws across Axiata's markets, subsidiaries and associate companies.

Data Privacy in Governance and Risk Oversight

Data Privacy remained a standing agenda item at the RCMC and BRCC meetings, ensuring continuous oversight and reinforcing its strategic importance across the Group.

Privacy-enhancing technologies were deployed in collaboration between data privacy and cyber security teams across the Group. The cyber security teams led implementation, whilst privacy risk posture and regulatory alignment were monitored through governance channels.

Strengthening Asset Protection

The Group enhanced asset, cyber security criticality, security criticality and data privacy criticality in line with regulatory requirements. This approach extended beyond a Records of Processing Activities into a Data Privacy Critical Process Inventory, mapping privacy principles, third-party dependencies, IT infrastructure, telecommunications services and risk assessments into a single comprehensive format which provides end-to-end visibility for Data Protection Officers and Privacy First Line of Defense.

This integrated visibility improved collaboration between cyber security, legal, regulatory, compliance and customer-facing teams, ensuring that assets requiring heightened protection received appropriate prioritisation.

Enhancing Incident Response

Cyber security drills were expanded to include data privacy scenarios, testing cyber security gaps, data privacy impacts and regulatory response requirements under a unified framework. This integrated approach embedded data privacy considerations into the way key teams operated, strengthening the Group's ability to safeguard sensitive information while maintaining compliance across all markets.

Privacy Enhancing Technology Assessment

The Critical Processing Inventory approach, supported by collaboration between key technical teams, enabled an assessment of Privacy Enhancing Technology implementation across all critical mobile and web applications. This assessment ensured adherence to legal and regulatory requirements on data minimisation, integrity, retention and deletion across the data lifecycle.

Integrating Privacy into Business Operations

The Group introduced and expanded the use of Legitimate Interest Assessments, Transfer Impact Assessments, Third-Party Privacy Risk Assessment Templates and DPO dashboards across all OpCos. Targeted awareness workshops supported adoption, with structured training delivered through Axiata's Learning Management Platform, to ensure employees are kept abreast of the latest privacy protocols.

Advancing Automation and Certification

We progressed our automation journey during the year, with OpCos such as Robi implementing automated Data Privacy Impact Assessment workflows. Dialog and ADL secured ISO 27701 certification, while all B2C OpCos conducted customer data privacy awareness campaigns to reinforce responsible data practices.

Digital Rights Protection

Digital rights were reinforced through document classification aligned with the Group's Information Security Policy, ensuring that confidentiality, integrity, availability and data privacy serve as core assessment pillars. This classification framework was automated across all OpCos, applying consistent controls to both digital and physical documents.

Data Leakage Prevention measures were further strengthened across the organisation and reinforced through Zero Trust Architecture key performance indicators (KPIs), supporting robust monitoring and protection of sensitive information.

Data Privacy Maturity

In 2025, Axiata conducted a Data Privacy Maturity Assessment across all OpCos, validated by an independent third party assurance provider. Maturity scores and targeted improvement roadmaps were disseminated to DPOs to support structured uplift across the Group. The Group Head of Cyber Security and Data Privacy led the programme, working closely with dedicated data privacy and legal teams to strengthen compliance and governance.

The maturity model was expanded in 2024 to cover additional domains, risks and regulatory requirements. This resulted in an overall average maturity score of 2.56 out of 5. Building on these efforts, the Group achieved a further uplift in 2025, with data privacy maturity reaching Level 3 across the Board, reflecting sustained implementation across Axiata's business lines and subsidiaries.

BUILDING DIGITAL TRUST THROUGH DATA PRIVACY AND CYBER SECURITY

The Axiata-native Data Privacy Maturity Model assesses maturity across documentation, scope of implementation, control effectiveness, comprehensiveness of reviews and the level of automation, covering the following domains:

- Governance and Operating Model
- Legal and Regulatory Compliance
- Notice and Consent Management
- Data Management
- Direct Marketing Controls
- Privacy by Design
- Security for Privacy
- Third-Party Data Disclosure
- Data Subject Rights
- Consent Management
- Training and Awareness
- Breach Management

Outlook in 2026 and Beyond

Axiata will continue to monitor the rollout of programmes to ensure delivery of strategic objectives under the approved Data Privacy Strategy. Focus will remain on strengthening Group-wide data governance and ensuring consistent privacy practices across all OpCos.

Regular reviews of data privacy policies, standards and guidelines, including regulatory notices and compliance requirements, will continue to ensure OpCos remain aligned with an evolving regulatory landscape.

We will assess each OpCo's data privacy posture using a combination of leading and lagging indicators. Progress in data privacy maturity will be tracked across all OpCos, aligned with the NIST Data Privacy Framework, relevant GDPR requirements, the ISO 27701 standard and applicable Personal Data Protection Act guidelines in the markets where Axiata operates.

Collaboration with regulatory bodies, academic institutions and private organisations will continue to strengthen national data privacy capabilities and support talent development for long-term resilience.

CYBER SECURITY

The cyber security environment is growing more complex, shaped by heightened geopolitical uncertainty, the increasing sophistication of threat actors and the accelerating use of AI in cyber attacks. Ransomware tactics such as double extortion and supply chain attacks continued to pose risks, while phishing and social engineering remained effective entry points by exploiting human behaviour. The rise of cybercrime-as-a-service further reduced the technical barriers to launching advanced attacks.

In response, the Group progressed the Digital Trust & Resilience (DT&R) 2024-2026 cyber security strategy, strengthening resilience, improving operational efficiency and enhancing threat detection and response capabilities. This ensured Axiata remained secure and adaptable within an increasingly demanding digital landscape.

Key Highlights in 2025

In 2025, the Group implemented the updated DT&R 2024-2026 strategy, focusing on optimising investments, leveraging advanced technologies and strengthening strategic partnerships to address an evolving threat landscape. Two years of sustained control implementation across Axiata's ecosystems lifted cyber security maturity to 3.52. Strengthened cyber risk management, improved operational efficiency and enhanced security governance reinforced the Group's ability to protect critical assets, infrastructure and data.

Strengthening Cyber Security Capabilities

Zero Trust Implementation

Zero Trust Architecture was fully operationalised across applications, data, identity, endpoints and APIs, completing the planned three-year roadmap across all OpCos. Zero Trust Phase (ZTP) 2 gap analyses and ZTP3 assessments were conducted, with maturity averaging 3.37. These efforts established a strong foundation for the next phase of Zero Trust expansion in 2026, including SecureAI and GovernAI capabilities.

Security Framework Enhancements

The Group strengthened security frameworks by implementing the NIST Cybersecurity Framework 2.0 across OpCos, with overall maturity reaching 3.52. Governance was reinforced through mapped of NIST 2.0 controls and updated policies, while the completion of the Enterprise Security Architecture (ESA) Control Blueprint aligned security objectives with Zero Trust principles, the NIST framework and Open Web Application Security Project (OWASP) best practices.

Advanced Technology and Platforms

We advanced our cyber security capabilities through the deployment of key technologies and platforms, including the implementation of the HELIOS AI-Powered Threat Attribution Platform and migration to a cloud-based Security Information and Event Management (SIEM) system covering over 9,000 nodes and 600+ detection rules. An AI Security Governance Framework was introduced to strengthen oversight of emerging technologies, alongside the adoption of cost-efficient deception technologies using Microsoft Defender decoys. These efforts were further supported by expanded automation under the Axiata Cyber Fusion Center (ACFC), leveraging cloud security automation through Sentinel and Copilot.

Enhancing Operational Security and Risk Monitoring

Operational Cyber Readiness

The Group strengthened operational cyber readiness through comprehensive cyber security and data privacy drills across OpCos, involving Senior Leadership Teams, legal, regulatory and subject matter experts. Annual Red Team assessments and penetration testing were performed on Crown Jewel and Minimum Crown Jewel assets, while the launch of Purple Teaming enhanced detection use cases and strengthened defensive strategies across the Group.

BUILDING DIGITAL TRUST THROUGH DATA PRIVACY AND CYBER SECURITY

Cyber Risk Monitoring

Cyber risk monitoring remained a priority during the year, with daily threat intelligence updates issued through the Cyber Leader Exchange Group. Strong governance cadence was maintained through the Axiata Corporate Centre, alongside strengthened vendor assurance agreements.

Strengthening Architecture, Standards and Compliance

Security Architecture Enhancements

The Group expanded the Enterprise Security Architecture across IT, telecommunications, network, data and privacy domains. Multicloud architecture was standardised to unify security baselines, segment networks and federate Identity and Access Management (IAM). DevSecOps guidelines, API security and secret management controls were updated, while a Secure-by-Design checklist was implemented to incorporate GenAI and Predictive AI controls.

Minimum Baseline and Telecom Standards

The Group strengthened minimum baseline and telecom security standards by expanding Minimum Baseline Security Standards (MBSS) coverage by 66.2%, increasing document coverage from 346 to 575. Fifteen new platforms were added and aligned with the U.S. Defence Information Systems Agency Security Technical Implementation Guides (DISA STIG) requirements. Full compliance with GSMA FS.31 was achieved for Telco MBSS. Security evaluations were completed for all major 5G requests for proposal, supported by the introduction of a Secure-by-Design 5G checklist to embed security requirements from the outset.

Customer Data Protection and Privacy

Data Protection Enhancements

Data protection capabilities were strengthened through the implementation of NIST 2.0 across OpCos to enhance privacy compliance. Data Leakage Prevention measures were reinforced through a Group-aligned strategy and targeted workshops, while digital rights protection was further strengthened through document classification and automated compliance monitoring.

Privacy Incidents

Privacy-related complaints at Dialog and Smart were addressed through enhanced compliance measures and strengthened control processes.

Talent Development, Awareness and Collaboration

Talent development and workforce readiness remained a focus during the year. The Group delivered cyber security awareness, ransomware readiness and AI-driven threat detection sessions, and collaborated with Perdana University to support the development of future cyber security talent. Group-wide Cyber Security and Data Privacy training achieved a 99.9% completion rate, reinforcing a strong culture of awareness and accountability across the organisation.

Regulatory and Industry Partnerships

Collaboration with regulators, industry alliances and strategic partners was strengthened during the year. Industry-wide cyber drills were conducted to uplift crisis preparedness and enhance collective response capabilities across the ecosystem.

Outlook in 2026 and Beyond

Cyber security will remain a critical focus with efforts to further elevate cyber maturity and resilience across the Group. Programmes will be closely monitored to ensure delivery of cyber security objectives against strategic objectives.

Public-private partnerships with government agencies will continue to play an important role in addressing regional cyber threats. The Group will track cyber security maturity through the adoption of best-in-class security controls, including alignment with Zero Trust security architecture, regular cyber drills, implementation of telecom security guidelines, support for 5G security rollouts and enforcement of MBSS. Adoption of the HELIOS AI-based threat attribution platform will advance further, alongside differentiated security controls for Minimum Crown Jewel and Crown Jewel assets, covering SIEM capabilities, vulnerability management, penetration testing and baseline security hardening.

Security capabilities across OpCos will continue to be strengthened, focusing on Privileged Access Management, Data Leakage Prevention, Endpoint Detection and Response, and ongoing Red Team exercises. Key learnings from these initiatives will be embedded consistently across the Group.

Through the ACFC, the Group will drive continuous improvement and automation of cyber security capabilities and control effectiveness, while developing new capabilities to address emerging threats.

Efforts to standardise and calibrate risk metrics across data privacy, cyber security, compliance, integrity and ethics will continue, reinforcing alignment with the Group's Enterprise Risk Management framework.

ADDITIONAL COMPLIANCE INFORMATION

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

The amount of non-audit fees incurred for the services rendered to Axiata and the Group by its external auditors, PricewaterhouseCoopers PLT and its affiliated firms for the FY2025 are RM5.2 million and RM8.7 million respectively.

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

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

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

Pulau Kendi Investments Limited (PKIL), a wholly-owned subsidiary of Khazanah Nasional Berhad, and the remaining parties to the Shareholders' Agreement, namely Axiata, MBVSB, Kumpulan Wang Persaraan (Diperbadankan) (KWAP), INCJ, Ltd. (INCJ) and EDOTCO entered into a Deed of Accession dated 26 March 2025 following the exit of INCJ from EDOTCO. Pursuant to this Deed, PKIL assumed the rights and obligations as a shareholder of EDOTCO with INCJ ceasing to be entitled to those rights.

Axiata, MBVSB, KWAP, PKIL and EDOTCO entered into a Deed of Amendment dated 22 January 2026 to further amend the Shareholders' Agreement to reflect the agreement between the parties on the composition of the Board of EDOTCO.

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

- (i) On 16 April 2025, the Company announced the completion of the merger between XL and Smartfren. Accordingly, All has transferred its 2,383,446,894 ordinary shares in XLSMART to Sinar Mas shareholders for a total consideration of RM2,096.9 million (USD475.0 million) pursuant to the Proposed Equalisation (as defined in Note 5(a)(i) to the Audited Financial Statements FY2025, on pages 77 to 80) as below:
 - (a) cash consideration of RM1,765.8 million (USD400.0 million). The consideration received has been applied toward debt repayment and settlement of merger-related transaction costs.
 - (b) deferred consideration of RM331.1 million (USD75.0 million), on the first anniversary of the completion of Proposed Equalisation if the payment condition is satisfied, which is expected to be utilised for further debt repayment.
- (ii) On 13 June 2025, edotco Investments (Labuan) Limited, a subsidiary of EDOTCO, completed the disposal of its entire 87.50% equity interest in EDOTCO Investments Singapore Pte. Ltd. to Zillion Tower Holdings Limited for a total cash consideration of RM381.4 million (USD90.0 million). The consideration received was utilised for debt prepayment within EDOTCO.

ADDITIONAL COMPLIANCE INFORMATION

4. AXIATA GROUP PERFORMANCE-BASED LONG TERM INCENTIVE PLAN (AXIATA PBLTIP) AND AXIATA GROUP LONG TERM INCENTIVE PLAN (AXIATA LTIP)

(a) Axiata PBLTIP

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

Information on the Axiata PBLTIP are disclosed in 14(a) to the Audited Financial Statements FY2025.

Axiata PBLTIP shares granted, adjusted, vested, lapsed/forfeited and outstanding since the implementation of the plan until FY2025 are as follows:

- Total number of Axiata PBLTIP shares granted: 19,170,000
- Total number of Axiata PBLTIP shares adjusted: 8,230,913
- Total number of Axiata PBLTIP shares vested: 20,031,300
- Total number of Axiata PBLTIP shares lapsed/forfeited: 4,699,817
- Total number of Axiata PBLTIP shares outstanding: 2,669,796

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

As provided below, with the exception of Vivek Sood, none of the Directors of Axiata has been granted Axiata PBLTIP shares:

	Granted	Adjusted ¹	Vested	Outstanding
Vivek Sood	835,400	645,350	(1,407,100)	73,650 ²

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

² The number of Axiata PBLTIP shares that may vest is 73,650 provided that the performance targets for vesting are met. Otherwise, the number of shares that may vest could be a portion of the full amount. However, if the super stretched Group's performance targets at the point of vesting are met, up to 147,300 ordinary shares of the Company may be vested to Vivek Sood.

(b) Axiata LTIP

On 19 September 2023, shareholders of the Company approved the Axiata LTIP and the plan was implemented on 10 November 2023.

Information on the Axiata LTIP are disclosed in Note 14(b) to the Audited Financial Statements for FY2025.

Axiata LTIP shares granted, adjusted, vested, lapsed/forfeited and outstanding since the implementation of the plan until FY2025 are as follows:

- Total number of Axiata LTIP shares granted: 27,928,700
- Total number of Axiata LTIP shares vested: 2,683,600
- Total number of Axiata LTIP shares lapsed/forfeited: 3,282,300
- Total number of Axiata LTIP shares outstanding: 21,962,800

The Axiata LTIP shares shall be vested only upon the fulfilment of certain performance condition.

As provided below, with the exception of Vivek Sood, none of the Directors of Axiata has been granted Axiata LTIP shares:

	Granted	Adjusted	Vested	Outstanding
Vivek Sood	4,730,800	-	(634,000)	4,096,800 ³

³ The number of Axiata LTIP shares that may vest is 4,096,800 provided that the performance targets for vesting are met. Otherwise, the number of shares that may vest could be a portion of the full amount. However, if the super stretched Group's performance targets at the point of vesting are met, up to 6,801,400 ordinary shares of the Company may be vested to Vivek Sood.

ADDITIONAL COMPLIANCE INFORMATION

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

At the last AGM held on 28 May 2025, Axiata obtained a general mandate from its shareholders for the Group to enter into RRPT with related parties as set out in the Circular to Shareholders dated 29 April 2025 (RRPT Mandate). This RRPT Mandate is valid until the conclusion of Axiata's forthcoming 34th AGM.

Axiata proposes to seek a new RRPT Mandate at its forthcoming 34th AGM (Proposed Shareholders' Mandate). The Proposed Shareholders' Mandate, details will be provided in the Circular to Shareholders to be sent together with the Notice of Annual General Meeting, if approved by the shareholders, would be valid until the conclusion of Axiata's 35th AGM.

Transacting Companies	Transacting Related Parties	Interested Major Shareholder/ Director	Nature of Transaction	Value of Transaction (RM'000)
Axiata Group Berhad and/or its subsidiaries (Axiata Group)	Telekom Malaysia Berhad and/or its subsidiaries (TM Group)	<ul style="list-style-type: none"> - Khazanah - Dr. Farid Mohamed Sani - Zulkifli Ismail 	Revenue to Axiata Group Telecommunication and related services	
			- Interconnect services	66
			- Infrastructure leasing and related services including managed services and field line maintenance services	78,049
			Costs to Axiata Group Telecommunication and related services	
			- Interconnect services	17
			- Provision of data and bandwidth related services	777
TOTAL				78,909

Transacting Companies	Transacting Related Parties	Interested Major Shareholder/ Director	Nature of Transaction	Value of Transaction (RM'000)
Axiata Group Berhad and/or its subsidiaries (Axiata Group)	EDOTCO Group Sdn. Bhd. and/or its subsidiaries (EDOTCO Group)	Axiata Group <ul style="list-style-type: none"> - Khazanah - Dr. Farid Mohamed Sani - Zulkifli Ismail 	Revenue to Axiata Group/ Cost to EDOTCO Group⁽¹⁾	
			- Repair, maintenance and other service charges by Axiata Group to EDOTCO Group	1,306
			- Technical and management services fees and other services charges by Axiata Group to EDOTCO Group	5,564
		EDOTCO Group <ul style="list-style-type: none"> - Khazanah through its wholly-owned subsidiaries, Mount Bintang Ventures Sdn. Bhd. and Pulau Kendi Investments Limited - Dr. Farid Mohamed Sani is Khazanah's representative on EDOTCO Group Sdn. Bhd.'s Board 	Cost to Axiata Group/ Revenue to EDOTCO Group⁽¹⁾	
			- Infrastructure leasing and related services including managed services and field line maintenance services by EDOTCO Group to Axiata Group	416,670
TOTAL				423,540

Note:

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

ADDITIONAL COMPLIANCE INFORMATION

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

Transacting Companies	Transacting Related Parties	Interested Major Shareholder/ Director	Nature of Transaction	Value of Transaction (RM'000)
Axiata Group Berhad and/or its subsidiaries (Axiata Group)	Khazanah Nasional Berhad and/or its other related entities (Khazanah Group)	- Khazanah - Dr. Farid Mohamed Sani - Zulkifli Ismail	Revenue to Axiata Group - Infrastructure leasing and related services including managed services and field line maintenance services	79,563
TOTAL				79,563

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

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

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

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

As of 31 March 2026, a total of 12 outdoor structures remained for legalisation with applications of 5 outdoor structure submitted to relevant local authorities.

ADDITIONAL COMPLIANCE INFORMATION

7. SHARIAH SCREENING DISCLOSURE [Disclosed in accordance with paragraph 9.25A and 9.41(b), Main LR]

	Notes	Group	
		2025 RM'000	2024 RM'000
Total Income	a, c	12,429,356	13,606,890
Total Assets		49,768,373	74,355,931
Total Shariah non-compliant (“SNC”) business activities	b, c	320,526	423,486
<u>Cash Component</u>			
Islamic Account/ Instruments		679,361	631,999
Conventional Account/ Instruments		3,067,420	4,228,441
Total deposits, cash and bank balances		3,746,781	4,860,440
<u>Debt Component</u>			
Islamic Financing		5,946,749	7,053,755
Conventional Debt		9,105,709	16,137,230
Total borrowings		15,052,458	23,190,985

Notes:

a. The breakdown of total income are as follows:

	Group	
	2025 RM'000	2024 RM'000
Revenue	11,757,997	12,541,918
Other expenses	(2,545)	(6,461)
Finance income (Including Gain on early redemption of debt)	344,846	482,427
Joint Ventures (Share of results (net of tax))	8	66
Associates (Share of results (net of tax))	19,342	454,179
Associates (Gain on dilution of equity interest)	53,178	-
Foreign exchange losses (Operating costs)	(274,503)	(195,976)
Foreign exchange gains on financing activities	531,033	330,737
Total	12,429,356	13,606,890

b. The breakdown of SNC business activities are as follows:

	Group	
	2025 RM'000	2024 RM'000
Banking & finance and related services	125,213	90,751
Other activities (advertising services provided to SNC businesses)	20,184	26,634
Gain on early redemption of debt	175,129	306,101
Total	320,526	423,486

c. Amounts related to discontinued operations are excluded from total income and SNC business activities



▷ AUDITED FINANCIAL
STATEMENTS



DIRECTORS' RESPONSIBILITY STATEMENT

The Directors are required by the Companies Act 2016 to prepare financial statements for each financial year which have been made out in accordance with the Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 so as to give a true and fair view of the financial position of the Group and of the Company as of 31 December 2025 and of their financial performance and cash flows for the financial year then ended.

In preparing the financial statements, the Directors have:

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

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

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

DIRECTORS' REPORT

The Directors are pleased to submit their report together with the audited financial statements of the Group and the Company for the financial year ended 31 December 2025.

PRINCIPAL ACTIVITIES

The principal activities of the Group are the provision of mobile communication services, including interconnect and sale of devices, television transmission and fixed broadband services, managed services, telecommunication infrastructure and related services, and digital businesses.

The principal activities of the Company are investment holding and provision of technical and management services.

The principal activities of the subsidiaries are set out in Note 43 to the financial statements. There has been no significant change in the nature of the activities of the Group and the Company during the financial year.

FINANCIAL RESULTS

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

	Group RM'000	Company RM'000
Profit/(Loss) for the financial year attributable to:		
- owners of the Company		
- continuing operations	51,068	2,701,287
- discontinued operations	313,556	-
	364,624	2,701,287
- non-controlling interests		
- continuing operations	288,205	-
- discontinued operations	(21,221)	-
	266,984	-
	631,608	2,701,287

SHARE CAPITAL

During the financial year, the paid-up capital of the Company increased from 9,182.8 million ordinary shares to 9,186.3 million ordinary shares. The increase in paid-up capital of the Company was in line with the vesting of shares granted under the Axiata Group Performance Based Long Term Incentive Plan ("Axiata PBLTIP") and Axiata Group Long Term Incentive Plan ("Axiata LTIP") by the employees of the Company as disclosed in Note 14(a) and Note 14(b) to the financial statements.

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

RESERVES AND PROVISIONS

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

DIRECTORS' REPORT

DIVIDENDS

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

	Tax exempt dividend under single tier system		
		Per ordinary share sen	Total RM'000
In respect of financial year ended 31 December:			
- 2024	Interim	5.0	459,274
- 2025	Interim	5.0	459,312

The Board of Directors had on 26 February 2026, declared a tax exempt dividend under single tier system of 5.0 sen per ordinary share of the Company in respect of the financial year ended 31 December 2025 amounting to RM459.3 million.

SHARE-BASED COMPENSATION PLANS

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

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

- (b) On 19 September 2023, shareholders of the Company approved the Axiata LTIP and the plan was implemented on 10 November 2023.

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

DIRECTORS

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

Tan Sri Shahril Ridza Ridzuan	
Vivek Sood	
Khoo Gaik Bee	
Maya Hari	
Amrit Kaur Kaur Singh	
Shahin Farouque Jammal Ahmad	
Mohamad Hafiz Kassim	
Dr Farid Mohamed Sani	
Zulkifli Ismail (Alternate Director to Dr Farid Mohamed Sani)	
Dr Colin John Patrick Forth	Appointed on 28 March 2025
Didi Syafruddin Yahya	Appointed on 1 June 2025
Dr Shridhir Sariputta Hansa Wijayasuriya	Resigned on 15 January 2025
Dr David Robert Dean	Retired on 28 September 2025
Dato Dr Nik Ramlah Nik Mahmood	Retired on 20 March 2026

By way of relief order dated 16 March 2026, granted by the Companies Commission of Malaysia, the names of Directors of subsidiaries as required under Section 253(2) of the Companies Act 2016 are not disclosed in this Report. The names of Directors of subsidiaries are set out in the respective subsidiaries' audited financial statements and the said information is deemed incorporated herein by such reference and shall form part thereof.

In accordance with Clause 104 of the Constitution of the Company ("Constitution"), Khoo Gaik Bee and Mohamad Hafiz Kassim retire from the Board of Directors at the Thirty-fourth ("34th") Annual General Meeting ("AGM") and being eligible, offer themselves for re-election.

In accordance with Clause 110(ii) of the Constitution, Didi Syafruddin Yahya retires from the Board of Directors at the 34th AGM and being eligible, offers himself for election.

DIRECTORS' REPORT

DIRECTORS' INTERESTS

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

	Number of ordinary shares of the Company			
	As at 1.1.2025	Addition	Transferred	As at 31.12.2025
Direct interest				
Vivek Sood	1,323,600	717,500 ¹	-	2,041,100
Indirect interest				
Didi Syafruddin Yahya	5,126	-	-	5,126 ²

¹ Allotment of shares pursuant to vesting of shares granted under Axiata PBLTIP and Axiata LTIP.

² Shares held through his spouse.

	Number of restricted shares granted under the Company's share-based compensation plans				
	As at 1.1.2025	Granted	Adjusted	Vested	As at 31.12.2025
Vivek Sood	2,930,150	1,827,900	129,900 ⁴	(717,500)	4,170,450 ³

³ The number of Axiata PBLTIP and Axiata LTIP shares that may vest are 73,650 and 4,096,800 respectively, provided that the performance targets for vesting are met. Otherwise, the number of shares that may vest could be a portion of the full amount. However, if the super stretched Group's performance targets at the point of vesting are met, up to 147,300 and 6,801,400 ordinary shares of the Company may be vested under Axiata PBLTIP and Axiata LTIP respectively.

⁴ Being additional number of shares vested due to multiplier effect from achieving performance targets.

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

DIRECTORS' BENEFITS

Since the end of the previous financial year, no Director has received or become entitled to receive a benefit (except for the Directors' remunerations) by reason of a contract made by the Company or by a related corporation with the Director or with a firm of which the Director is a member, or with a company in which the Director has a substantial financial interest.

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

DIRECTORS' REPORT

DIRECTORS' REMUNERATION

Total Directors' remuneration incurred by the Group and the Company for the financial year ended 31 December 2025 were RM16,261,000 (2024: RM20,880,000) and RM16,183,000 (2024: RM20,524,000) respectively. Further details are disclosed in Note 7(e) to the financial statements.

OTHER STATUTORY INFORMATION

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

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

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

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

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

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

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

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

In the opinion of the Directors:

- (a) the results of the Group's and the Company's operations during the financial year were not substantially affected by any item, transaction or event of a material and unusual nature other than as disclosed in the financial statements; and
- (b) except as disclosed in Note 48 to the financial statements, there has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely to affect substantially the results of the operations of the Group and the Company for the financial year in which this report is made.

AUDITORS' REMUNERATION

Total fees for statutory audits provided by the auditors amounted to RM10,860,000 (2024: RM16,154,000) and RM2,270,000 (2024: RM2,249,000) for the Group and the Company respectively, while total fees for audit related and non-audit services amounted to RM8,722,000 (2024: RM9,124,000) and RM5,154,000 (2024: RM5,946,000) for the Group and the Company respectively. Further details are disclosed in Note 7(c) to the financial statements.

DIRECTORS' REPORT

INDEMNITY AND INSURANCE FOR DIRECTORS AND OFFICERS

The Company maintains a group corporate liability insurance for the Directors and officers of the Group throughout the financial year. The Group's liability insurance provides appropriate insurance cover for the Directors and officers of the Group. The insurance premium paid by the Company in respect of the group corporate liability insurance for the financial year amounted to RM396,938 (2024: RM563,757).

AUDITORS

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

This report was approved by the Board of Directors on 31 March 2026. Signed on behalf of the Board of Directors:



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Kuala Lumpur



STATEMENTS OF COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

	Note	Group		Company	
		2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Continuing operations					
Revenue	6	11,757,997	12,541,918	3,272,940	1,044,652
Operating costs:					
- depreciation, impairment and amortisation	7(a)	(3,893,444)	(3,752,309)	(7,551)	(372,799)
- foreign exchange losses		(274,503)	(195,976)	(55,710)	(50,793)
- domestic interconnect, international outpayment and other direct costs		(1,206,774)	(1,513,718)	-	-
- marketing, advertising and promotion		(866,550)	(1,007,410)	(8,972)	(9,346)
- other operating costs	7(b)	(2,885,284)	(2,949,727)	(61,282)	(72,987)
- staff costs	7(d)	(1,305,327)	(1,280,392)	(133,479)	(117,122)
- (provision for)/reversal of impairment on financial assets - net		(33,619)	(102,354)	(3,513)	19,259
Other gains/(losses) - net	8	6,075	(852)	7,452	437,495
Other (expense)/income - net	9	(2,545)	(6,461)	1,830	187,478
		1,296,026	1,732,719	3,011,715	1,065,837
Finance income	10	169,717	176,326	40,346	45,069
Gain on early redemption of debt	16(d)	175,129	306,101	-	-
Finance costs	10	(1,248,830)	(1,419,573)	(368,956)	(409,610)
Foreign exchange gains on financing activities		531,033	330,737	18,182	24,883
		(717,797)	(1,088,836)	(350,774)	(384,727)
Associates					
- share of results (net of tax)		19,342	454,179	-	-
- gain on dilution of equity interest	5(a)(iv)	53,178	-	-	-
Joint ventures					
- share of results (net of tax)		8	66	-	-
Profit before taxation from continuing operations		995,603	1,580,555	2,701,287	726,179
Taxation	11	(656,330)	(775,566)	-	-
Profit for the financial year from continuing operations		339,273	804,989	2,701,287	726,179
Discontinued operations					
Profit for the financial year from discontinued operations		292,335	793,870	-	-
Profit for the financial year		631,608	1,598,859	2,701,287	726,179

STATEMENTS OF COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Other comprehensive (expense)/income (net of tax):				
Continuing operations				
Items that will not be reclassified to profit or loss:				
- actuarial(losses)/gains on defined benefit plans (net of tax)	(1,998)	169	-	-
- fair value through other comprehensive income	(2,838)	(95,362)	-	-
Items that may be reclassified subsequently to profit or loss:				
- currency translation differences of subsidiaries	(1,244,925)	(698,439)	-	-
- currency translation differences of associates	(431,507)	-	-	-
- net cash flow hedge	156,404	14,141	(519)	9,435
- net cost of hedging	16,543	9,018	(18,376)	18,715
Discontinued operations				
- actuarial gains on defined benefits plan (net of tax)	806	2,534	-	-
- currency translation differences of subsidiaries	(392,822)	(576,403)	-	-
- realisation of other comprehensive expense arising from disposal of group of subsidiaries	1,011,032	-	-	-
Other comprehensive (expense)/income for the financial year (net of tax)	(889,305)	(1,344,342)	(18,895)	28,150
Total comprehensive (expense)/income for the financial year	(257,697)	254,517	2,682,392	754,329
Profit/(Loss) for the financial year attributable to:				
- owners of the Company				
- continuing operations	51,068	458,589	2,701,287	726,179
- discontinued operations	313,556	488,235	-	-
	364,624	946,824	2,701,287	726,179
- non-controlling interests				
- continuing operations	288,205	346,400	-	-
- discontinued operations	(21,221)	305,635	-	-
	266,984	652,035	-	-
	631,608	1,598,859	2,701,287	726,179

STATEMENTS OF COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

	Note	Group		Company	
		2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Total comprehensive (expense)/income for the financial year attributable to:					
- owners of the Company					
- continuing operations		(1,021,783)	(57,779)	2,682,392	754,329
- discontinued operations		1,066,880	106,850	-	-
		45,097	49,071	2,682,392	754,329
- non-controlling interests					
- continuing operations		(147,265)	92,295	-	-
- discontinued operations		(155,529)	113,151	-	-
		(302,794)	205,446	-	-
		(257,697)	254,517	2,682,392	754,329

Basic earnings per share (sen)

- continuing operations	12(a)	0.6	5.0	-	-
- discontinued operations	12(a)	3.4	5.3	-	-
		4.0	10.3	-	-

Diluted earnings per share (sen)

- continuing operations	12(b)	0.6	5.0	-	-
- discontinued operations	12(b)	3.4	5.3	-	-
		4.0	10.3	-	-

The above Statements of Comprehensive Income are to be read in conjunction with the notes to the financial statements on pages 55 to 202.

STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2025

	Note	Group		Company	
		2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
CAPITAL AND RESERVES ATTRIBUTABLE TO OWNERS OF THE COMPANY					
Share capital	13	13,942,267	13,932,756	13,942,267	13,932,756
Reserves	15	6,415,041	7,260,458	9,790,233	8,018,335
Total equity attributable to owners of the Company		20,357,308	21,193,214	23,732,500	21,951,091
Non-controlling interests		3,711,107	6,383,499	-	-
Total equity		24,068,415	27,576,713	23,732,500	21,951,091
NON-CURRENT LIABILITIES					
Borrowings	16	8,401,813	18,508,242	520,751	574,488
Derivative financial instruments	18	215,588	140,490	21,060	-
Deferred income	19	7,611	13,079	-	-
Deferred gain on sale and leaseback assets		-	19,560	-	-
Trade and other payables	20	917,732	1,198,032	22,772	73,252
Provision for asset retirement	21	233,155	618,301	1,171	1,132
Amounts due to subsidiaries	34	-	-	4,746,106	7,223,003
Deferred tax liabilities	22	446,781	803,060	-	-
Lease liabilities	23	1,471,579	9,201,817	7,181	9,426
Liabilities under supplier finance arrangements	24	158,661	-	-	-
Total non-current liabilities		11,852,920	30,502,581	5,319,041	7,881,301
		35,921,335	58,079,294	29,051,541	29,832,392
NON-CURRENT ASSETS					
Intangible assets	25	4,709,416	11,576,228	-	-
Contract cost assets	26	179,398	247,150	-	-
Property, plant and equipment	27	14,457,059	25,521,642	13,307	15,679
Right-of-use assets	28	1,917,208	9,775,813	9,456	11,936
Subsidiaries	29	-	-	14,901,893	14,901,893
Associates	30	19,826,265	15,534,651	15,532,517	15,532,517
Joint ventures	31	16,659	16,650	-	-
Financial assets at fair value through other comprehensive income	32	12,487	25,854	-	-
Financial assets at fair value through profit or loss		6,308	11,510	-	-
Derivative financial instruments	18	11,386	108,279	-	26,691
Trade and other receivables	35	741,770	916,597	-	-
Amounts due from subsidiaries	34	-	-	3,860	45,684
Deferred tax assets	22	151,553	187,420	-	-
Total non-current assets		42,029,509	63,921,794	30,461,033	30,534,400

STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2025

	Note	Group		Company	
		2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
CURRENT ASSETS					
Inventories	33	71,841	122,663	-	-
Amounts due from subsidiaries	34	-	-	434,890	232,349
Trade and other receivables	35	3,863,545	5,349,462	23,135	9,467
Derivative financial instruments	18	5,026	23,081	2,333	19,644
Financial assets at fair value through profit or loss		52	49	-	-
Tax recoverable		51,619	78,442	-	-
Deposits, cash and bank balances	36	3,746,781	4,860,440	724,696	359,385
Total current assets		7,738,864	10,434,137	1,185,054	620,845
LESS: CURRENT LIABILITIES					
Trade and other payables	20	5,905,529	8,979,886	138,658	160,120
Deferred income	19	4,610	5,443	-	-
Deferred gain on sale and leaseback assets		-	39,120	-	-
Borrowings	16	6,650,645	4,682,743	2,061	1,120,965
Lease liabilities	23	330,526	1,833,170	2,063	1,964
Derivative financial instruments	18	92,261	60,349	-	-
Amounts due to subsidiaries	34	-	-	2,451,764	39,804
Current tax liabilities		716,345	675,926	-	-
Liabilities under supplier finance arrangements	24	147,122	-	-	-
Total current liabilities		13,847,038	16,276,637	2,594,546	1,322,853
Net current liabilities		(6,108,174)	(5,842,500)	(1,409,492)	(702,008)
		35,921,335	58,079,294	29,051,541	29,832,392

The above Statements of Financial Position are to be read in conjunction with the notes to the financial statements on pages 55 to 202.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

	Note	Share capital RM'000	Currency translation differences RM'000	Reserves RM'000	Retained earnings RM'000	Total RM'000	NCI RM'000	Total equity RM'000
At 1 January 2025		13,932,756	(1,858,469)	(2,425,039)	11,543,966	21,193,214	6,383,499	27,576,713
Profit for the financial year		-	-	-	364,624	364,624	266,984	631,608
Other comprehensive (expense)/income:								
- Currency translation differences of subsidiaries		-	(1,070,909)	-	-	(1,070,909)	(566,838)	(1,637,747)
- Currency translation differences of associates		-	(431,507)	-	-	(431,507)	-	(431,507)
- Net cash flow hedge		-	-	157,001	-	157,001	(597)	156,404
- Net cost of hedging		-	-	17,095	-	17,095	(552)	16,543
- Actuarial losses (net of tax)		-	-	(453)	-	(453)	(739)	(1,192)
- Revaluation of financial assets at FVTOCI		-	-	(1,786)	-	(1,786)	(1,052)	(2,838)
- Realisation of other comprehensive expense arising from disposal of group of subsidiaries		-	1,011,032	-	-	1,011,032	-	1,011,032
- Reclassification upon disposal of subsidiaries		-	-	(26,417)	26,417	-	-	-
Total comprehensive (expense)/income for the financial year		-	(491,384)	145,440	391,041	45,097	(302,794)	(257,697)
Transactions with owners:								
- Dilutions/Accretions of equity interests in subsidiaries		-	(14,673)	(1,025)	(44,199)	(59,897)	555,443	495,546
- Additional investments in subsidiaries		-	-	-	-	-	35,142	35,142
- Disposal of group of subsidiaries		-	-	-	-	-	(2,533,399)	(2,533,399)
- Revaluation of put option over shares held by NCI		-	-	61,755	-	61,755	-	61,755
- Derecognition of put option over shares held by NCI		-	-	9,449	-	9,449	-	9,449
- Reclassification upon disposal of a group of subsidiaries		-	-	(346,774)	346,774	-	-	-
- Transferred from capital contribution to retained earnings		-	-	(16,598)	16,598	-	-	-
- Dividends declared to:								
- shareholders of the Company	47	-	-	-	(918,586)	(918,586)	-	(918,586)
- NCI		-	-	-	-	-	(429,265)	(429,265)
- Share-based compensation expense		-	-	26,276	-	26,276	2,481	28,757
- Transferred from share-based payment reserve upon vesting/lapsed		-	-	(9,297)	(214)	-	-	-
Total transactions with owners		9,511	(14,673)	(276,214)	(599,627)	(881,003)	(2,369,598)	(3,250,601)
At 31 December 2025		13,942,267	(2,364,526)	(2,555,813)	11,335,380	20,357,308	3,711,107	24,068,415

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

	Note	Share capital RM'000	Currency translation differences RM'000	Reserves RM'000	Retained earnings RM'000	Total RM'000	NCI RM'000	Total equity RM'000
At 1 January 2024		13,920,649	(1,150,691)	(2,214,489)	11,508,672	22,064,141	6,171,169	28,235,310
Profit for the financial year		-	-	-	946,824	946,824	652,035	1,598,859
Other comprehensive (expense)/income:								
- Currency translation differences of subsidiaries		-	(826,556)	-	-	(826,556)	(448,286)	(1,274,842)
- Net cash flow hedge		-	-	15,568	-	15,568	(1,427)	14,141
- Net cost of hedging		-	-	8,308	-	8,308	710	9,018
- Actuarial gains (net of tax)		-	-	1,992	-	1,992	711	2,703
- Revaluation of financial assets at FVTOCI		-	-	(97,065)	-	(97,065)	1,703	(95,362)
Total comprehensive (expense)/income for the financial year		-	(826,556)	(71,197)	946,824	49,071	205,446	254,517
Transactions with owners:								
- Dilutions/Accretions of equity interests in subsidiaries		-	114,981	(628)	(293,689)	(179,336)	179,336	-
- New investments in subsidiaries		-	-	-	120,184	120,184	87,024	207,208
- Partial disposal of subsidiaries		-	3,797	(140)	180,167	183,824	83,745	267,569
- Revaluation of put option over shares held by NCI		-	-	(137,542)	-	(137,542)	-	(137,542)
- Dividends declared to:								
- shareholders of the Company	47	-	-	-	(918,192)	(918,192)	-	(918,192)
- NCI		-	-	-	-	-	(342,344)	(342,344)
- Share-based compensation expense		-	-	11,064	-	11,064	(877)	10,187
- Transferred from share-based payment reserve upon vesting		12,107	-	(12,107)	-	-	-	-
Total transactions with owners		12,107	118,778	(139,353)	(911,530)	(919,998)	6,884	(913,114)
At 31 December 2024		13,932,756	(1,858,469)	(2,425,039)	11,543,966	21,193,214	6,383,499	27,576,713

The above Consolidated Statement of Changes in Equity is to be read in conjunction with the notes to the financial statements on pages 55 to 202.

COMPANY STATEMENT OF CHANGES IN EQUITY FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

	Note	Share capital RM'000	Capital contribution reserve RM'000	Share-based payment reserve RM'000	Other reserves RM'000	Retained earnings RM'000	Total RM'000
At 1 January 2025		13,932,756	16,598	26,614	31,348	7,943,775	21,951,091
Profit for the financial year		-	-	-	-	2,701,287	2,701,287
Other comprehensive income:							
- Net cash flow hedge		-	-	-	(519)	-	(519)
- Net cost of hedging		-	-	-	(18,376)	-	(18,376)
Total comprehensive (expense)/ income for the financial year		-	-	-	(18,895)	2,701,287	2,682,392
Transactions with owners:							
- Dividends declared to shareholders	47	-	-	-	-	(918,586)	(918,586)
- Share-based compensation expense		-	-	17,602	-	-	17,602
- Transferred from share-based payment reserve upon vesting/lapsed		9,511	-	(9,297)	-	(214)	-
- Transferred from capital contribution to retained earnings		-	(16,598)	-	-	16,598	-
Total transactions with owners		9,511	(16,598)	8,305	-	(902,202)	(900,984)
At 31 December 2025		13,942,267	-	34,919	12,453	9,742,860	23,732,499
At 1 January 2024		13,920,649	16,598	23,590	3,198	8,135,788	22,099,823
Profit for the financial year		-	-	-	-	726,179	726,179
Other comprehensive income:							
- Net cash flow hedge		-	-	-	9,435	-	9,435
- Net cost of hedging		-	-	-	18,715	-	18,715
Total comprehensive income for the financial year		-	-	-	28,150	726,179	754,329
Transactions with owners:							
- Dividends declared to shareholders	47	-	-	-	-	(918,192)	(918,192)
- Share-based compensation expense		-	-	15,131	-	-	15,131
- Transferred from share-based payment reserve upon vesting		12,107	-	(12,107)	-	-	-
Total transactions with owners		12,107	-	3,024	-	(918,192)	(903,061)
At 31 December 2024		13,932,756	16,598	26,614	31,348	7,943,775	21,951,091

The above Company Statement of Changes in Equity is to be read in conjunction with the notes to the financial statements on pages 55 to 202.

STATEMENTS OF CASH FLOWS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

	Note	Group		Company	
		2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Cash flows from/(used in) operating activities	37	3,715,808	8,990,060	(687,931)	(781,451)
Cash flows (used in)/from investing activities	37	(19,857)	(5,592,894)	1,105,443	1,556,430
Cash flows (used in)/from financing activities	37	(4,197,695)	(3,128,189)	39,457	(1,788,699)
Net (decrease)/increase in cash and cash equivalents		(501,744)	268,977	456,969	(1,013,720)
Effect of exchange losses on cash and cash equivalents		(470,110)	(514,457)	(91,658)	(53,555)
Net decrease in restricted cash and cash equivalents		1,460	8,300	-	-
Cash and cash equivalents classified as held for sale as at 1 January 2024		-	390,270	-	-
Cash and cash equivalents at the beginning of the financial year		3,541,669	3,388,579	359,385	1,426,660
Cash and cash equivalents at the end of the financial year		2,571,275	3,541,669	724,696	359,385
Cash and cash equivalents at the end of the financial year consist of the following:					
Cash and cash equivalents in banks	36	2,818,281	3,898,123	724,696	359,385
Bank overdraft		(247,006)	(356,454)	-	-
Cash and cash equivalents at the end of the financial year		2,571,275	3,541,669	724,696	359,385

The above Statements of Cash Flows are to be read in conjunction with the notes to the financial statements on pages 55 to 202.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

1. GENERAL INFORMATION

The principal activities of the Group are the provision of mobile communication services, including interconnect and sale of devices, television transmission and fixed broadband services, managed services, telecommunication infrastructure and related services, and digital businesses.

The principal activities of the Company are investment holding and provision of technical and management services.

The principal activities of the subsidiaries are set out in Note 43 to the financial statements. There has been no significant change in the nature of the activities of the Group and the Company during the financial year.

The address of the registered office and principal place of business of the Company is Level 30, Axiata Tower, 9 Jalan Stesen Sentral 5, Kuala Lumpur Sentral, 50470 Kuala Lumpur.

The financial statements have been approved for issuance in accordance with a resolution of the Board of Directors on 31 March 2026.

2. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

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

The financial statements of the Group and the Company have been prepared under the historical cost convention except as disclosed in Note 3 to the financial statements.

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

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

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

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

The following amendments to published standards and International Financial Reporting Interpretations Committee (“IFRIC”) agenda decision have been adopted by the Group and the Company for the first time for the financial year beginning on 1 January 2025:

- Amendments to MFRS 121 “The Effects of Changes in Foreign Exchange Rates”: Lack of Exchangeability
- IFRIC agenda decision - Guarantees Issued on Obligations of Other Entities

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

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

The Group and the Company will apply the following amendments to published standards in the financial year beginning on/after 1 January 2026:

- Annual Improvements to MFRS Accounting Standards - Volume 11 which contains a collection of narrow-scope amendments to the following:
 - MFRS 1 “First-time Adoption of Malaysian Financial Reporting Standards” on hedge accounting by a first-time adopter;
 - MFRS 7 “Financial Instruments: Disclosures and Guidance on Implementing MFRS 7” on gain or loss on derecognition;
 - MFRS 9 “Financial Instrument” on lessee derecognition of lease liabilities and transaction price;
 - MFRS 10 “Consolidated Financial Statements” on determination of a ‘de facto agent’; and
 - MFRS 107 “Statement of Cash Flows” to replace the term ‘cost method’ with ‘at cost’.

The annual improvements to MFRS Accounting Standards - Volume 11 amendments are not expected to have impact to the Group and the Company.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

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

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

- Amendments to MFRS 9 and MFRS 7 “Amendments to the Classification and Measurement of Financial Instruments”. These amendments:
 - require financial assets to be derecognised on the date the contractual rights to the cash flows expire and financial liabilities to be derecognised when obligation under the contract is discharged (i.e. the settlement date). In addition, there is an optional exception to derecognise financial liabilities before the settlement date for settlement using electronic payment systems (if specified criteria are met);
 - clarify and add further guidance for assessing whether a financial asset meets the solely payments of principal and interest (SPPI) criterion;
 - add new disclosures for certain instruments with contractual terms that can change cash flows (such as some financial instruments with features linked to the achievement of environment, social and governance targets); and
 - update the disclosures for equity instruments designated at fair value through other comprehensive income.

The amendments to MFRS 9 and MFRS 7 are not expected to have material impact to the Group and the Company.

The Group and the Company will apply the following new standards in the financial year beginning on/after 1 January 2027:

- MFRS 18 “Presentation and Disclosure in Financial Statements” replaces MFRS 101 “Presentation of Financial Statements”
 - The new MFRS introduces a new structure of profit or loss statement.
 - (a) Income and expenses are classified into 3 new main categories:
 - i. Operating category which typically includes results from the main business activities;
 - ii. Investing category that presents the results of investments in associates and joint ventures and other assets that generate a return largely independently of other resources; and
 - iii. Financing category that presents income and expenses from financing liabilities.
 - (b) Entities are required to present two new specified subtotals: ‘Operating profit or loss’ and ‘Profit or loss before financing and income taxes’.
 - Management-defined performance measures are disclosed in a single note and reconciled to the most similar specified subtotal in MFRS Accounting Standards.
 - Changes to the guidance on aggregation and disaggregation which focus on grouping items based on their shared characteristics.
- The new MFRS 18 is being assessed by the Group and the Company.
- MFRS 19 “Subsidiaries without Public Accountability: Disclosures” allows for certain eligible subsidiaries of parent entities that report under MFRSs to apply reduced disclosure requirements.

The new MFRS 19 is being assessed by the Group.

3. MATERIAL ACCOUNTING POLICY INFORMATION

The material accounting policy information in the preparation of these financial statements are set out below:

(a) Economic entities in the Group

(i) Subsidiaries

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity where the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

3. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

The material accounting policy information in the preparation of these financial statements are set out below: (continued)

(a) Economic entities in the Group (continued)

(i) Subsidiaries (continued)

The acquisition method of accounting is used to account for all business combinations, regardless of whether equity instruments or other assets are acquired. The consideration transferred for the acquisition of a subsidiary comprises the:

- fair values of the assets transferred;
- liabilities incurred to the former owners of the acquired business;
- equity interests issued by the Group;
- fair value of any asset or liability resulting from a contingent consideration arrangement; and
- fair value of any pre-existing equity interest in the subsidiary.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date. The Group recognises any non-controlling interest in the acquired entity on an acquisition-by-acquisition basis either at fair value or at the NCI's proportionate share of the acquired entity's net identifiable assets.

Acquisition-related costs are expensed as incurred.

The excess of the:

- consideration transferred;
- amount of any NCI in the acquired entity; and
- acquisition-date fair value of any previous equity interest in the acquired entity.

over the fair value of the net identifiable assets acquired is recorded as goodwill. If those amounts are less than the fair value of the net identifiable assets of the business acquired, the difference is recognised directly in profit or loss as a bargain purchase.

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

Contingent consideration is classified either as equity or a financial liability. Amounts classified as a financial liability are subsequently remeasured to fair value, with changes in fair value recognised in profit or loss.

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

Inter-company transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

3. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

(a) Economic entities in the Group (continued)

(ii) Associates and joint arrangements

Associates are all entities over which the Group has significant influence but not control or joint control. This is generally the case where the Group holds between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting.

Joint arrangements investments in joint arrangements are classified as either joint operations or joint ventures. The classification depends on the contractual rights and obligations of each investor, rather than the legal structure of the joint arrangement.

Investments in associates and joint arrangements are accounted for using the equity method of accounting, after initially being recognised at cost.

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the Group's share of the post-acquisition profits or losses of the investee in profit or loss, and the Group's share of movements in other comprehensive income of the investee in other comprehensive income. Dividends received or receivable from associates and joint ventures are recognised as a reduction in the carrying amount of the investment.

Where the Group's share of losses in an equity-accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity.

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

Where the Group holds an indirect interest in a subsidiary through an investment in an associate, the Group only considers its direct interest in the subsidiary in attributing the net assets and total comprehensive income to non-controlling interests. The share of net assets and total comprehensive income from the indirect interest held in the subsidiary through the associate is accounted for using the equity method and included as part of the investment in the associate by the Group.

(iii) Changes in ownership interests

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

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

If the ownership interest in a joint venture or an associate is reduced but joint control or significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income are reclassified to profit or loss where appropriate.

(iv) Measurement of NCI where an associate holds an interest in a subsidiary of the Group

Where the Group holds an indirect interest in a subsidiary through an investment in an associate, the Group only considers its direct interest in the subsidiary in attributing the net assets and total comprehensive income to non-controlling interests. The share of net assets and total comprehensive income from the indirect interest held in the subsidiary through the associate is accounted for using the equity method and included as part of the investment in the associate by the Group.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

3. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

(b) Intangible assets (“IA”)

(i) Goodwill

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

Goodwill on acquisition of subsidiaries is included in IA. Goodwill is not amortised, but it is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired and is carried at cost less accumulated impairment losses. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units (“CGU”) or groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose. The units or groups of units are identified at the lowest level at which goodwill is monitored for internal management purposes, being the operating segments.

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

(ii) Licences

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

Indonesia	4 - 10 years
Sri Lanka	5 - 10 years
Bangladesh	10 - 18 years
Cambodia	15 - 25 years

(iii) Customer contracts and the related relationship

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

Infrastructure segment	20 - 35 years
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(iv) Brands

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

Mobile segment:	
- Cambodia	25 years

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

3. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

(b) Intangible assets (“IA”) (continued)

(v) Computer software

Costs associated with maintaining computer software programmes are recognised as an expense as incurred. Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the Group are recognised as IA.

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

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

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

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

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

PPE is stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items. PPE also include telecommunication equipment and maintenance spares acquired for the purpose of replacing damaged or faulty plant or spares and supplies to be used in constructing and maintaining the network.

Subsequent costs are included in the asset’s carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

PPE are depreciated on the straight-line method to allocate the cost of the assets to their residual values over their estimated useful lives in years, summarised as follows:

Buildings	8 - 40 years
Telecommunication network equipment	2 - 30 years
Movable plant and equipment	3 - 10 years
Computer support systems	2 - 7 years

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

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

An asset’s carrying amount is written down immediately to its recoverable amount if the asset’s carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in profit or loss. When revalued assets are sold, it is group policy to transfer any amounts included in other reserves in respect of those assets to retained earnings.

(d) Investments in subsidiaries, associates and joint ventures in separate financial statements

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

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

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

The amounts due from subsidiaries of which the Company does not expect repayment are considered as quasi-investments as part of the Company’s investments in the subsidiaries. Upon classification as quasi-investments, the subsidiaries do not have contractual obligation to repay the Company.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

3. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

(e) Impairment of non-financial assets

Goodwill and IA that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable, including when the carrying amount of the net assets of the Group is higher than the Group's market capitalisation, and when the carrying amounts of associates of the Group and the Company are higher than their quoted market value. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal ("FVLCTS") and value in use ("VIU"). For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

(f) Financial assets

(i) Classification

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

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

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

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

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

(ii) Recognition and derecognition

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

(iii) Measurement

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

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

Debt instruments

Subsequent measurement of debt instruments depends on the Group's and the Company's business model for managing the asset and the cash flow characteristics of the asset. The Group and the Company classify the debt instruments at amortised cost which are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost.

Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss. Impairment losses are presented as a separate line in statements of comprehensive income.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

3. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

(f) Financial assets (continued)

(iii) Measurement (continued)

Equity instruments

The Group and the Company subsequently measure all equity investments at fair value. Where the Group's and the Company's management have elected to present fair value gains and losses on equity investments in OCI, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investments.

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

(iv) Impairment of financial assets

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

The Group has five (5) types of financial instruments that are subject to the ECL model:

- Trade receivables
- Finance lease receivables
- Accrued lease receivables
- Contract assets
- Other receivables (including deposits)

The Company has four (4) types of financial instruments that are subject to the ECL model:

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

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

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

The measurement of ECL reflects:

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

Simplified approach - accrued lease receivables, finance lease receivables, trade receivables and contract assets within the scope of MFRS 15

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

General 3-stage approach for all other financial instruments

At each reporting date, the Group and the Company measure loss allowance at an amount equal to twelve (12) months ECL if credit risks of the financial assets have not increased significantly since initial recognition. For all other financial instruments, a loss allowance at an amount equal to lifetime ECL is required. The measurement details of ECL are disclosed in Note 34 and Note 35(g) to the financial statements.

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

3. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

(f) Financial assets (continued)

(iv) Impairment of financial assets (continued)

The following indicators are incorporated:

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

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

Regardless of the analysis above, a significant increase in credit risk is presumed if a debtor is more than thirty (30) to ninety (90) days past due in making a contractual payment.

Definition of default and credit-impaired financial assets

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

Quantitative criteria: When the counterparty fails to make contractual payments within ninety (90) days to three hundred and sixty-five (365) days after they fall due.

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

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

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

Groupings of instruments of ECL:

- Collective assessment

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

- Individual assessment

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

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

3. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

(g) Derivatives and hedging activities

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured at their fair value at the end of each reporting period. The accounting for subsequent changes in fair value depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged. The Group designates certain derivatives as hedges of a particular risk associated with a recognised asset or liability or a highly probable forecast transaction (cash flow hedge).

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

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

(i) Cash flow hedge

The effective portion of changes in the fair value of derivatives that are designated and qualified as cash flow hedges is recognised in OCI and accumulated in reserves within equity. The gain or loss relating to the ineffective portion is recognised immediately in the profit or loss within "Other gains/(losses) - net".

When forward contracts are used to hedge forecast transactions, the Group generally designates only the change in fair value of the forward contract related to the spot component as the hedging instrument. Gains or losses relating to the effective portion of the change in the spot component of the forward contracts are recognised in the cash flow hedge reserve within equity. The change in the forward element of the contract that relates to the hedged item ('aligned forward element') is recognised within OCI in the costs of hedging reserve within equity. In some cases, the entity may designate the full change in fair value of the forward contract (including forward points) as the hedging instrument. In such cases, the gains or losses relating to the effective portion of the change in fair value of the entire forward contract are recognised in the cash flow hedge reserve within equity.

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

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

(ii) Certain derivative instruments do not qualify for hedge accounting.

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

(h) Inventories

Inventories are stated at lower of cost and net realisable value. Certain items such as spare parts, stand-by equipment and servicing equipment are recognised as PPE when they meet the definition of PPE under MFRS 116. Otherwise, the items are classified as inventory. Cost is determined on a weighted average basis and comprises all cost of purchase and other direct costs incurred in bringing the inventories to their present location. Net realisable value represents the estimated selling price in the ordinary course of business, less all estimated costs to completion and applicable variable selling expenses. In arriving at the net realisable value, due allowance is made for all obsolete and slow-moving items.

(i) Trade and other receivables

Trade receivables are recognised initially at the amount of consideration that is unconditional, unless they contain significant financing components when they are recognised at fair value. They are subsequently measured at amortised cost using the effective interest method, less loss allowance.

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

3. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

(i) Trade and other receivables (continued)

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

(j) Cash and cash equivalents

Cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three (3) months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are included within "Borrowings" in current liabilities in the statements of financial position.

(k) Trade and other payables

These amounts represent liabilities for goods and services provided to the Group prior to the end of the financial year which are unpaid. Trade and other payables are presented as current liabilities unless payment is not due within twelve (12) months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

(l) Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are removed from the statement of financial position when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as other income or finance costs. Borrowings are classified as current liabilities unless the Group and the Company have an unconditional right to defer settlement of the liability for at least twelve (12) months after the reporting period.

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings, pending their expenditure on qualifying assets, is deducted from the borrowing costs eligible for capitalisation. Other borrowing costs are expensed in the period in which they are incurred.

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

3. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

(m) Income tax

The income tax expense or credit for the period is the tax payable on the current period's taxable income, based on the applicable income tax rate for each jurisdiction, adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the Company and its subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and considers whether it is probable that a taxation authority will accept an uncertain tax treatment. The Group measures its tax balances either based on the most likely amount or the expected value, depending on which method provides a better prediction of the resolution of the uncertainty.

Certain jurisdiction of which the Group operates in specifies a minimum amount of tax that is payable, calculated based on the higher of a percentage of gross receipt, tax deductible at source and current income tax charge. The Group recognises the current income tax charge as tax expenses and treats any excess as other taxes within "Other (expense)/income - net".

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

Deferred tax assets are recognised only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax liabilities and assets are not recognised for temporary differences between the carrying amount and tax bases of investments in foreign operations where the Company is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Deferred tax assets and liabilities are offset where there is a legally enforceable right to offset current tax assets and liabilities and where the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

(n) Provisions

Provisions for legal claims, service warranties and make good obligations are recognised when the Group and the Company have a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and the amount can be reliably estimated. Provisions are not recognised for future operating losses.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as finance cost.

Provision for asset retirement refers to provisions for dismantling, removal or restoration of identified sites recorded as PPE or right-of-use ("ROU") assets. Provisions are reviewed at the end of the reporting period and adjusted to PPE or ROU assets or profit or loss to reflect the current best estimation. Where the time value of money is material, the amount of a provision is the present value of the future period expenditure expected to be required to settle the obligation.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

3. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

(o) Share capital

(i) Classification

Ordinary shares and non-redeemable preference shares with discretionary dividends are classified as equity. Other shares are classified as equity and/or liability according to the economic substance of the contractual arrangement of the particular instrument.

(ii) Share issue expenses

Incremental costs directly attributable to the issuance of new shares are shown in equity as a deduction, from the proceeds.

(iii) Dividends to shareholders of the Company

Provision is made for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the Company, on or before the end of the reporting period but not distributed at the end of the reporting period.

(p) Leases

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable;
- variable lease payments that are based on an index or a rate, initially measured using the index or rate as at the commencement date; and
- the exercise price of a purchase option if the Group is reasonably certain to exercise that option.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability;
- any lease payments made at or before the commencement date less any lease incentives received;
- any initial direct costs; and
- restoration costs.

Contracts may contain both lease and non-lease components. The Group allocates the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices.

Lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Group and the Company, the lessee's incremental borrowing is used. This is the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the ROU asset in a similar economic environment with similar term, security and conditions.

ROU assets are subsequently measured at cost, less accumulated depreciation and impairment loss (if any). The ROU assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the Group and the Company are reasonably certain to exercise a purchase option, the ROU assets are depreciated over the underlying asset's useful life. In addition, the ROU assets are adjusted for certain remeasurement of the lease liabilities.

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

(q) Revenue

(i) Revenue from contracts with customers

Mobile and interconnect services and sale of devices

The Group principally generates revenue from mobile services such as call time, messaging, data services, activation fee and sales of prepaid starter packs, interconnect services, sale of devices and others such as pay television transmission, broadband and infrastructure management services.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

3. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

(q) Revenue (continued)

- (i) Revenue from contracts with customers (continued)

Mobile and interconnect services and sale of devices (continued)

The Group recognises revenue when a contractual performance obligation is fulfilled by transferring control over the promised services or products to a customer provided that collectability of the consideration is probable. Revenue is measured based on the transaction price i.e. the consideration agreed in the contract with the customer excluding amounts collected on behalf of third parties such as sales taxes. In determining the transaction price, the Group considers variable and non-cash consideration such as rebates or discounts and consideration payable to a customer such as refunds to the extent that it is highly probable that a significant reversal will not occur.

The Group recognises mobile and interconnect services revenue when services are rendered.

Customer activation fees that are not considered as a separate performance obligation are recognised as contract liabilities and are recognised as revenue over the contracted period or period where services are transferred to customers.

Sales of prepaid starter packs with a SIM card and preloaded credits are accounted for as one performance obligation as the SIM card cannot be used on its own. Consideration received for prepaid credits is initially recognised as contract liability and recognised as revenue upon usage by the customer. Any credits not used are recognised in full upon expiry or customer churn, whichever is earlier.

Revenue from sales of device is recognised at the point of time upon delivery and acceptance of the device by the customers where the control is being transferred to the customers.

Mobile services are offered separately and/or as a bundle along with other services and/or devices. The length of bundled contracts is usually between twelve (12) to twenty-four (24) months. For bundled contracts, the Group accounts for individual products and services separately if they are distinct i.e. if a product or service is separately identifiable from other items in the bundled contract and if customers can benefit from it. Revenue is recognised on fulfilment of the individual obligations to the customer.

The total transaction price of bundled contracts is allocated among the individual performance obligations based on their relative stand-alone selling prices. The stand-alone selling prices are determined based on the observable price at which the Group sells the products and services on a stand-alone basis. For products and services that are not sold separately, the Group estimates stand-alone selling prices using other methods such as adjusted market assessment approach, cost plus margin approach or residual approach. As a result, revenue to be recognised for products (often delivered in advance) such as mobile devices that are sold at a subsidised price in a bundled contract with services is higher than the amount billed for the device, resulting in the recognition of contract assets. Contract assets are reversed and reduced over the remaining contract period.

For devices sold in bundled contracts, the consideration for the device can either be paid upfront or by instalments over the contract period. If the consideration is to be paid by instalment, the contract contains a significant financing component. The consideration will be adjusted for the effects of the financing component as finance income. For contracts with a length of less than twelve (12) months, the Group applies the practical expedient to not adjust the promised amount of consideration for the effects of significant financing component.

Digital business

Mobile advertising

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

Web channel network income

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

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

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

3. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

(a) Revenue (continued)

- (i) Revenue from contracts with customers (continued)

Digital business (continued)

Web channel network income (continued)

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

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

E-commerce enablement

The Group offers e-commerce solutions to customers for certain brands which include supply chain management, store operation, marketing and creative contents design. This is done through the following models which consist of outright, consignment and services.

Under the outright model, the Group acts as the principal in purchasing inventories from external suppliers and selling them to end customers via e-commerce store operations managed by the Group. Revenue is recognised at a point in time when the products are transferred to the end customer.

Under the consignment and services models, the Group acts as an agent in delivering e-commerce store operation activities on behalf of the brand supplier, providing marketing insights and creative contents as well as fulfilling end customer sales orders, which involve delivery of inventories on consignment from the brand supplier. The Group recognises commission revenue on a net basis and service fee at a point in time when the consignment inventories are transferred to the end customer.

Data and technology services

The Group offers data and technology services to customers which include software development and data analytics. Revenue recognition is dependent on the contractual terms with each customer. For contracts with specific milestones or completion targets, revenue is recognised at a point in time when such milestones are achieved and the corresponding performance obligations are fulfilled. For contracts that are billed on time and material basis, revenue is recognised over time as customers simultaneously consume the benefits of the progressively developed software or data analytics results over the contract period.

Television transmission and broadband services

Each subscription to a contract for television transmission or broadband includes the provision of services, connection and devices such as set-top boxes and routers. The provision of set-top boxes, routers and connection fees are for the exclusive use of the Group's services and do not represent distinct services or goods. Therefore, the services and devices are accounted for as a single performance obligation satisfied over time. Revenue is recognised over the period the service is rendered or contract period whichever is earlier.

Technical and management services fees

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

Infrastructure services

The Group generally enters into master services agreements with its customers for infrastructure leasing and related services which comprise multiple elements that are distinct and delivered separately. The total transaction price is allocated to the tower leasing, maintenance and energy services based on the relative stand-alone selling prices. For provision of services including maintenance and energy services, other services and technical and operations support services, the Group recognises as revenue as and when services are rendered. These performance obligations are generally met over time as customer simultaneously receives and consumes benefits of services as and when the services are performed by the Group.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

3. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

(q) Revenue (continued)

- (i) Revenue from contracts with customers (continued)

Managed services

Managed services comprise fees for provision of managed and information technology services, which are recognised over the period the services are rendered. Revenue from the managed services is recognised monthly on a straight-line basis based on agreements with customers. Revenue received in advance is recorded as deferred revenue and is recognised as revenue when the services are provided.

- (ii) Lease of passive infrastructure

Revenue comprises the fair value of the consideration received or receivable for the sale of products and rendering of services net of returns, duties, sales discounts and sales taxes paid, after eliminating sales within the Group.

Lease revenue is generated from the leasing of space on the Group's telecommunication towers and fibre optic. Lease revenue from operating lease is recognised on a straight-line basis over the fixed and non-cancellable term of the lease agreement, irrespective of when payments are due.

- (iii) Interest income

Interest income is calculated by applying the effective interest rate to the gross carrying amount of the financial assets except for financial assets that subsequently become credit-impaired. For credit-impaired financial assets, the effective interest rate is applied to the net carrying amount of the financial assets after deduction of the loss allowance, if any.

- (iv) Dividend income

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

Dividend income from financial assets at FVTPL is recognised in the profit or loss within "Other (losses)/gains - net". Dividend income from financial assets at FVTOCI is recognised in the profit or loss within "Other (expense)/income - net".

(r) Employee benefits

- (i) Short term employee benefits

Wages, salaries, paid annual leave and sick leave, bonuses, and non-monetary benefits that are expected to be settled wholly within twelve (12) months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented within "Trade and other payables" in the statements of financial position.

- (ii) Contribution to Employees Provident Fund ("EPF")

The Group's and the Company's contributions to EPF are charged to the profit or loss in the period to which they relate. Once the contributions have been paid, the Group and the Company have no further payment obligations. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

- (iii) Termination benefits

Termination benefits are payable when employment is terminated by the Group before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Group recognises termination benefits at the earlier of the following dates: (a) when the Group can no longer withdraw the offer of those benefits; and (b) when the entity recognises costs for a restructuring that is within the scope of MFRS 137 and involves the payment of termination benefits. In the case of an offer made to encourage voluntary redundancy, the termination benefits are measured based on the number of employees expected to accept the offer. Benefits falling due more than twelve (12) months after the end of the reporting period are discounted to their present value.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

3. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

(r) Employee benefits (continued)

(iv) Share-based compensation

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

- including any market performance conditions;
- excluding the impact of any service and non-market performance vesting conditions; and
- including the impact of any non-vesting conditions.

Non-market vesting conditions and service conditions are included in assumptions about the number of shares that are expected to vest.

The fair value of shares granted to employees under the equity-settled share-based compensation plans of the Group and the Company is recognised as an expense over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of the reporting period, the Group and the Company revise its estimates of the number of shares that are expected to vest based on the non-market vesting conditions and service conditions. It recognises the impact of the revision to original estimates, if any, in profit or loss, with a corresponding adjustment to share-based payment reserve within equity. On vesting date, the Group and the Company revise the estimate to equal the number of shares that ultimately vested based on the non-market vesting conditions and service conditions.

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

For cash settled share-based compensation plans, the Group measures the employee services acquired and the liability incurred at the fair value of the liability. Until the liability is settled, the Group remeasures the fair value of the liability at the end of each reporting period and at the date of settlement, with any changes in fair value recognised in profit or loss for the period.

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

(v) Post-employment benefit obligations

The Group operates various defined benefit plans in accordance with local conditions and practices in the countries in which it operates. The plans are generally funded through payments to insurance companies or trustee-administrated funds, determined by periodic actuarial calculations. A defined benefit plan is a pension plan that is not a defined contribution plan. Defined benefit plans define an amount of pension benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and compensation.

The liability recognised in the statements of financial position in respect of defined benefit pension plans is the present value of the defined obligation at the end of the reporting period less the fair value of plan assets, together with adjustments for actuarial gains or losses and unrecognised past service costs.

The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash flows using interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximately to the terms of related pension obligation. In countries where there is no deep market in such bonds, the market rates on government bonds are used.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions, are charged or credited in OCI in the period in which they arise and will not be reclassified to profit or loss.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

3. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

(r) Employee benefits (continued)

(v) Post-employment benefit obligations (continued)

Past-service costs are recognised immediately in profit or loss within “Staff costs”.

The current service cost of the defined benefit plan reflects the increase in the defined benefit obligation resulting from employee service in the current year. It is recognised in profit or loss in employee benefit expense, except where included in the cost of an asset.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in profit or loss within “Finance costs”.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit or loss as past service costs.

(vi) Cash-Based Long-Term Incentive (“LTI”) compensation

The Group recognises a liability and an expense for LTI and over the vesting period, based on a formula that takes into consideration the number of employees, a performance multiplier and discount rate. Provision is recognised when the Group has a present legal or constructive obligation as a result of past events.

(s) Foreign currencies

(i) Functional and presentation currency

Items included in the financial statements of each of the Group’s entities are measured using the currency of the primary economic environment in which the entity operates (the “functional currency”). The consolidated financial statements are presented in RM, which is the Company’s functional and presentation currency.

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions, and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates, are generally recognised in profit or loss. They are deferred in equity if they relate to qualifying cash flow hedges and qualifying net investment hedges or are attributable to part of the net investment in a foreign operation.

Foreign exchange gains and losses that relate to borrowings are presented in the statement of profit or loss, within finance costs. All other foreign exchange gains and losses are presented in the statement of profit or loss on a net basis within “Other gains/(losses) - net”.

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

(iii) Group companies (Consolidated financial statements)

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

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

3. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

(s) Foreign currencies (continued)

(iii) Group companies (Consolidated financial statements) (continued)

Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the closing rate.

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

(t) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker (“CODM”). The CODM, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors that makes strategic decisions for the Group and the Company.

(u) Government grants

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

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

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

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

Non-current assets (or disposal groups) are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use and a sale is considered highly probable. They are measured at the lower of their carrying amount and fair value less costs to sell, except for assets such as deferred tax assets, assets arising from employee benefits, financial assets and investment property that are carried at fair value and contractual rights under insurance contracts, which are specifically exempt from this requirement.

An impairment loss is recognised for any initial or subsequent write-down of the asset (or disposal group) to fair value less costs to sell. A gain is recognised for any subsequent increases in fair value less costs to sell of an asset (or disposal group), but not in excess of any cumulative impairment loss previously recognised. A gain or loss not previously recognised by the date of the sale of the non-current asset (or disposal group) is recognised at the date of derecognition.

Non-current assets (including those that are part of a disposal group) are not depreciated or amortised while they are classified as held for sale. Interest and other expenses attributable to the liabilities of a disposal group classified as held for sale continue to be recognised.

Non-current assets classified as held for sale and the assets of a disposal group classified as held for sale are presented separately from the other assets in the statement of financial position. The liabilities of a disposal group classified as held for sale are presented separately from other liabilities in the statement of financial position.

A discontinued operation is a component of the entity that has been disposed of or is classified as held for sale and that represents a separate major line of business or geographical area of operations, is part of a single co-ordinated plan to dispose of such a line of business or area of operations, or is a subsidiary acquired exclusively with a view to resale. The results of discontinued operations are presented separately in the statement of profit or loss.

The Group presents the inter-company transactions between continuing and discontinued operations based on whether the arrangement between the continuing and discontinuing operations will continue subsequent to the disposal. If the arrangement is expected to continue, it would record the sales and costs in continuing operations and, therefore, to record the elimination entries in discontinued operations. This will give an indication of the results of the continuing business on an ongoing basis. The results of the discontinued operation will include only those costs and revenues that will be eliminated from the group on disposal.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

3. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

(w) Contract cost assets

Contract cost assets comprise the incremental costs of obtaining a contract (mainly sales commission paid to dealers) and the costs to fulfil a contract. These costs are capitalised if it can be assumed that the costs will be compensated by future revenue from the contract. Incremental costs of obtaining a contract are additional costs that would have not been incurred had the contract not been concluded. Costs to fulfil a contract are costs relating directly to a contract that are incurred after contract inception and serve the purpose of fulfilling the contract but are incurred prior to fulfilment and cannot be capitalised under any other standard. The Group has elected the practical expedient to recognise contract costs incurred related to contracts with an amortisation period of less than one year as an expense when incurred.

The capitalised contract cost assets are amortised on a systematic basis that is consistent with the transfer to the customer of the goods or services to which the asset relates.

(x) Financial guarantee contracts

Financial guarantee contracts are recognised as a financial liability at the time the guarantee is issued. The liability is initially measured at fair value and subsequently at the higher of:

- the amount determined in accordance with the expected credit loss model under MFRS 9; and
- the amount initially recognised less, where appropriate, the cumulative amount of income recognised in accordance with the principles of MFRS 15.

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

Changes in the fair value of the financial guarantees are recognised in the profit or loss within “Other gains/(losses) – net” as applicable.

Where financial guarantees in relation to loans or payables of subsidiaries are provided by the Company for no compensation, the fair values are accounted for as contributions and recognised as part of the cost of investment in subsidiaries.

(y) Contingent liabilities and contingent assets

The Group and the Company do not recognise a contingent liability but disclose its existence in the financial statements. A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Group and the Company or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in the extremely rare circumstance where there is a liability that cannot be recognised because it cannot be measured reliably.

A contingent asset is a possible asset that arises from past events whose existence will be confirmed by one or more uncertain future events beyond the control of the Group and the Company. The Group and the Company do not recognise a contingent asset but disclose its existence where inflow of economic benefit is probable, but not virtually certain.

In the acquisition of subsidiaries by the Group under a business combination, the contingent liabilities assumed are measured initially at their fair values at the acquisition date, irrespective of the extent of any NCI.

The Group recognises separately the contingent liabilities of the acquirees as part of allocating the cost of a business combination where their fair values can be measured reliably. Where the fair values cannot be measured reliably, the resulting effect will be reflected in the goodwill arising from the acquisition.

Subsequent to the initial recognition, the Group measures the contingent liabilities that are recognised separately at the date of acquisition at the higher of the amount that would be recognised in accordance with the provisions of MFRS 137 and the amount initially recognised less, when appropriate, cumulative amortisation recognised in accordance with MFRS 15.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and judgements are continually evaluated by the Directors and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

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

In determining and applying accounting policies, judgement is often required in respect of items where the choice of specific policy could materially affect the reported results and financial position of the Group and the Company. The following accounting policies require subjective judgements, often as a result of the effect of matters that are inherently uncertain.

(i) Legal, regulatory and taxation claims and disputes

There are a number of ongoing legal, regulatory and taxation claims and disputes across the Group. The accounting treatment of these matters is based on the Group's view of the expected outcome of these contingencies. These outcomes are assessed in consultation with legal counsel for litigation cases and internal and external experts of the Group for matters in the ordinary course of business. Provisions are recorded if it is probable that an outflow of economic benefits will be required to settle the obligation and the amount can be estimated reliably.

The outcome of ongoing legal, regulatory and taxation claims and disputes are dependent on future events and the Group makes estimates and judgements concerning these future events. The Group may be required to increase or decrease provisions for such matters due to unanticipated events and circumstances that occur during the financial year.

The ongoing legal, regulatory and taxation claims and disputes of the Group as at reporting date are disclosed in Note 40(c) to the financial statements.

(ii) Liabilities under supplier finance arrangements

As the original obligation to the supplier is extinguished and replaced by a new financial liability to the bank institution, the Group has presented the liabilities as a separate line item in the statement of financial position as "Liabilities under supplier finance arrangements" instead of within "Trade and other payables".

The bank institutions do not settle the amount due to suppliers as a payment agent on behalf of the Group. Hence, for the purpose of the statement of cash flows, the payments made by the bank institutions are therefore not presented as a cash outflow of the Group. When the Group subsequently pays the liability to the bank institutions, this is presented as cash outflow under "Financing activities" of the Group.

(b) Critical accounting estimates and assumptions

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, rarely equal the related actual results. The Group, and to a large extent its activities, are governed by the legal, regulatory and business environment in the countries which the Group operates in and which the Group has investments in. The business of the Group is subject to a number of risks, many of which are beyond the Group's control.

The main risks relating to the Group's business in the countries or regions the Group operates in are as follows:

- Increasing competition in the countries
- Challenges in expanding business in certain emerging markets
- Political, regulatory and social developments in the region
- Significant expansion of capital investments required
- Increasing substitution of traditional voice by data in certain emerging markets

To enhance the information content of the estimates, certain key variables that are anticipated to have material impact to the Group's results and financial position are tested for sensitivity to changes in the underlying parameters. These estimates are based on the Group's best knowledge of current events, historical experience, actions that the Group may undertake in the future and on various other assumptions that are believed to be reasonable under the circumstances. Actual results may be different from these estimates.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONTINUED)

Estimates and judgements are continually evaluated by the Directors and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. (continued)

(b) Critical accounting estimates and assumptions (continued)

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

(i) Impairment assessment of goodwill

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

These calculations require the use of estimates. The calculations are inherently judgemental and susceptible to change from period to period because they require the Group to make assumptions about revenue growth, Earnings Before Interest, Taxes, Depreciation and Amortisation (“EBITDA”) margin, capital expenditure (“capex”) to revenue ratio, colocation ratio average, an appropriate discount rate and terminal growth rate.

The assumptions used, results and sensitivity analysis of the impairment assessment of goodwill are disclosed in Note 39 to the financial statements.

(ii) Impairment assessment on non-financial assets (excluding goodwill)

The Group and the Company assess impairment of the assets or CGUs whenever the events or changes in circumstances indicate that the carrying amount of an asset or CGU may not be recoverable i.e. the carrying amount of the asset is more than the recoverable amount. Recoverable amount is measured at the higher of the FVLCTS for that asset or CGU and its VIU.

Projected future cash flows used in impairment testing of the assets or CGUs are based on Group’s and Company’s estimates calculated using historical, sector and industry trends, general market and economic conditions, changes in technology and other available information.

The recoverable amounts of the asset or CGUs are determined based on VIU or FVLCTS calculations. These calculations require the use of estimates. The calculations are inherently judgemental and susceptible to change from period to period because they require the Group and the Company to make assumptions about revenue growth rate, an appropriate discount rate and terminal growth rate.

The assumptions used, results and sensitivity analysis of the impairment assessment of IA (other than goodwill), PPE, subsidiaries and associates are disclosed in Note 29 and Note 39 to the financial statements respectively.

(iii) Estimated useful lives of PPE

The Group reviews the estimated useful lives of PPE, particularly on its telecommunication network equipment, based on approved network and IT modernisation plans. The network and IT modernisation involve estimating when the telecommunication network equipment will be replaced. Useful lives of assets are revised accordingly. Future operational results could be materially affected by changes in useful lives.

A reduction in the estimated useful lives of PPE would increase the recorded depreciation charge and decrease the PPE balance.

(iv) Taxation

The Group and the Company are subject to income tax in numerous jurisdictions. Judgement is involved in determining the group-wide provision for income taxes. There are certain transactions and computations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group and the Company recognise liabilities for tax matters based on estimates of whether additional taxes will be due. If the final outcome of these tax matters results in a difference in the amounts initially recognised, such differences will impact the income tax and/or deferred tax provisions in the period in which such determination is made.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONTINUED)

Estimates and judgements are continually evaluated by the Directors and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. (continued)

(b) Critical accounting estimates and assumptions (continued)

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

(v) Measurement of ECL assessment

The measurement of ECL allowance for financial assets measured at amortised cost is an area that requires the use of significant assumptions about the future economic conditions and credit behaviour of the customers. Explanation of the inputs, assumptions and estimation techniques used in measuring ECL are disclosed in Note 35 to the financial statements. Areas of significant judgements involved in the measurement of ECL are detailed as follows:

- Determining the number and relative weightage of forward-looking scenarios for the general 3-stage approach

The Group and the Company measure loss allowance at the probability-weighted amount that reflects the possibility of credit loss occurring. This requires forecasts of economic variables and their associated impact on PD ('probability of default'), LGD ('loss given default') and EAD ('exposure at default') which are provided in possible scenarios along with scenario weightings. Probability-weighted ECLs are determined by running each scenario through the relevant ECL model and multiplying it by the appropriate scenario weighting. As with any economic forecasts, the projections and likelihoods of occurrence are subject to a high degree of inherent uncertainty and therefore the actual outcomes may be significantly different to those projected. The Group and the Company consider these forecasts to represent its best estimate of the possible outcomes and are appropriately representative of the range of possible scenarios.

- Establishing the groupings of similar financial assets and the forward looking information for the purpose of measuring ECL on collective basis

The Group uses a provision matrix to calculate ECLs for trade receivables and contract assets. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns (i.e. customer type and rating).

5. CHANGES IN COMPOSITION OF THE GROUP

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

- (i) Merger between PT XL Axiata Tbk ("XL") and PT Smartfren Telecom Tbk ("Smartfren")

On 15 May 2024, the Company had entered into a non-binding Memorandum of Understanding with PT Wahana Inti Nusantara ("WIN"), PT Global Nusa Data ("GND") and PT Bali Media Telekomunikasi ("BMT") to mutually explore a proposed merger of XL and Smartfren. Subsequently, the Company had, on 10 December 2024, entered into the following agreements:

- (A) A conditional merger agreement ("CMA") with Smartfren, PT Smart Telecom [a subsidiary of Smartfren] ("ST"), XL, WIN, GND, BMT and PT Gerbangmas Tunggal Sejahtera ("GTS") (where WIN, GND, BMT and GTS were collectively be referred to as "Sinar Mas Shareholders"), Axiata Investment (Indonesia) Sdn Bhd ("All") and PT Sinar Mas Tunggal ("SMT") in connection with the proposed merger of the businesses of Smartfren and XL by way of a statutory merger of Smartfren, ST and XL, in accordance with Indonesian laws, with XL, being the surviving entity ("MergeCo") maintaining its listing on the Indonesia Stock Exchange, subject to the terms and conditions of the CMA ("Proposed Business Combination");
- (B) A conditional share purchase agreement ("CSPA") with BMT, All and SMT, with respect to the proposed transfer of certain shares in MergeCo by All to BMT, such that, immediately following the completion of the Proposed Business Combination, All and the collective Sinar Mas Shareholders would each own an equal number of shares in MergeCo, subject to the terms and conditions of the CSPA ("Proposed Equalisation");
- (C) A shareholders agreement with All, WIN, GND, BMT, GTS and SMT, which would become effective upon the completion of the Proposed Business Combination, in order to, among others, establish the parties' respective rights and obligations with respect to the ownership, activities and governance of MergeCo and its subsidiaries post completion of the Proposed Business Combination and Proposed Equalisation ("Proposed Merger");
- (D) A shareholder deed with the Sinar Mas Shareholders, All and SMT, where the parties agreed to undertake certain obligations with respect to the Proposed Merger.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

5. CHANGES IN COMPOSITION OF THE GROUP (CONTINUED)

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

- (i) Merger between PT XL Axiata Tbk (“XL”) and PT Smartfren Telecom Tbk (“Smartfren”) (continued)

On 16 April 2025,

(A) the Proposed Business Combination between XL and Smartfren was completed via:

- (i) the issuance of 5,071,431,786 ordinary shares of XL to the eligible shareholders of Smartfren;
- (ii) all the assets and liabilities of Smartfren were transferred to XL; and
- (iii) Smartfren was dissolved and MergeCo is named as PT XLSmart Telecom Sejahtera Tbk (“XLSMART”).

(B) All transferred its 2,383,446,894 ordinary shares in XLSMART to Sinar Mas Shareholders for an equalisation consideration of RM2,096.9 million (USD475.0 million) pursuant to the Proposed Equalisation as below:

- (i) cash equalisation consideration of RM1,765.8 million (USD400.0 million); and
- (ii) deferred equalisation consideration of RM331.1 million (USD75.0 million), on the first anniversary of the completion of Proposed Equalisation if the payment condition is satisfied.

Upon the completion of the transactions, All and Sinar Mas Shareholders have equal effective shareholding of 36.91% in XLSMART. Accordingly, XL and its subsidiaries, associate and joint venture (“XL Group”) ceased to be part of the Group and the financial results for the financial period ended 15 April 2025 of XL Group were classified as discontinued operations as XL Group represented a separate major line of business of the Group.

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

Details of the disposal of XL Group upon completion were as follows:

	RM'000
Consideration received:	
- cash	1,765,800
- deferred equalisation	331,088
	2,096,888
Fair value of 6,313,716,869 ordinary shares, being remaining effective shareholding of 36.91% in XLSMART	5,554,398
	7,651,286
Transaction costs	(90,928)
Total net disposal consideration	7,560,358
Carrying amount of net assets of XL Group disposed	(6,017,084)
Realisation of foreign currency translation reserve	(1,039,039)
Net gain on disposal of XL Group	504,235

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

5. CHANGES IN COMPOSITION OF THE GROUP (CONTINUED)

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

- (i) Merger between PT XL Axiata Tbk (“XL”) and PT Smartfren Telecom Tbk (“Smartfren”) (continued)

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

	RM'000
Intangible assets	5,544,104
Contract costs assets	29,551
PPE	8,179,712
ROU assets	7,130,465
Associates ¹	542,599
Deferred tax assets	7,734
Inventories	51,841
Trade and other receivables	2,594,374
Tax recoverable	9,072
Deposits, cash and bank balances	251,235
Total assets	24,340,687
Trade and other payables	(3,223,999)
Borrowings	(3,806,392)
Lease liabilities	(8,319,730)
Deferred gain on sale and leaseback assets	(44,881)
Current tax liabilities	(6,440)
Deferred tax liabilities	(200,543)
Provision for asset retirement	(263,726)
Total liabilities	(15,865,711)
Total net assets of XL Group disposed	8,474,976
Less: NCI	(2,457,892)
Total net assets of XL Group disposed attributable to the owners of the Company	6,017,084

¹ Includes carrying amount of 20.00% shareholding in Linknet held by XL amounting to RM495.2 million.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

5. CHANGES IN COMPOSITION OF THE GROUP (CONTINUED)

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

- (i) Merger between PT XL Axiata Tbk (“XL”) and PT Smartfren Telecom Tbk (“Smartfren”) (continued)

The financial performance and cash flow information presented are for the financial period ended 15 April 2025 and the financial year ended 31 December 2024.

	Note	Group	
		2025 RM'000	2024 RM'000
Revenue		2,482,269	9,467,856
Expenses ²		(2,459,965)	(8,690,067)
Profit before tax from discontinued operations		22,304	777,789
Taxation		(34,149)	(162,274)
Profit after tax from discontinued operations		(11,845)	615,515
Gain on disposal of XL Group, net of tax	(a)	504,235	-
Total profit for the financial period/year from discontinued operations		492,390	615,515
Actuarial gains on defined benefits plan (net of tax)		806	2,534
Currency translation differences		(369,421)	(566,273)
Realisation of other comprehensive expense arising from disposal of a group of subsidiaries	(a)	1,039,039	-
Total comprehensive income from discontinued operations		1,162,814	51,776
Profit for the financial period/year attributable to NCI		40,663	186,858

² Includes expense of RM144.9 million, payable to strategic partners as disclosed in Note 20(d) to the financial statements.

(a) Gain on disposal of XL Group, net of tax includes the accumulated foreign currency translation reserve being realised from other comprehensive income to profit or loss.

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

	Group	
	2025 RM'000	2024 RM'000
Cash flows from operating activities	1,334,350	5,132,119
Cash flows from/(used in) investing activities ³	990,620	(3,127,359)
Cash flows used in financing activities	(972,230)	(1,677,017)
Net increase in cash and cash equivalents	1,352,740	327,743

³ Includes net cash inflow of RM1,423.6 million from the disposal of XL Group, which consists of consideration received of RM1,674.9 million (net of transaction costs) and net cash and cash equivalents of XL Group deconsolidated of RM251.2 million.

- (ii) Disposal of equity interest in EDOTCO Investments Singapore Pte. Ltd. (“EIS”)

On 13 June 2025, edotco Investments (Labuan) Limited (“EIL”), a subsidiary of EDOTCO Group Sdn Bhd (“EDOTCO”) completed the disposal of its entire 87.50% equity interest in EIS to Zillion Tower Holdings Limited for a total cash consideration of RM381.4 million (USD90.0 million).

Accordingly, EIS and its wholly-owned subsidiary, EDOTCO Myanmar Limited (“EIS Group”) ceased to be subsidiaries of the Group and the results for the financial period ended 31 May 2025 of EIS Group were classified as discontinued operations as EIS Group represented a separate major geographical area of operations of the Group.

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

5. CHANGES IN COMPOSITION OF THE GROUP (CONTINUED)

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

(ii) Disposal of equity interest in EDOTCO Investments Singapore Pte. Ltd. ("EIS") (continued)

Details of the disposal of EIS Group upon completion were as follows:

	RM'000
Fixed consideration received	381,441
Transaction costs	(10,289)
Total net disposal consideration	371,152
Carrying amount of net assets of EIS Group disposed	(703,996)
Realisation of foreign currency translation reserve	44,796
Net loss on disposal of EIS Group attributable to the owners of EDOTCO	(288,048)
Net loss on disposal of EIS Group attributable to the owners of the Company	(181,470)

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

	RM'000
Intangible assets	49,612
PPE	36,541
ROU assets	19,603
Deferred tax assets	43,986
Trade and other receivables	377,052
Deposits, cash and bank balances	431,254
Total assets	958,048
Trade and other payables	(35,966)
Lease liabilities	(39,720)
Current tax liabilities	(4,286)
Deferred tax liabilities	(25,638)
Provision for asset retirement	(89,308)
Total liabilities	(194,918)
Total net assets of EIS Group disposed	763,130
Less: NCI of EDOTCO	(59,134)
Total net assets of EIS Group disposed attributable to the owners of EDOTCO	703,996

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

5. CHANGES IN COMPOSITION OF THE GROUP (CONTINUED)

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

(ii) Disposal of equity interest in EDOTCO Investments Singapore Pte. Ltd. ("EIS") (continued)

The financial performance and cash flow information presented are for the financial period ended 31 May 2025 and the financial year ended 31 December 2024.

	Note	Group	
		2025 RM'000	2024 RM'000
Revenue		123,886	324,843
Expenses		(37,421)	(118,713)
Profit before tax from discontinued operations		86,465	206,130
Taxation		1,528	(27,775)
Profit after tax from discontinued operations		87,993	178,355
Loss on disposal of EIS Group	(a)	(288,048)	-
Total (loss)/profit for the financial period/year from discontinued operations		(200,055)	178,355
Currency translation differences		(23,403)	(10,130)
Realisation of other comprehensive expense arising from disposal of a group of subsidiaries	(a)	(28,221)	-
Total comprehensive (expense)/income from discontinued operations		(251,679)	168,225
(Loss)/Profit for the financial period/year attributable to NCI		(67,091)	91,112

(a) Loss on disposal of EIS Group, net of tax includes the accumulated foreign currency translation reserve being realised from other comprehensive income to profit or loss.

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

	Group	
	2025 RM'000	2024 RM'000
Cash flows from operating activities	14,053	133,796
Cash flows (used in)/from investing activities ¹	(63,483)	54,654
Cash flows used in financing activities	(6,194)	(21,313)
Net (decrease)/increase in cash and cash equivalents	(55,624)	167,137

¹ Includes net cash outflow of RM82.5 million from the disposal of EIS Group, which consists of consideration received of RM371.2 million (net transaction costs), net of cash and cash equivalents of EIS Group deconsolidated of RM431.3 million and deposits received in the previous financial year of RM22.4 million.

(iii) Dilution/Accretion of equity interests in subsidiaries

- Following the completion of the Merger between XL and Smartfren as disclosed in Note 5(a)(i) to the financial statements, the Group's effective equity interest in PT Link Net Tbk ("Linknet") decreased from 91.78% to 78.47% in line with the investment in Linknet held by XL was no longer be part of the Group.

Accordingly, the Group has recognised an increase of RM562.7 million in non-controlling interests and a decrease of RM14.8 million, RM0.9 million and RM51.8 million in consolidated currency translation differences, actuarial reserve and retained earnings, respectively. The impact to the dilution, being the carrying amount of 20.00% equity interest held by XLSMART as disclosed in Note 5(a)(i) to the financial statements was no longer defined as part of subsidiary of the Group.

- ADA Data AI Solutions Pte Ltd (formerly known as ADA Digital Singapore Pte Ltd) had on 22 July 2025 acquired additional 152 dematerialised shares of ADA Digital Analytics Private Limited ("ADA India") for a total consideration of RM2.5 million (INR 50.0 million). Accordingly, the Group's effective equity interest in ADA India increased from 50.36% to 50.46%.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

5. CHANGES IN COMPOSITION OF THE GROUP (CONTINUED)

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

(iii) Dilution/Accretion of equity interests in subsidiaries (continued)

- Dialog Axiata Digital Innovation Fund (Private) Limited (“DADIF”), a subsidiary of Digital Holdings Lanka (Private) Limited (“DHL”),
 - (i) issued 70,393 preference shares to DHL; and
 - (ii) redeemed 248,640 preference shares, of which 228,113 were redeemed from DHL and the remaining shares were redeemed from individual shareholders.

Accordingly, the Group’s effective equity interest in DADIF increased from 69.49% to 70.61% in the financial year.

- PT Creative Mobile Adventure (“CMA”) had on 2 October 2025 completed the issuance of 1,457 Series C shares to Boost Holding Sdn Bhd (“BHSB”) for a total consideration of RM6.4 million (IDR25,497.5 million). Accordingly, the Group’s effective equity interest in CMA increased from 60.22% to 60.68%.

Other than as disclosed above, the dilution/accretion of equity interests in subsidiaries did not have a material impact to the Group in the financial year.

(iv) Dilution of equity interest in an associate

- On 29 October 2025, XLSMART resold a total of 1,094,676,787 treasury shares to Winsley International Engineering Limited and Fitzgerald & Wilkinson Investment Ltd for a total consideration of RM692.4 million (IDR2,736.7 billion). Accordingly, the Group’s equity interest in XLSMART decreased from 36.91% to 34.69% and the Group has recognised a gain on dilution of RM53.2 million in the financial year.

(v) Disposal of an associate and a subsidiary

- On 31 August 2025, Smart Axiata Co., Ltd. entered into a Deed of Transfer and Release with Mekong Strategic Ventures Ltd. for the disposal of its entire 80.00% interest in Smart Axiata Digital Innovative Fund for a total consideration of RM4 (USD1).

The disposal did not have a material impact to the Group in the financial year.

- On 13 November 2025, EIL entered into a Share Purchase Agreement for the disposal of its entire 80.00% equity interest in edotco Lao Company Limited to OCK Laos Tower Pte Ltd for a fixed consideration of RM330,640 (USD80,000). The Group has recognised a loss on disposal of a subsidiary amounting to RM2.1 million in the financial year.

(vi) Incorporation of subsidiaries

- ADA Data AI Solutions Pte Ltd (formerly known as ADA Digital Singapore Pte Ltd), had on 21 January 2025 completed the incorporation of ADA Data AI Solutions LLC with an initial subscription of RM44,965 (USD10,000).
- Axiata Digital Labs Sdn Bhd, had on 16 May 2025 completed the incorporation of Axiata Digital Labs Port City (Private) Limited with an issued and paid-up share capital of one (1) share.

The incorporations above did not have a material impact to the Group in the financial year.

(vii) Others

- EDOTCO Urban Infrashare Ltd (“EUIL”), had on 27 January 2025 completed the voluntary liquidation process registered with the Directorate of Investment and Company Administration, Myanmar on 30 April 2024. The notification of the completion of the voluntary liquidation of EUIL was received by EUIL on 30 January 2025.
- The Company completed the member’s voluntary winding up of Axiata SPV1 (Labuan) Limited (“Axiata SPV1”) on 9 October 2025 and the notification of completion was received by Axiata SPV1 on 27 October 2025.

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

5. CHANGES IN COMPOSITION OF THE GROUP (CONTINUED)

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

- (i) Acquisition of equity interest in Bharti Airtel Lanka (Private) Limited (“Airtel Lanka”)

On 26 June 2024, Dialog Axiata Plc (“Dialog”) completed the acquisition of the entire issued and paid-up capital of Airtel Lanka upon the fulfilment of the conditions as stipulated in the Share Sale Agreement entered with Bharti Airtel Limited (“Bharti Airtel”).

The following summarised the non-cash consideration on the acquisition of Airtel Lanka, the fair value of the identified assets acquired, liabilities assumed and NCI on the date of acquisition.

	Group RM'000
Purchase consideration issued in ordinary shares of Dialog	162,961
Details of the net identifiable liabilities assumed were as follows:	
IA	39,367
PPE	127,175
ROU assets	46,615
Trade and other receivables	32,330
Cash and bank balances	5,283
Inventories	995
Trade and other payables	(114,805)
Borrowings	(138,078)
Lease liabilities	(52,722)
Total net identifiable liabilities assumed	(53,840)
Goodwill on acquisition	216,801

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

The goodwill arising from acquisition was attributable to expected synergies contributed from economies of scale, cost savings and operational efficiencies.

Acquisition related costs of RM0.9 million had been charged to other operating costs in the consolidated profit or loss in the previous financial year.

Had Airtel Lanka been consolidated from 1 January 2024 until 25 June 2024, consolidated revenue and profit or loss after tax of the Group would have increased by RM112.0 million and decreased by RM202.6 million respectively in the previous financial year.

Since the acquisition date, revenue amounting to RM102.4 million and loss after tax of RM21.6 million of Airtel Lanka respectively had been included in the consolidated statement of comprehensive income in the previous financial year.

With the completion of the acquisition, the Group’s effective equity interest in Dialog decreased from 82.27% to 73.75%. Accordingly, the Group recognised an increase of RM108.1 million and RM74.1 million in consolidated currency translation differences reserve and non-controlling interest, respectively and a decrease of RM0.6 million and RM181.6 million in consolidated reserves and consolidated retained earnings, respectively.

On 30 August 2024, Dialog amalgamated with Airtel Lanka under the applicable provisions of the Companies Act of Sri Lanka with Dialog remains as the amalgamated company.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

5. CHANGES IN COMPOSITION OF THE GROUP (CONTINUED)

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

(ii) Partial disposal of equity interest in subsidiaries

- All, had on 31 May 2024 completed the disposal of 28,631,954 shares representing 1.05% of Linknet to PT Sucorinvest Asset Management for a total consideration of RM7.8 million (IDR27,085.8 million). As a result, the Group's effective shareholding in Linknet decreased from 92.83% to 91.78%.
- The Company, had on 28 June 2024 completed the disposal of 682,828 ordinary shares representing 16.71% shareholding in Axiata Digital Services Sdn Bhd ("ADS") to Mitsui & Co., Ltd ("Mitsui") for a total consideration of RM275.5 million (USD58.3 million). Pursuant to the disposal, the Company received a cash consideration of RM259.7 million (USD55.0 million) and a contingent consideration of RM15.8 million (USD3.3 million). As a result, the Group's effective shareholding in ADS decreased from 96.71% to 80.00%.

The Group recognised an increase of RM0.5 million, RM0.1 million, RM189.5 million and RM69.6 million in consolidated currency translation differences reserve, consolidated reserves, consolidated retained earnings and non-controlling interest respectively.

Other than as disclosed above, the partial disposal above did not have a material impact to the Group in the previous financial year.

(iii) Accretion of equity interests in subsidiaries

- DADIF, issued 123,815 preference shares, of which 123,722 were issued to DHL and the remaining shares were issued to an individual shareholder. Accordingly, the Group's effective equity interest in DADIF increased from 76.72% to 77.52% in the previous financial year. Following the acquisition of equity interest in Airtel Lanka as disclosed in Note 5(b)(i), the Group's effective equity interest in DADIF decreased from 76.72% to 69.49%.
- CMA, had:
 - on 29 January 2024 completed the issuance of additional 11,671 Series B shares to BHSB for a total consideration of RM34.6 million (IDR116,710.0 million); and
 - on 11 November 2024 completed the issuance of 1,700 Series C shares to BHSB for a total consideration of RM8.4 million (IDR29,750.0 million).

Accordingly, the Group's effective shareholding in CMA increased from 57.88% to 77.44% in the previous financial year.

- BHSB, had on 13 September 2024 issued additional 15,778,474 ordinary shares to the Company for a total consideration of RM151.0 million via conversion of existing shareholders' loan. Accordingly, the Group's effective shareholding in BHSB increased from 60.22% to 77.76%.

In the previous financial year, the Group recognised a decrease of RM0.1 million and RM34.5 million in consolidated currency translation differences reserve and consolidated retained earnings, respectively and an increase of RM34.6 million in non-controlling interest.

Other than as disclosed above, the accretion of equity interests in subsidiaries did not have a material impact to the Group and the Company in the previous financial year.

(iv) Incorporation of subsidiaries

- PT Hipernet Indodata, had on 5 April 2024 completed the incorporation of PT Data Enkripsi Informasi Teknologi with an issued and paid-up share capital of RM3.0 million (IDR10,010.0 million).
- Linknet, had on 12 June 2024 completed the incorporation of PT Linknet Fiber Indonesia with an issued and paid-up share capital of RM36,250 (IDR125.0 million).
- Linknet, had on 12 June 2024 completed the incorporation of PT Axentec Fiber Indonesia with an issued and paid-up share capital of RM36,250 (IDR125.0 million).

The incorporations above did not have a material impact to the Group in the previous financial year.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

5. CHANGES IN COMPOSITION OF THE GROUP (CONTINUED)

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

(v) Others

- Asian Towers Holdings Private Limited (“ATH”), had on 29 September 2023 filed an application under Section 344, Companies Act 1967 (Singapore) to the Accounting and Corporate Regulatory Authority (“ACRA”) to have its name struck off of the Register of Companies (“Register”). ACRA issued a notice on strike off within sixty (60) days from the date of notice dated 30 September 2023 with ATH subsequently struck off from the Register with effect on 8 January 2024.
- Axiata Investments 2 (India) Limited (“AI2”), had on 10 November 2023, completed the Members’ voluntary winding up process registered with Director of Insolvency of Mauritius on 17 November 2022. The notification of the completion of the Members’ voluntary winding up of AI2 was received by AI2 on 19 February 2024.
- ADS, had on 19 June 2024 completed its share capital reduction exercise by cancellation of its 124,043,004 ordinary shares via distribution of its entire shareholding, equivalent to 78.12% in BHSB on proportionate basis to the shareholders of ADS, namely the Company and Mitsui. Effectively, BHSB became a direct owned subsidiary of the Company.
- XL, had on 16 July 2024 completed the acquisition of 100,000 ordinary shares, representing the entire issued and paid up share capital of XL Axiata Singapore Pte Ltd (“XLA”) from Axiata Enterprise Sdn Bhd (“AE”) based on the terms and subject to the conditions set out in the sale and purchase agreement between AE and XL for a consideration of RM4 (USD1).
- Following the approval of Scheme of Arrangement and Amalgamation (“Scheme”) prepared under Sections 279 to 283 and 285 of the Companies Act, 2017 by Islamabad High Court on 1 October 2024, EDOTCO Towers Pakistan (Private) Limited (“EDOTCO Towers Pakistan”), in accordance with terms of the Scheme shall be amalgamated with and into EDOTCO Pakistan (Private) Limited (“EDOTCO Pakistan”). The amalgamation was deemed effective on 30 April 2023 being the date stated in the application of the Scheme (“Effective Date”).

Consequently, all paid-up share capital along with any additional equity injections made by its shareholders of EDOTCO Pakistan from the Effective Date was transferred to EDOTCO Towers Pakistan, being the surviving entity-post amalgamation. In return, EDOTCO Towers Pakistan shall allot and issue ordinary shares of its face value to the shareholders of EDOTCO Pakistan; namely, EIL. This was completed on 1 October 2024 following which on even date, EDOTCO Pakistan ceased to exist.

6. REVENUE

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Revenue from contracts with customers:				
Mobile services	6,766,085	7,001,342	-	-
Interconnect services	179,920	451,626	-	-
Sale of devices	68,576	55,519	-	-
Digital business	1,159,691	1,150,062	-	-
Television transmission and broadband services	991,114	1,358,584	-	-
Managed services	94,292	107,083	-	-
Infrastructure services	452,026	496,879	-	-
Others ¹	213,254	313,735	-	-
Technical and management services fees (“TMSA”)	-	-	38,334	51,858
	9,924,958	10,934,830	38,334	51,858
Revenue under other MFRSs:				
Dividend income	-	-	3,234,606	992,794
Lease of passive infrastructure	1,668,307	1,517,629	-	-
Interest income from financial services	164,732	89,459	-	-
Total	11,757,997	12,541,918	3,272,940	1,044,652

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

6. REVENUE (CONTINUED)

Disaggregation of revenue of the Group and the Company accounted for under MFRS 15 by timing of revenue recognition are as follows:

	By categories			
			Group	Company
	At a point in time RM'000	Over time RM'000	Total RM'000	Over time RM'000
2025				
Mobile services	-	6,766,085	6,766,085	-
Interconnect services	-	179,920	179,920	-
Sale of devices	68,576	-	68,576	-
Digital business	967,613	192,078	1,159,691	-
Television transmission and broadband services	25,675	965,439	991,114	-
Managed services	-	94,292	94,292	-
Infrastructure services	-	452,026	452,026	-
Others	6,082	207,172	213,254	-
TMSA	-	-	-	38,334
Total	1,067,946	8,857,012	9,924,958	38,334
2024				
Mobile services	-	7,001,342	7,001,342	-
Interconnect services	-	451,626	451,626	-
Sale of devices	55,519	-	55,519	-
Digital business	981,582	168,480	1,150,062	-
Television transmission and broadband services	14,978	1,343,606	1,358,584	-
Managed services	-	107,083	107,083	-
Infrastructure services	-	496,879	496,879	-
Others	28,542	285,193	313,735	-
TMSA	-	-	-	51,858
Total	1,080,621	9,854,209	10,934,830	51,858

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

6. REVENUE (CONTINUED)

Disaggregation of revenue of the Group and the Company accounted for under MFRS 15 by timing of revenue recognition are as follows: (continued)

	By segments			
			Group	Company
	At a point in time RM'000	Over time RM'000	Total RM'000	Over time RM'000
2025				
Digital telco:				
- Bangladesh	13,549	3,402,436	3,415,985	-
- Sri Lanka	53,627	2,393,064	2,446,691	-
- Cambodia	6,168	1,823,729	1,829,897	-
Infrastructure - Linknet	36,609	471,880	508,489	-
Infrastructure - EDOTCO	-	583,969	583,969	-
Digital - ADA	864,610	87,625	952,235	-
Digital - Boost	93,175	578	93,753	-
Others	208	93,731	93,939	38,334
Total	1,067,946	8,857,012	9,924,958	38,334

2024

Digital telco:				
- Bangladesh	18,288	3,825,829	3,844,117	-
- Sri Lanka	45,569	2,497,984	2,543,553	-
- Cambodia	10,120	1,830,385	1,840,505	-
Infrastructure - Linknet	26,526	936,440	962,966	-
Infrastructure - EDOTCO	-	622,867	622,867	-
Digital - ADA	895,118	50,790	945,908	-
Digital - Boost	83,662	3,384	87,046	-
Others	1,338	86,530	87,868	51,858
Total	1,080,621	9,854,209	10,934,830	51,858

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

	Group	
	2025 RM'000	2024 RM'000
Mobile services	358,300	577,054
Infrastructure services	1,618,739	3,026,779
Others	265,872	57,175

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

	Group	
	2025	2024
Mobile services	1-3 years	1-3 years
Infrastructure services	20 years	20 years
Others	1-7 years	1-8 years

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

7(a). DEPRECIATION, IMPAIRMENT AND AMORTISATION

	Note	Group		Company	
		2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Amortisation of:					
- contract cost assets		117,371	126,793	-	-
- IA		548,158	722,050	-	-
Depreciation of:					
- PPE ¹		2,178,628	2,394,399	4,177	4,549
- ROU assets		472,617	476,600	2,480	2,342
Impairment/(reversal) of, net:					
- IA	25	3,759	150	-	-
- goodwill	25	543,049	-	-	-
- PPE		(6,044)	19,563	-	-
- associates		3,149	-	-	-
- subsidiaries		-	-	-	365,188
Write-off of:					
- PPE		29,087	12,753	541	-
- IA		3,670	1	-	-
- subsidiary		-	-	353	720
Total		3,893,444	3,752,309	7,551	372,799

¹ In the previous financial year, the Group had adjusted a value added tax ("VAT") of RM25.5 million rebated to a subsidiary as a reversal of depreciation of certain PPE. The VAT was capitalised as part of cost of PPE previously and fully depreciated by the subsidiary.

7(b). OTHER OPERATING COSTS

	Note	Group		Company	
		2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Repair and maintenance		922,021	855,754	14,773	13,537
Regulatory related outpayments and contributions		513,307	608,747	-	-
Leased circuit charges		200,228	252,641	-	-
Business licence and spectrum fees		197,065	226,289	-	-
Cost of devices and accessories including charges and commissions		144,715	177,595	-	-
Contractual minimum guarantee shortfall obligations		124,997	107,300	-	-
Professional fees		105,259	103,785	25,053	25,132
Outsourcing costs		76,670	129,074	-	-
Fees paid to foreign channels		76,204	77,827	-	-
Bad debts written off		58,791	32,113	-	-
Rental:					
- network infrastructure and equipment		38,232	47,110	-	-
- land and buildings		74,029	96,278	872	564
- others		10,093	11,290	49	139
Others ¹		343,673	223,924	20,535	33,615
Total		2,885,284	2,949,727	61,282	72,987

¹ Others include USP costs, transportation, satellite expenses, utilities and travelling costs.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

7(c). AUDITORS' REMUNERATION

	Note	Group		Company	
		2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
<u>Continuing operations:</u>					
PricewaterhouseCoopers Malaysia ("PwCM"):					
- audit fees:					
- current year		6,072	5,956	2,270	2,249
- (over)/under provision in prior year		(15)	472	-	-
- audit related fees	(b)	1,676	2,424	1,627	1,863
- tax and related services	(c)	274	1,703	224	1,136
- other non-audit services:					
- corporate exercises	(d)	3,432	248	2,503	469
- advisory services		250	573	-	513
		11,689	11,376	6,624	6,230
Member firms of PricewaterhouseCoopers International Limited ("PwCI")					
- audit fees:	(a)				
- current year		3,995	4,799	-	-
- audit related fees	(b)	741	50	-	-
- tax and related services	(c)	137	138	-	-
- other non-audit services:					
- corporate exercises	(d)	800	-	800	1,965
- advisory services		-	11	-	-
		5,673	4,998	800	1,965
Others:					
- audit fees		808	496	-	-
Total		18,170	16,870	7,424	8,195
<u>Discontinued operations:</u>					
PwCM:					
- audit fees		-	73	-	-
- other non-audit services:					
- corporate exercises	(d)	603	469	-	-
		603	542	-	-
PwCI:					
- audit fees		-	4,358	-	-
- audit related fees	(b)	785	1,530	-	-
- tax and related services	(c)	-	13	-	-
- other non-audit services:					
- corporate exercises	(d)	24	1,965	-	-
		809	7,866	-	-
Total		1,412	8,408	-	-
Grand total		19,582	25,278	7,424	8,195

- (a) Separate and independent legal entities from PwCM.
(b) Fees incurred in connection with performance of quarterly reviews, audits other than statutory audits, agreed-upon procedures and regulatory compliance.
(c) Fees incurred for assisting the Group in connection with tax compliance and tax advisory services.
(d) Fees incurred primarily in connection to financial and tax due diligences on corporate exercises.

Fee incurred by the Company in connection with the merger between XL and Smartfren as disclosed in Note 5(a)(i) to the financial statements and the disposal of equity interest in EIS as disclosed in Note 5(a)(ii) to the financial statements are classified as continuing operations by the Company while as discontinued operations by the Group.

The Board Audit Committee has approved a policy outlining the types of non-audit services that external auditors of the Group may provide, along with the associated approval process. Under this policy and guidelines, external auditors may offer non-audit services if they provide clear efficiencies and added value to the Group.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

7(d). STAFF COSTS

	Note	Group		Company	
		2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Salaries, allowances, overtime and bonus		1,011,097	1,015,145	86,727	68,341
Termination benefits/restructuring cost		48,231	3,846	-	-
Contribution to EPF		65,765	68,078	8,562	9,999
Other staff benefits		153,918	152,477	11,078	11,688
Equity-settled share-based compensation expense:					
- scheme of the Company	14(a),(b)	14,400	9,769	14,400	9,769
- scheme of a subsidiary	14(f)	11,154	-	-	-
Cash-settled share-based compensation expense:					
- scheme of subsidiaries	14(c),(d),(e)	(11,950)	13,752	-	-
Remuneration of Executive Directors of the Company	7(e)	12,712	17,325	12,712	17,325
Total		1,305,327	1,280,392	133,479	117,122

7(e). DIRECTORS' REMUNERATION

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Remuneration of Executive Directors of the Company:				
- salaries, allowances and bonus	9,439	11,963	9,439	11,963
- contribution to EPF	70	-	70	-
- share-based payment expense	3,203	5,362	3,203	5,362
	12,712	17,325	12,712	17,325
Remuneration of Non-Executive Directors ("NEDs") of the Company:				
- fees and allowances	3,549	3,555	3,471	3,199
Total	16,261	20,880	16,183	20,524

Estimated monetary value of benefits of Directors amounted to RM658,834 (2024: RM906,294) for the Group and the Company.

8. OTHER GAINS/(LOSSES) - NET

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Financial assets/liabilities at FVTPL	(1,842)	(136)	-	-
Deposits at FVTPL	7,917	(716)	-	-
Financial guarantee contracts ¹	-	-	7,452	437,495
Total	6,075	(852)	7,452	437,495

¹ In the previous financial year, the early redemption of Euro Medium Term Note as disclosed in Note 16(d) to the financial statements had resulted in the reduction of expected credit losses arising from financial guarantee provided by the Company.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

9. OTHER (EXPENSE)/INCOME - NET

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Gain on disposal of PPE	4,002	3,423	42	1
Net (loss)/gain on full/partial disposal of subsidiaries	(2,124)	-	-	171,971
Amortised deferred income	7,017	3,822	-	-
Other taxes ¹	35,260	(48,767)	-	-
Penalty charge	(1,623)	(8,144)	-	-
Provision for impairment of other receivable ²	(69,011)	-	-	-
Reversal of contingent consideration ³	12,000	-	-	-
Others	11,934	43,205	1,788	15,506
Total	(2,545)	(6,461)	1,830	187,478

¹ Other taxes consist of minimum tax on gross receipts and interest income of certain subsidiaries which are out of scope of MFRS 112.

During the financial year, a subsidiary recorded a reversal of minimum tax of RM37.4 million (BDT1,062.2 million) following the conclusion of the Alternative Dispute Resolution (“ADR”) proceedings, as disclosed in Note 40(c)(3) to the financial statements.

² Being impairment on arrangement fee receivable from NCI of a subsidiary.

³ Reversal of contingent consideration payable to vendor in conjunction with the acquisition of equity interest in Touch Mindscape Sdn Bhd (now known as Alam Mindscape Sdn Bhd) and its subsidiaries on 30 November 2021 due to non-fulfilment of certain conditions of the Share Sale Agreement.

10. FINANCE INCOME/(COSTS)

	Note	Group		Company	
		2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
<u>Finance income</u>					
Islamic financial instruments		31,793	41,601	11,519	20,403
Deposits, cash and bank balances		118,482	118,162	17,386	15,512
Finance lease receivables		-	355	-	-
Others		19,442	16,208	-	-
Amounts due from subsidiaries		-	-	11,441	9,154
Total		169,717	176,326	40,346	45,069
<u>Finance costs</u>					
Borrowings		(772,643)	(1,007,747)	(57,164)	(100,404)
Profit on Sukuks		(138,822)	(148,960)	-	-
Cash flow hedge		(80,903)	(33,333)	(10,070)	19,988
Provision for asset retirement		(9,126)	(26,318)	(39)	(35)
Lease liabilities		(175,418)	(163,836)	(521)	(585)
Liabilities under supplier finance arrangements	24	(12,182)	(2,919)	-	-
Others		(59,736)	(36,460)	-	-
Amounts due to subsidiaries		-	-	(301,162)	(328,574)
Total		(1,248,830)	(1,419,573)	(368,956)	(409,610)

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

11. TAXATION

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Income taxation	764,989	602,780	-	-
Deferred taxation	(108,659)	172,786	-	-
Taxation	656,330	775,566	-	-
Income taxation:				
- Current financial year	790,982	627,390	-	-
- Prior financial years ¹	(25,993)	(24,610)	-	-
	764,989	602,780	-	-
Deferred taxation:				
- Net origination of temporary differences ¹	(108,659)	172,786	-	-
Total	656,330	775,566	-	-

¹ During the financial year, a subsidiary recorded a reversal of RM37.9 million (BDT1,077.2 million) and reversal of deferred tax liabilities of RM21.1 million (BDT599.9 million) following the conclusion of the ADR proceedings as disclosed in Note 40(c)(3) to the financial statements.

The Group and the Company are within the scope of the Organisation for Economic Co-operation and Development (OECD) Pillar Two model rules ("Pillar Two"). These rules are designed to ensure that large multinational enterprises within the scope of the rules pay a minimum level of tax in each jurisdiction where they operate. In general, the Pillar Two apply a system of top-up taxes to bring a multinational enterprise's aggregate effective tax rate in each jurisdiction to a minimum of 15%.

Pillar Two was effective for the financial year beginning on 1 January 2024 for Vietnam and South Korea and effective for the financial year beginning on 1 January 2025 for Malaysia, Indonesia, Japan, Singapore and Thailand.

During the financial year, the Group and the Company have assessed and determined that the Group and the Company do not have any exposure to Pillar Two income taxes.

In the previous financial year, the Group and the Company had performed an assessment on the potential Pillar Two income taxes exposure, using the Transitional Safe Harbour rules, where it was stipulated that the top up taxes would be zero if certain tests were met. Based on the assessment, the Group and the Company had no related tax exposure for Vietnam and South Korea jurisdictions as the Group and the Company met the routine profits test in Vietnam and De minimis test in South Korea respectively.

The Group and the Company have applied the exception to recognising and disclosing information about deferred tax assets and liabilities related to Pillar Two income taxes, as provided in the amendments to MFRS 112 "Income Taxes", issued on 2 June 2023.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

11. TAXATION (CONTINUED)

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

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Profit before taxation	995,603	1,580,555	2,701,287	726,179
Taxation calculated at the applicable Malaysian tax rate of 24%	238,945	379,333	648,309	174,283
Tax effects of:				
- income not subject to tax	(97,486)	(54,309)	(766,490)	(389,979)
- share of results of associates	(4,642)	(109,003)	-	-
- gain on dilution of an associate	(12,763)	-	-	-
- share of results of joint ventures	(2)	(16)	-	-
- tax incentives	(60,325)	(25,430)	-	-
- different tax rates in other countries	77,552	65,148	-	-
- utilisation of previously unrecognised deferred tax assets	(83,444)	(57,312)	(6,705)	(6,570)
- unrecognised deferred tax assets	150,438	62,144	25,726	13,805
- expenses not deductible for tax purposes	474,050	539,621	99,160	208,461
- prior financial years income tax	(25,993)	(24,610)	-	-
Total	656,330	775,566	-	-

12. EARNINGS PER SHARE

(a) Basic earnings per share ("EPS")

Basic EPS of the Group is calculated by dividing the profit attributable to owners of the Company by the weighted average number of ordinary shares of the Company in issue during the financial year.

	Group	
	2025	2024
Profit attributable to owners of the Company (RM'000)		
- continuing operations	51,068	458,589
- discontinued operations	313,556	488,235
	364,624	946,824
Weighted average number of ordinary shares in issue ('000)	9,185,097	9,181,495
Basic EPS (sen)		
- continuing operations	0.6	5.0
- discontinued operations	3.4	5.3
	4.0	10.3

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

12. EARNINGS PER SHARE (CONTINUED)

(b) Diluted earnings per share

For the diluted EPS calculation, the weighted average number of ordinary shares in issue is adjusted to assume conversion of all dilutive potential ordinary shares. The Company has granted shares to employees under the Company's share-based compensation plans as disclosed in Note 14(a) and (b) to the financial statements which are dilutive potential ordinary shares and is assumed to have been converted into ordinary shares.

	Group	
	2025	2024
Profit attributable to owners of the Company (RM'000)		
- continuing operations	51,068	458,589
- discontinued operations	313,556	488,235
	364,624	946,824
Weighted average number of ordinary shares in issue ('000)	9,185,097	9,181,495
Adjusted for diluted effect of share-based compensation plans of the Company ('000)	13,845	11,650
Adjusted weighted average number of ordinary shares ('000)	9,198,942	9,193,145
Diluted EPS (sen)		
- continuing operations	0.6	5.0
- discontinued operations	3.4	5.3
	4.0	10.3

13. SHARE CAPITAL

	Note	Group and Company			
		2025		2024	
		No. of shares '000	Value RM'000	No. of shares '000	Value RM'000
Ordinary shares paid-up capital:					
At 1 January		9,182,802	13,932,756	9,179,084	13,920,649
Axiata Group Performance Based Long Term Incentive Plan	14(a)	1,652	5,066	2,833	10,036
Axiata Group Long Term Incentive Plan	14(b)	1,798	4,445	885	2,071
At 31 December		9,186,252	13,942,267	9,182,802	13,932,756

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

14. SHARE-BASED COMPENSATION PLANS

(a) Axiata Group Performance Based Long Term Incentive Plan (“Axiata PBLTIP”)

On 25 May 2016, shareholders of the Company approved the Axiata PBLTIP and it was implemented on 30 September 2016. Effectively, the Group and the Company started to offer Axiata PBLTIP shares to eligible employees.

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

	Entitlement over the Company’s shares				
	Reference date	Vesting date	% of shares to be vested ¹	Number of shares granted ³	Reference price ⁴ RM
Grant 1(a), 2017	28 Feb 2017	28 Feb 2020 ⁶	100	4,680,100	4.43
Grant 1(b), 2017 ²	15 Aug 2017	15 Aug 2020 ⁶	100	496,600	4.83
Grant 2, 2018	28 Feb 2018	28 Feb 2021 ⁶	100	1,992,100	5.56
Grant 3(a), 2019	21 Feb 2019	21 Feb 2020	100	607,600	4.12
Grant 3(b), 2019	21 Feb 2019	21 Feb 2022 ⁶	100	2,295,400	4.12
Grant 4(a), 2020	28 Feb 2020	28 Feb 2023 ⁶	100	1,796,000	4.17
Grant 4(b), 2020 ²	15 Aug 2020	15 Aug 2023	100	78,800	3.15
Grant 5(a), 2021	28 Feb 2021	28 Feb 2024 ⁶	100	2,680,900	3.45
Grant 5(b), 2021 ²	15 Aug 2021	15 Aug 2024	100	442,800	3.79
Grant 5(c), 2021 ⁵	28 Feb 2021	10 Nov 2021	100	2,275,800	3.50
Grant 6(a), 2022	28 Feb 2022	28 Feb 2025	100	1,599,400	3.85
Grant 6(b), 2022 ⁵	28 Feb 2022	10 Nov 2022	100	224,500	3.90

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

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

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

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

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

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

The salient terms and conditions of the Axiata PBLTIP are as follows:

(i) Maximum number of new ordinary shares of the Company available under the Axiata PBLTIP

The maximum number of shares which may be allotted upon the vesting of Axiata PBLTIP shares, shall not be more than 7% of the issued and paid-up ordinary share capital of the Company at any point of time during the duration of this Axiata PBLTIP.

If the Company undertakes a share buy-back exercise or any other corporate proposal resulting in the total number of the Company’s shares issued and/or to be issued under the Axiata PBLTIP exceeding 7% of the Company’s issued and fully paid-up ordinary share capital, all shares under the Axiata PBLTIP offered and/or granted prior to the said variation of the issued and paid-up ordinary share capital of the Company shall remain valid in accordance with the provisions of this Axiata PBLTIP as if that reduction had not occurred.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

14. SHARE-BASED COMPENSATION PLANS (CONTINUED)

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

The salient terms and conditions of the Axiata PBLTIP are as follows: (continued)

(ii) Basis of allocation and maximum allowable allotment

The total number of new ordinary shares of the Company that can be offered and allotted to any one of the eligible employees (as defined in the Bye-Laws in relation to the Axiata PBLTIP shall be at the absolute discretion of the Board Nomination and Remuneration Committee (“BNRC”) that has been established to administer the Axiata PBLTIP from time to time) after taking into consideration such criteria as may be determined by the BNRC at their absolute discretion.

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

(iii) Eligibility

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

- (a) has attained the age of eighteen (18) years;
- (b) has entered into a full-term contract of employment with, and is on the payroll of, a corporation within the Group and whose service has been confirmed;
- (c) is not a Non-Executive or Independent Director of the Company; and
- (d) fulfils any other criteria as may be set by the BNRC in its absolute discretion.

Eligibility under the Axiata PBLTIP does not confer on any eligible employee any claim, right to participate in, or any other right whatsoever under the Axiata PBLTIP and an eligible employee does not acquire or have any right over, or in connection with, any Axiata PBLTIP shares under this Axiata PBLTIP unless an offer has been made by the BNRC to that eligible employee and that eligible employee has accepted the offer in accordance with the terms of the offer and the Bye-Laws governing the Axiata PBLTIP.

(iv) Duration of the Axiata PBLTIP

The Axiata PBLTIP shall be in force for a period of ten (10) years from the effective date of implementation, being a date of full compliance with the relevant requirements of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Securities”). All Axiata PBLTIP shares, whether or not vested, shall forthwith lapse upon the expiry of the Axiata PBLTIP. All unvested shares under the Axiata PBLTIP which are not vested shall forthwith lapse upon the expiry of the Axiata PBLTIP on 30 September 2026.

(v) Retesting of unvested Axiata PBLTIP shares

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

14. SHARE-BASED COMPENSATION PLANS (CONTINUED)

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

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

	At 1 January	Granted	Adjusted ¹	Vested	Lapsed/ Forfeited	At 31 December	RM ²
Group							
2025							
Grant 1(a), 2017	1,093,110	-	-	-	(89,400)	1,003,710	4.31
Grant 1(b), 2017	264,350	-	-	-	-	264,350	4.56
Grant 2, 2018	619,093	-	-	-	(47,950)	571,143	4.67
Grant 3(b), 2019	465,689	-	-	-	-	465,689	4.36
Grant 4(a), 2020	176,004	-	-	-	-	176,004	3.44
Grant 5(a), 2021	188,900	-	-	-	-	188,900	3.54
Grant 6(a), 2022	948,700	-	703,100	(1,651,800)	-	-	3.18
Total	3,755,846	-	703,100	(1,651,800)	(137,350)	2,669,796	
2024							
Grant 1(a), 2017	1,093,110	-	-	-	-	1,093,110	4.31
Grant 1(b), 2017	264,350	-	-	-	-	264,350	4.56
Grant 2, 2018	619,093	-	-	-	-	619,093	4.67
Grant 3(b), 2019	465,689	-	-	-	-	465,689	4.36
Grant 4(a), 2020	176,004	-	-	-	-	176,004	3.44
Grant 5(a), 2021	2,247,900	-	808,400	(2,833,300)	(34,100)	188,900	3.54
Grant 6(a), 2022	948,700	-	-	-	-	948,700	3.18
Total	5,814,846	-	808,400	(2,833,300)	(34,100)	3,755,846	

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

² Weighted average fair value at grant date.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

14. SHARE-BASED COMPENSATION PLANS (CONTINUED)

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

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

	At 1 January	Granted	Adjusted ¹	Vested	Lapsed/ Forfeited	At 31 December	RM ²
Company 2025							
Grant 1(a), 2017	905,610	-	-	-	(89,400)	816,210	4.31
Grant 1(b), 2017	264,350	-	-	-	-	264,350	4.56
Grant 2, 2018	619,093	-	-	-	(47,950)	571,143	4.67
Grant 3(b), 2019	465,689	-	-	-	-	465,689	4.36
Grant 4(a), 2020	176,004	-	-	-	-	176,004	3.44
Grant 5(a), 2021	188,900	-	-	-	-	188,900	3.54
Grant 6(a), 2022	948,700	-	703,100	(1,651,800)	-	-	3.18
Total	3,568,346	-	703,100	(1,651,800)	(137,350)	2,482,296	
2024							
Grant 1(a), 2017	905,610	-	-	-	-	905,610	4.31
Grant 1(b), 2017	264,350	-	-	-	-	264,350	4.56
Grant 2, 2018	619,093	-	-	-	-	619,093	4.67
Grant 3(b), 2019	465,689	-	-	-	-	465,689	4.36
Grant 4(a), 2020	176,004	-	-	-	-	176,004	3.44
Grant 5(a), 2021	2,247,900	-	808,400	(2,833,300)	(34,100)	188,900	3.54
Grant 6(a), 2022	948,700	-	-	-	-	948,700	3.18
Total	5,627,346	-	808,400	(2,833,300)	(34,100)	3,568,346	

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

² Weighted average fair value at grant date.

The fair value of the Axiata PBLTIP shares granted were determined using the Monte Carlo valuation model. The significant inputs in the model are as follows:

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

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

² Yield of Malaysian Government Securities.

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

14. SHARE-BASED COMPENSATION PLANS (CONTINUED)

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

The amounts recognised in the profit or loss as disclosed in Note 7(d) and Note 7(e) to the financial statements for all employees (including Directors) arising from the Axiata PBLTIP are summarised as follows:

	Group and Company	
	2025 RM'000	2024 RM'000
Equity-settled:		
Share-based compensation expense ¹	2,328	922

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

(b) Axiata Group Long Term Incentive Plan (“Axiata LTIP”)

On 19 September 2023, shareholders of the Company approved the Axiata LTIP and it was implemented on 10 November 2023. Effectively, the Group and the Company started to offer Axiata LTIP shares to eligible employees.

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

	Entitlement over the Company's shares				
	Reference date	Vesting date	% of shares to be vested ¹	Number of shares granted	Reference price ³ RM
<u>Grant 2023:</u>					
- Restricted Share Plan (“RSP”)	6 Oct 2023	6 Oct 2026	Vesting 1/3 each year over 3-year period	2,964	2.46
- Performance Share Plan (“PSP”) ²	6 Oct 2023	6 Oct 2026	100% end of Year 3	5,473	2.46
<u>Grant 2024:</u>					
- RSP	28 Feb 2024	28 Feb 2027	Vesting 1/3 each year over 3-year period	3,050	2.77
- PSP ²	28 Feb 2024	28 Feb 2027	100% end of Year 3	5,444	2.77
<u>Grant 2025:</u>					
- RSP	28 Feb 2025	28 Feb 2028	Vesting 1/3 each year over 3-year period	3,592,000	2.07
- PSP ²	28 Feb 2025	28 Feb 2028	100% end of Year 3	6,607,800	2.07
- RSP	15 Aug 2025	15 Aug 2025	Vesting 1/3 each year over 3-year period	308,000	2.65
- PSP ²	15 Aug 2025	15 Aug 2025	100% end of Year 3	490,700	2.65

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

² Eligible employees can only vest the Axiata LTIP shares at the end of the third (3rd) year. Number of shares initially granted excludes additional shares that may vest due to multiplier effect from achieving performance targets.

³ Refers to the five-day average share price preceding reference date for the purpose of granting the number of shares to the employees.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

14. SHARE-BASED COMPENSATION PLANS (CONTINUED)

(b) Axiata Group Long Term Incentive Plan (“Axiata LTIP”) (continued)

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

The salient terms and conditions of the Axiata LTIP are as follows:

(i) Maximum number of new ordinary shares of the Company available under the Axiata LTIP

The total number of shares which may be allotted and issued pursuant to the Axiata LTIP shall not exceed in aggregate 3% of the total number of issued shares (excluding treasury shares, if any) at any point in time during the LTIP period (“Maximum Shares”).

In the event the Maximum Shares exceed the 3% limit as a result of the Company purchasing the Company’s shares in accordance with the provisions of the Act and/or reducing the Company’s issued share capital, all offers made and Axiata LTIP granted prior to the said variation of the issued share capital of the Company shall remain valid and exercisable and may vest in accordance with the provisions of the Axiata LTIP as if that purchase and/or reduction had not occurred. If, after such purchase, cancellation or reduction, the Maximum Shares as at the date of purchase, cancellation or reduction of shares exceeds the 3% limit, no further offers and the Axiata LTIP shall be made by the Board until such aggregate number of shares in respect of the Axiata LTIP granted falls below the 3% limit.

(ii) Basis of allocation and maximum allowable allotment

The aggregate number of shares that may be offered and allotted to any one of the eligible employees under the Axiata LTIP at any time shall be determined at the sole and absolute discretion of the Board, after taking into consideration, amongst other factors, the performance as well as the years of service of the eligible employee and such other criteria as the Board may deem relevant (subject always to the Bye-Laws and any applicable law).

Notwithstanding the foregoing, not more than 10% of the shares available under the Axiata LTIP and/or any other schemes involving new issuance of shares to eligible employees to be implemented from time to time shall be allocated to any individual eligible employee who, either singly or collectively through persons connected (as defined under the relevant applicable law), holds 20% or more of the total number of issued shares (excluding treasury shares, if any). BNRC shall have sole and absolute discretion in determining whether the new shares available for vesting under the Axiata LTIP are to be offered to the eligible employees or any group or groups of eligible employees via:

(a) one single award at a time determined by BNRC; or

(b) several Axiata LTIP Awards where the vesting of the number of new shares comprised in the Axiata LTIP Awards are staggered or made in several tranches at such times, in such sizes and on such terms as may be determined by BNRC.

In the event BNRC decides that the Axiata LTIP Award or vesting of any number of new shares is to be staggered, the number of new shares to be offered in each Axiata LTIP Award and the timing for the vesting of the same shall be decided by BNRC at their sole and absolute discretion. Each Axiata LTIP Award shall be separate and independent from the others.

(iii) Eligibility

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

(a) has attained the age of eighteen (18) years;

(b) has entered into a full-term contract or fixed-term contract and whose service has been confirmed; and

(c) fulfils any other criteria as may be set by the BNRC in its absolute discretion.

The Board and/or BNRC may, at their sole discretion, determine any other eligibility criteria and/or waive any of the eligibility criteria set for the purposes of selecting an eligible employee at any time and from time to time.

(iv) Duration of the Axiata LTIP

The LTIP shall be in force for a period of ten (10) years commencing from the effective date. All unvested shares under the Axiata LTIP which are not vested (whether fully or partially) shall forthwith lapse upon the expiry of the Axiata LTIP on 28 September 2033.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

14. SHARE-BASED COMPENSATION PLANS (CONTINUED)

(b) Axiata Group Long Term Incentive Plan (“Axiata LTIP”) (continued)

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

	At 1 January	Granted	Adjusted	Vested	Lapsed/ Forfeited	At 31 December	RM ¹
Group and Company							
2025							
<u>Grant 2025(a):</u>							
- RSP	-	3,592,000	-	-	(188,300)	3,403,700	2.07
- PSP	-	6,607,800	-	-	(345,600)	6,262,200	2.07
<u>Grant 2025(b):</u>							
- RSP	-	308,000	-	-	-	308,000	2.65
- PSP	-	490,700	-	-	-	490,700	2.65
<u>Grant 2024:</u>							
- RSP	3,049,600	-	-	(1,016,700)	(523,600)	1,509,300	2.77
- PSP	5,443,500	-	-	-	(983,800)	4,459,700	2.77
<u>Grant 2023:</u>							
- RSP	1,771,100	-	-	(781,700)	(221,200)	768,200	2.46
- PSP	5,024,600	-	-	-	(263,600)	4,761,000	2.46
Total	15,288,800	10,998,500	-	(1,798,400)	(2,526,100)	21,962,800	
2024							
<u>Grant 2024:</u>							
- RSP	-	3,049,600	-	-	-	3,049,600	2.77
- PSP	-	5,443,500	-	-	-	5,443,500	2.77
<u>Grant 2023:</u>							
- RSP	2,804,900	-	-	(885,200)	(148,600)	1,771,100	2.46
- PSP	5,322,500	-	-	-	(297,900)	5,024,600	2.46
Total	8,127,400	8,493,100	-	(885,200)	(446,500)	15,288,800	

¹ Weighted average fair value at grant date.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

14. SHARE-BASED COMPENSATION PLANS (CONTINUED)

(b) Axiata Group Long Term Incentive Plan (“Axiata LTIP”) (continued)

The fair value of the Axiata LTIP shares granted were determined using the Monte Carlo valuation model. The significant inputs in the model are as follows:

Grant	Reference price	Grant date at valuation ¹	Vesting date	Closing share price at grant date ¹	Expected dividend yield ²	Risk free interest rates	Expected volatility ³
<u>Grant 2025(a):</u>							
- RSP	2.07	25 Apr 2025	28 Feb 2028	RM2.02	5.15%	3.20%	30.16%
- PSP	2.07	25 Apr 2025	28 Feb 2028	RM2.02	5.15%	3.20%	30.16%
<u>Grant 2025(b):</u>							
- RSP	2.65	18 Oct 2025	15 Aug 2028	RM2.61	3.98%	3.10%	30.90%
- PSP	2.65	18 Oct 2025	15 Aug 2028	RM2.61	3.98%	3.10%	30.90%
<u>Grant 2024:</u>							
- RSP	2.77	26 Apr 2024	28 Feb 2027	RM2.75	3.85%	3.53%	30.82%
- PSP	2.77	26 Apr 2024	28 Feb 2027	RM2.75	3.85%	3.51%	30.82%
<u>Grant 2023:</u>							
- RSP	2.46	5 Dec 2023	6 Oct 2026	RM2.42	3.73%	3.50%	32.43%
- PSP	2.46	5 Dec 2023	6 Oct 2026	RM2.42	3.73%	3.51%	32.43%

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

² Yield of Malaysian Government Securities.

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

The amounts recognised in the profit or loss of the Group and the Company as disclosed in Note 7(d) and Note 7(e) to the financial statements for all employees (including Directors) arising from the Axiata LTIP are summarised as follows.

	Group and Company	
	2025 RM'000	2024 RM'000
Equity-settled:		
Share-based compensation expense	15,275	14,209

(c) Long-Term Incentive Plan (“LTIP”) of EDOTCO Group Sdn Bhd (“EDOTCO”)

EDOTCO has developed and implemented a performance based LTIP for senior management of EDOTCO and its subsidiaries. Under the plan, eligible senior management are entitled to ordinary shares of EDOTCO for no cash consideration upon the occurrence of certain events during the vesting period, otherwise, the award will be settled in cash, based on an independent valuation except for grant issued in 2023. For the 2023 grant, in the event of certain event does not take place by the vesting date, only 80% will be settled in cash.

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

LTIP for senior management	Grant date	Number of shares granted ¹	Vesting date
Grant 2022	31 Mar 2022	488,400	31 Dec 2024
Grant 2023	17 Apr 2023	2,176,500	31 Dec 2025
Grant 2024	29 Apr 2024	2,269,000	31 Dec 2026
Grant 2025	30 April 2024	2,159,800	31 Dec 2027

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

14. SHARE-BASED COMPENSATION PLANS (CONTINUED)

(c) Long-Term Incentive Plan (“LTIP”) of EDOTCO Group Sdn Bhd (“EDOTCO”) (continued)

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

	At 1 January	Granted	Lapsed/ Forfeited	Paid	At 31 December
2025					
Grant 2022	284,700	-	-	(284,700)	-
Grant 2023	1,379,100	-	(1,379,100)	-	-
Grant 2024	1,937,500	-	(272,900)	-	1,664,600
Grant 2025	-	2,159,800	(153,100)	-	2,006,700
Total	3,601,300	2,159,800	(1,805,100)	(284,700)	3,671,300
2024					
Grant 2021	342,000	-	(65,900)	(276,100)	-
Grant 2022	352,600	-	(67,900)	-	284,700
Grant 2023	1,973,500	-	(594,400)	-	1,379,100
Grant 2024	-	2,269,000	(331,500)	-	1,937,500
Total	2,668,100	2,269,000	(1,059,700)	(276,100)	3,601,300

The share-based compensation expense recognised in the profit or loss as disclosed in Note 7(d) to the financial statements are summarised as follows:

	Group	
	2025 RM'000	2024 RM'000
Cash-settled:		
Share-based compensation expense	2,703	1,752

The share-based payment liabilities recognised within “Trade and other payables” in the statements of financial position of the Group for the financial year ended 31 December 2025 was RM8.8 million (2024: RM8.4 million).

(d) Special grant of EDOTCO

On 17 April 2023, EDOTCO granted a new plan that grants the shares of EDOTCO to eligible senior management and employees of EDOTCO Group. The grant would vest upon the occurrence of an event by 31 December 2025 (“Trigger Event”). 60% of the grant would be settled upon the achievement of the Trigger Event and the remaining 40% would be settled one (1) year from the date of the Trigger Event. In the event that the Trigger Event did not take place by 31 December 2025, the grant would not vest and would be subject to retesting of the performance of the eligible employees and EDOTCO Group throughout the duration of the Special Grant or other period as determined thereafter. As at 31 December 2025, the grant void following the non-occurrence of the Trigger Event.

The movement in the number of the special grant instruments granted, in which the employees of EDOTCO and its subsidiaries are entitled to are as follows:

	At 1 January	Granted	Lapsed/ Forfeited	Paid	At 31 December
2025	6,553,700	-	(6,553,700)	-	-
2024	8,688,700	-	(2,135,000)	-	6,553,700

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

14. SHARE-BASED COMPENSATION PLANS (CONTINUED)

(d) Special grant of EDOTCO (continued)

The share-based compensation expense recognised in the profit or loss as disclosed in Note 7(d) to the financial statements are summarised as follows:

	Group	
	2025 RM'000	2024 RM'000
Cash-settled:		
Share-based compensation expense	(13,452)*	5,146

* Being net reversal arising from the grant void during the financial year.

Total share-based payment liabilities recognised within "Trade and other payables" in the statements of financial position of the Group for the financial year ended 2024 was RM14.2 million.

(e) Long Term Incentive Plan of ADA Data AI Solutions Sdn Bhd [formerly known as Axiata Digital & Analytics Sdn Bhd] ("ADA")

The LTIP of ADA will take effect from 22 December 2023 and will be in force for up to ten (10) years and is eligible for employees under both permanent employment and employment contracts. Under the LTIP, share options are granted to employees with exercise price of RM40.16 per share. The vesting period of the options are over four (4) years in which 25% of the options granted will vest each year, with the first vesting date on 31 March 2023. The performance period under evaluation commences from 1 January 2023 and a 15% hurdle rate is imposed as the vesting condition, where vesting can only occur if the value per share of the Group increases by 15% or more each year.

The share-based compensation expense recognised in the profit or loss as disclosed in Note 7(d) to the financial statements are summarised as follows:

	Group	
	2025 RM'000	2024 RM'000
Cash-settled:		
Share-based compensation expense	(1,201)*	6,854

* Being net reversal arising from the remeasurement of the share-based payment liability.

Total share-based payment liabilities recognised within "Trade and other payables" in the statements of financial position of the Group for the financial year ended 31 December 2025 was RM7.7 million (2024: RM8.9 million).

(f) Long Term Incentive Plan of Boost Holding Sdn Bhd

The LTIP of Boost implemented on 15 December 2022 and will be in force for up to ten (10) years. The vesting of the share options granted is subject to the fulfilment of performance targets and the share options shall become exercisable only upon the occurrence of an event during the duration of the LTIP.

The total number of the LTIP granted and the vesting period is as follows:

	Grant date	Vesting date	Options over Boost's shares	
			Number of options granted	Exercise price RM
Grant, 2023	1 June 2023	(i)	6,014,000	8.13
Grant 2025, 1(a)	4 June 2025	(ii)	386,800	8.13
Grant 2025, 1(b)	1 Aug 2025	30 Mar 2026	242,250	8.13

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

14. SHARE-BASED COMPENSATION PLANS (CONTINUED)

(f) Long Term Incentive Plan of Boost Holding Sdn Bhd (continued)

The total number of the LTIP granted and the vesting period is as follows: (continued)

- (i) The vesting dates are on 30 June 2023, 30 March 2024, 30 March 2025 and 30 March 2026 respectively.
- (ii) The vesting dates are on 30 March 2025 and 30 March 2026 respectively.

The movement in the number of the grant instruments granted, in which the employees of Boost and its subsidiaries are entitled to are as follows:

	At 1 January	Granted	Lapsed/ Forfeited	Exercised	At 31 December	RM ¹
2025						
1 June 2023	6,014,000	-	(570,250)	-	5,443,750	1.73
4 June 2025	-	386,800	-	-	386,800	4.28
1 August 2025	-	242,250	-	-	242,250	2.44
Total	6,014,000	629,050	(570,250)	-	6,072,800	
2024						
1 June 2023	6,956,000	-	(942,000)	-	6,014,000	1.73
Total	6,956,000	-	(942,000)	-	6,014,000	

¹ Weighted average fair value at grant date.

The share-based compensation expense recognised in the profit or loss as disclosed in Note 7(d) to the financial statements are summarised as follows:

	Group	
	2025 RM'000	2024 RM'000
Equity-settled:		
Share-based compensation expense	11,154	-

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

15. RESERVES

	Note	Group		Company	
		2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Retained earnings		11,335,380	11,543,966	9,742,860	7,943,775
Currency translation differences arising from translation of subsidiaries and associates		(2,364,526)	(1,858,469)	-	-
Reserves:					
- Capital contribution	(a)	-	16,598	-	16,598
- Merger	(b)	-	346,774	-	-
- Hedging	(c)	(86,311)	(243,312)	8,052	8,572
- Cost of hedging	(d)	38,272	21,177	4,402	22,776
- Actuarial	(e)	6,603	34,498	-	-
- Share-based payment	(f)	43,942	26,963	34,919	26,614
- FVTOCI	(g)	(2,491,981)	(2,490,195)	-	-
- Put option	(h)	(66,338)	(137,542)	-	-
		(2,555,813)	(2,425,039)	47,373	74,560
Total		6,415,041	7,260,458	9,790,233	8,018,335

- (a) The Group's and the Company's capital contribution reserve related to the Employee Share Option Scheme of Telekom Malaysia Berhad, a former holding company, which was made available to the employees of the Group and the Company. During the financial year, the Group and the Company derecognised the reserve to retained earnings.
- (b) The Group's merger reserve related to the credit difference arising from the business combination accounted under the predecessor method of accounting upon completion of a Group's restructuring exercise on 25 April 2008. During the financial year, the Group derecognised the reserve upon XL Group ceasing to be part of the Group as disclosed in Note 5(a)(i) to the financial statements.
- (c) The Group's and the Company's hedging reserve mainly consists of cash flow hedge arising from effective hedges as disclosed in Note 18(d), (e) and (f) to the financial statements.
- (d) The Group's and the Company's cost of hedging reserve represents the change in the foreign currency basis spread of the Cross-Currency Interest Rate Swap ("CCIRS") and forward contract as disclosed in Note 18(d) and (f) to the financial statements.
- (e) The Group's actuarial reserve relates to actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions from post-employment benefit obligations.
- (f) The Group's and the Company's share-based payment reserve relates to share-based compensation plans of the Group and the Company, which were made available to the employees as disclosed in Note 14(a), (b) and (f) to the financial statements.
- (g) The Group's FVTOCI reserve is the cumulative fair value change of financial assets at FVTOCI since the inception of the assets being designated as FVTOCI.
- (h) The Group's put option reserve relates to the put option liabilities over shares held by NCI as disclosed in Note 18(b) and (c) to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

15. RESERVES (CONTINUED)

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

Group	Capital contribution RM'000	Merger RM'000	Hedging RM'000	Cost of hedging RM'000	Actuarial RM'000	Share-based payment RM'000	FVTOCI RM'000	Put option RM'000	Total RM'000
At 1 January 2025	16,598	346,774	(243,312)	21,177	34,498	26,963	(2,490,195)	(137,542)	(2,425,039)
Other comprehensive income/(expense):									
- Net cash flow hedge	-	-	157,001	-	-	-	-	-	157,001
- Net cost of hedging	-	-	-	17,095	-	-	-	-	17,095
- Actuarial losses (net of tax)	-	-	-	-	(453)	-	-	-	(453)
- Revaluation of financial assets at FVTOCI	-	-	-	-	-	-	(1,786)	-	(1,786)
- Reclassification upon disposal of subsidiaries	-	-	-	-	(26,417)	-	-	-	(26,417)
Total other comprehensive income/(expense) for the financial year	-	-	157,001	17,095	(26,870)	-	(1,786)	-	145,440
Transactions with owners:									
- Dilutions/Accretions of equity interests in subsidiaries	-	-	-	-	(1,025)	-	-	-	(1,025)
- Revaluation of put option over shares held by NCI	-	-	-	-	-	-	-	61,755	61,755
- Derecognition of put option over shares held by NCI	-	-	-	-	-	-	-	9,449	9,449
- Reclassification upon disposal of group of subsidiaries	-	(346,774)	-	-	-	-	-	-	(346,774)
- Transferred from capital contribution to retained earnings	(16,598)	-	-	-	-	-	-	-	(16,598)
- Share-based compensation expense	-	-	-	-	-	26,276	-	-	26,276
- Transferred from share-based payment reserve upon vesting/lapsed	-	-	-	-	-	(9,297)	-	-	(9,297)
Total transactions with owners	(16,598)	(346,774)	-	-	(1,025)	16,979	-	71,204	(276,214)
At 31 December 2025	-	-	(86,311)	38,272	6,603	43,942	(2,491,981)	(66,338)	(2,555,813)

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

15. RESERVES (CONTINUED)

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

Group	Capital contribution RM'000	Merger RM'000	Hedging RM'000	Cost of hedging RM'000	Actuarial RM'000	Share-based payment RM'000	FVTOCI RM'000	Put option RM'000	Total RM'000
At 1 January 2024	16,598	346,774	(258,880)	12,869	32,982	28,006	(2,392,838)	-	(2,214,489)
Other comprehensive income/(expense):									
- Net cash flow hedge	-	-	15,568	-	-	-	-	-	15,568
- Net cost of hedging	-	-	-	8,308	-	-	-	-	8,308
- Actuarial gains (net of tax)	-	-	-	-	1,992	-	-	-	1,992
- Revaluation of financial assets at FVTOCI	-	-	-	-	-	-	(97,065)	-	(97,065)
Total other comprehensive income/(expense) for the financial year	-	-	15,568	8,308	1,992	-	(97,065)	-	(71,197)
Transactions with owners:									
- Dilutions/Accretions of equity interest in subsidiaries	-	-	-	-	(336)	-	(292)	-	(628)
- Partial disposal of subsidiaries	-	-	-	-	(140)	-	-	-	(140)
- Revaluation of put option over shares held by NCI	-	-	-	-	-	-	-	(137,542)	(137,542)
- Share-based compensation expense	-	-	-	-	-	11,064	-	-	11,064
- Transferred from share-based payment reserve upon vesting	-	-	-	-	-	(12,107)	-	-	(12,107)
Total transactions with owners	-	-	-	-	(476)	(1,043)	(292)	(137,542)	(139,353)
At 31 December 2024	16,598	346,774	(243,312)	21,177	34,498	26,963	(2,490,195)	(137,542)	(2,425,039)

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

16. BORROWINGS

	Note	2025			2024				
		W.A.R.F. %	Non- current RM'000	Current RM'000	Total RM'000	W.A.R.F. %	Non- current RM'000	Current RM'000	Total RM'000
Group									
Overseas									
Secured:									
- Borrowings from financial institutions	(a)	6.66	1,732,909	63,555	1,796,464	7.18	1,986,234	80,358	2,066,592
- Bank overdrafts	(a)	11.77	-	39,489	39,489	17.04	-	16,207	16,207
Unsecured:									
- Borrowings from financial institutions	(h)	6.90	203,284	2,318,045	2,521,329	7.46	3,691,397	2,231,649	5,923,046
- Sukuk Ijarah	(b)(fi)	-	-	-	-	7.86	346,995	202,678	549,673
- Bonds	(c)	-	-	-	-	7.56	256,646	212,222	468,868
- Bank overdrafts		8.94	-	207,517	207,517	9.10	-	340,247	340,247
Total Overseas		6.92	1,936,193	2,628,606	4,564,799	7.49	6,281,272	3,083,361	9,364,633

W.A.R.F. (Weighted Average Rate of Finance) as at the reporting date represents the blended weighted cost of financing, calculated based on the effective interest rates applicable to conventional borrowings and the effective profit rates applicable to Islamic financing, weighted by their respective outstanding balances.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

16. BORROWINGS (CONTINUED)

	Note	2025			2024				
		W.A.R.F. %	Non- current RM'000	Current RM'000	Total RM'000	W.A.R.F. %	Non- current RM'000	Current RM'000	Total RM'000
Group									
Malaysia									
Secured:									
- Borrowings from financial institutions	(a)	5.56	288,551	1,688,827	1,977,378	6.75	2,614,669	18,639	2,633,308
Unsecured:									
- Notes	(d)	3.04	2,336,109	26,275	2,362,384	3.04	3,245,774	36,296	3,282,070
- Borrowings from financial institutions	(e)	4.53	520,751	227,291	748,042	5.43	599,383	1,383,550	1,982,933
- Sukuk	(b)(i),(iii)	3.50	3,320,209	2,079,646	5,399,855	3.49	5,767,144	160,897	5,928,041
Total Malaysia		3.86	6,465,620	4,022,039	10,487,659	4.28	12,226,970	1,599,382	13,826,352
Total		4.78	8,401,813	6,650,645	15,052,458	5.57	18,508,242	4,682,743	23,190,985
Company									
Unsecured:									
- Borrowings from financial institutions		4.48	520,751	2,061	522,812	5.51	574,488	1,120,965	1,695,453

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

16. BORROWINGS (CONTINUED)

(a) Secured by charges of shares, PPE and deposits with financial institutions of certain subsidiaries, as disclosed in Note 27(a) and Note 36 to the financial statements respectively. Included in secured overseas borrowings from financial institutions are current Islamic instruments totalling to RM24.1 million (2024: nil).

(b) Sukuk

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

(i) Multi-Currency Sukuk

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

On 24 March 2016, the Group issued USD0.5 billion Sukuk (“Sukuk 2026”) pursuant to the Sukuk Programme. Sukuk 2026, which was issued at par, carries a coupon rate of 4.357% p.a. (payable semi-annually in arrears) and has a tenure of ten (10) years from the date of issuance, maturing on 24 March 2026. Subsequently, Sukuk 2026 was listed and quoted on Bursa Securities (under the Exempt Regime) and on the Singapore Exchange Securities Trading Limited (“SGX-ST”).

On 19 August 2020, the Group issued USD0.5 billion Sukuk (“Sukuk 2030”) pursuant to the Sukuk Programme. Sukuk 2030, which was issued at par, carries a coupon rate of 2.163% p.a. (payable semi-annually in arrears) and has tenure of ten (10) years from the date of issuance, maturing on 19 August 2030. Subsequently, on 21 August 2020, Sukuk 2030 was listed but not quoted for trading, on Bursa Securities (under the Exempt Regime) and listed and quoted on the SGX-ST.

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

	Contractual profit rate ¹ %	Maturity date	Nominal value	
			2025 RM'million	2024 RM'million
Sukuk 2026	4.357	24 Mar 2026	2,023.5	2,236.0
Sukuk 2030	2.163	19 Aug 2030	2,023.5	2,236.0
			4,047.0	4,472.0

¹ Payable semi-annually

(ii) Sukuk Ijarah

On 28 April 2017, XL issued the Shelf Sukuk Ijarah I XL Axiata Tranche II Year 2017 (“Sukuk Ijarah I, Tranche II”) amounting to IDR2.2 trillion with maturity period between three hundred and seventy (370) days and ten (10) years. Sukuk Ijarah I, Tranche II was listed and quoted on IDX on 2 May 2017.

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

	Annual fixed Sukuk Ijarah return		Maturity date	Nominal value	
	IDR'million	RM'million		2025* RM'million	2024 RM'million
Series E	31,584	8.7	28 Apr 2027	-	93.1
				-	93.1

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

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

16. BORROWINGS (CONTINUED)

(b) Sukuk (continued)

(ii) Sukuk Ijarah (continued)

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

	Annual fixed Sukuk Ijarah return		Maturity date	Nominal value	
	IDR'million	RM'million		2025*	2024
				RM'million	RM'million
Series D	3,434	1.0	16 Oct 2025	-	9.4
Series E	6,180	1.7	16 Oct 2028	-	16.6
				-	26.0

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

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

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

	Annual fixed Sukuk Ijarah return		Maturity date	Nominal value	
	IDR'million	RM'million		2025*	2024
				RM'million	RM'million
Series D	1,455	0.4	8 Feb 2026	-	4.2
Series E	2,600	0.7	8 Feb 2029	-	7.2
				-	11.4

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

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

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

	Annual fixed Sukuk Ijarah return		Maturity date	Nominal value	
	IDR'million	RM'million		2025*	2024
				RM'million	RM'million
Series A	45,962	12.7	1 Sep 2025	-	188.6
Series B	31,176	8.6	1 Sep 2027	-	116.7
Series C	10,676	3.0	1 Sep 2029	-	37.4
Series D	21,669	6.0	1 Sep 2032	-	72.8
				-	415.5

Revenue sharing of Sukuk Ijarah III, Tranche I is paid on a quarterly basis with the first payment on 1 December 2022 and the last payment will be paid simultaneously with payment of principal of each series of the Sukuk Ijarah.

* XL ceased to be a subsidiary of the Group following the completion of the merger between XL and Smartfren as disclosed in Note 5(a)(i) to the financial statements. As a result, the Sukuk Ijarah has been deconsolidated by the Group during the financial year.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

16. BORROWINGS (CONTINUED)

(b) Sukuk (continued)

(iii) Sukuk Wakalah

On 23 August 2022, EDOTCO via its wholly owned subsidiary, edotco Malaysia established a Sukuk Wakalah Programme of up to RM3.0 billion in nominal value. On 9 September 2022, edotco Malaysia has successfully issued RM1.4 billion series of Sukuk at par with maturity period between three (3) and ten (10) years.

The details of the Sukuk Wakalah as at 31 December are as follows:

	Period distribution rate ¹	Maturity date	Nominal value	
			2025* RM'million	2024 RM'million
	%			
Tranche 1	3.93	9 Sep 2025	-	100.0
Tranche 2	4.27	9 Sep 2027	600.0	600.0
Tranche 3	4.44	7 Sep 2029	300.0	300.0
Tranche 4	4.54	9 Sep 2032	400.0	400.0
			1,300.0	1,400.0

¹ Payable semi-annually

(c) Bonds

On 8 October 2018, XL issued a series of bonds namely Shelf Bond I XL Axiata Tranche I Year 2018 ("Bond I, Tranche I") amounting to IDR1.0 trillion with maturity period between three hundred and twenty eight (328) days and ten (10) years. Bond I, Tranche I was listed and quoted on IDX on 17 October 2018.

	Annual fixed interest rate	Maturity date	Nominal value	
			2025* RM'million	2024 RM'million
	%			
Series D	10.10	16 Oct 2025	-	5.3
Series E	10.30	16 Oct 2028	-	19.9
			-	25.2

Interest payment of Bond I, Tranche I is paid on a quarterly basis with the first payment on 16 January 2019 and the last payment will be paid simultaneously with payment of principal of each series of the Bond.

On 8 February 2019, XL issued a series of bonds namely Shelf Bond I XL Axiata Tranche II Year 2019 ("Bond I, Tranche II") amounting to IDR634.0 billion with maturity period between three hundred and seventy (370) days and ten (10) years. Bond I, Tranche II was listed and quoted on IDX on 11 February 2019.

The details of Bond I, Tranche II are as follows:

	Annual fixed interest rate	Maturity date	Nominal value	
			2025* RM'million	2024 RM'million
	%			
Series D	10.00	8 Feb 2029	-	25.8
			-	25.8

Interest payment of Bond I, Tranche II is paid on a quarterly basis with the first payment on 8 May 2019 and the last payment will be paid simultaneously with payment of principal of each series of the Bond.

On 1 September 2022, XL issued a series of bonds namely Shelf Bond II XL Axiata Tranche I Year 2022 ("Bond II, Tranche I") amounting to IDR1.5 trillion with maturity period between three (3) and ten (10) years. Bond II, Tranche I was listed and quoted on IDX on 2 September 2022.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

16. BORROWINGS (CONTINUED)

(c) Bonds (continued)

The details of Bond II, Tranche I are as follows:

	Annual fixed interest rate	Maturity date	Nominal value	
	%		2025* RM'million	2024 RM'million
Series A	6.75	1 Sep 2025	-	203.7
Series B	7.40	1 Sep 2027	-	114.1
Series C	7.90	1 Sep 2029	-	49.3
Series D	8.25	1 Sep 2032	-	48.5
			-	415.6

Interest payment of Bond II, Tranche I is paid on a quarterly basis with the first payment on 1 December 2022 and the last payment will be paid simultaneously with payment of principal of each series of the Bond.

* XL ceased to be a subsidiary of the Company following the completion of the merger between XL and Smartfren as disclosed in Note 5(a)(i) to the financial statements. As a result, the Bonds have been deconsolidated during the financial year.

(d) Euro Medium Term Note ("EMTN")

The Company via its wholly owned subsidiary Axiata SPV5 (Labuan) Limited ("SPV5") established a Euro Medium Term Note Programme ("EMTN Programme") involving issuance of up to USD1.5 billion or its equivalent in other currencies.

On 19 August 2020, SPV5 issued USD1.0 billion EMTN at par and has a tenure of thirty (30) years from the date of issuance. On 21 August 2020, the EMTN was listed and quoted on the SGX-ST.

SPV5 has a call option to early redeem the EMTN at any time on or after 19 February 2050, being the date falling six (6) months prior to the maturity date, at the par value of the EMTN.

The details of the EMTN as at 31 December are as follows:

	Annual fixed interest rate ¹	Maturity date	Nominal value	
	%		2025 RM'million	2024 RM'million
EMTN	3.064	19 Aug 2050	2,342.6	3,255.1

¹ Payable semi-annually

Between 11 July 2025 and 8 August 2025, SPV5 has completed partial early redemption of its EMTN for a principal amount of RM631.3 million (USD149.1 million) out of the total outstanding RM3,255.1 million (USD727.9 million) for RM456.2 million (USD107.7 million) using available cash balances of the Company. Accordingly, the Group recognised a gain on early redemption of debt amounting to RM175.1 million during the financial year.

On 27 September 2024, SPV5 had completed partial early redemption of its EMTN for a principal amount of RM1,155.1 million (USD272.1 million) out of the total outstanding RM4,245.0 million (USD1.0 billion) for RM849.0 million (USD200.0 million) using available cash balances of the Company. Accordingly, the Group recognised a gain on early redemption of debt amounting to RM306.1 million in the previous financial year.

- (e) Included in Malaysia unsecured borrowings from financial institutions are non-current Islamic instruments totalling to RM520.7 million (2024: RM574.5 million) and current Islamic instruments totalling to RM2.0 million (2024: RM1.6 million).
- (f) Borrowings of the Group are subject to certain covenants. These covenants require that certain ratios (EBITDA, Debts to Equity, Debt Service Coverage Ratio, Debts to Asset and positive net worth) to be met, limitation to certain asset sales or transferred and maintaining majority ownership in certain subsidiaries held by the Group. The Group is in compliance with these covenants as at reporting date.
- (g) Total floating interest rate borrowings of the Group and the Company are RM4,930.5 million (2024: RM8,683.7 million) and RM526.1 (2024: RM1,699.4 million) respectively as at the reporting date.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

16. BORROWINGS (CONTINUED)

(h) The Company has provided financial guarantees to licensed financial institutions for a total outstanding principal borrowings of RM6,450.9 million (USD1,594.0 million) and RM964.0 million (IDR4.0 trillion) [2024: RM8,280.3 million (USD1,851.6 million)] offered by foreign financial institutions to certain subsidiaries as well as for the issuance of Multi-Currency Sukuk and EMTN as disclosed in Note 16(b) and (d) to the financial statements respectively.

(i) The movements in borrowings are as follows:

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
At 1 January	23,190,985	24,842,149	1,695,453	1,833,866
Proceeds from borrowings and Sukuk	4,574,136	4,098,565	270,000	597,521
Acquisition of a subsidiary	-	138,078	-	-
Disposal of group of subsidiaries	(3,806,392)	-	-	-
Repayments of borrowings and Sukuk	(6,676,454)	(4,546,318)	(1,330,625)	(732,050)
Gain on early redemption of debt	(175,129)	(306,101)	-	-
Bank overdrafts	(109,448)	(127,123)	-	-
Foreign exchange gains	(1,048,032)	(435,980)	(112,448)	(12,058)
Finance costs on borrowings and Sukuk	986,177	1,404,084	57,164	100,404
Payment of finance costs	(956,413)	(1,382,185)	(56,732)	(92,230)
Currency translation differences	(926,972)	(494,183)	-	-
At 31 December	15,052,458	23,190,985	522,812	1,695,453

(j) The carrying amount of borrowings of the Group at the reporting date approximated their fair values except as set out below:

	2025		2024	
	Carrying amount RM'000	Fair value RM'000	Carrying amount RM'000	Fair value RM'000
- Sukuk Ijarah ¹	-	-	549,673	559,445
- Bonds ¹	-	-	468,868	476,407
- EMTN ¹	2,362,384	1,679,927	3,282,070	2,129,280
- Multi-Currency Sukuk ¹	4,083,049	3,857,074	4,510,203	4,114,307
- Sukuk Wakalah ²	1,316,806	1,336,030	1,417,838	1,427,267

¹ Fair value is based on quoted prices in an active market and is within level 1 of the fair value hierarchy.

² Fair value is based on quoted prices in a market that is not active and is within level 2 of the fair value hierarchy.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

16. BORROWINGS (CONTINUED)

The currencies profile of borrowings of the Group and the Company are as follows:

	2025						
	Functional currency						
	RM RM'000	IDR RM'000	LKR RM'000	BDT RM'000	PHP RM'000	Others RM'000	Total RM'000
Group							
RM	1,542,037	-	-	-	-	-	1,542,037
USD	8,945,623	-	73,574	-	-	36,406	9,055,603
IDR	-	1,723,919	-	-	-	-	1,723,919
LKR	-	-	930,688	-	-	-	930,688
BDT	-	-	-	665	-	-	665
PKR	-	-	-	-	-	39,489	39,489
PHP	-	-	-	-	1,760,057	-	1,760,057
Total	10,487,660	1,723,919	1,004,262	665	1,760,057	75,895	15,052,458
Company							
USD	522,812	-	-	-	-	-	522,812
Total	522,812	-	-	-	-	-	522,812

The currencies profile of borrowings of the Group and the Company are as follows: (continued)

	2024						
	Functional currency						
	RM RM'000	IDR RM'000	LKR RM'000	BDT RM'000	PHP RM'000	Others RM'000	Total RM'000
Group							
RM	1,705,319	-	-	-	-	-	1,705,319
USD	12,121,032	-	484,690	44,416	-	27,231	12,677,369
IDR	-	5,312,452	-	-	-	-	5,312,452
LKR	-	-	1,136,336	-	-	-	1,136,336
BDT	-	-	-	331,583	-	-	331,583
PKR	-	-	-	-	-	43,480	43,480
PHP	-	-	-	-	1,984,446	-	1,984,446
Total	13,826,351	5,312,452	1,621,026	375,999	1,984,446	70,711	23,190,985
Company							
USD	1,695,453	-	-	-	-	-	1,695,453
Total	1,695,453	-	-	-	-	-	1,695,453

USD : United States Dollar
IDR : Indonesian Rupiah
LKR : Sri Lankan Rupee
BDT : Bangladeshi Taka
PKR : Pakistani Rupee
PHP : Philippine Peso

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

17. FINANCIAL INSTRUMENTS BY CATEGORIES

Group	2025				2024				
	Note	Financial assets classified as amortised cost RM'000	Assets at FVTPL RM'000	Assets at FVTOCI RM'000	Total RM'000	Financial assets classified as amortised cost RM'000	Assets at FVTPL RM'000	Assets at FVTOCI RM'000	Total RM'000
Financial assets									
Derivative financial instruments	18	-	16,412	-	16,412	-	131,360	-	131,360
Trade and other receivables		3,345,559	-	-	3,345,559	3,281,240	-	-	3,281,240
Financial assets at FVTPL		-	6,361	-	6,361	-	11,559	-	11,559
Financial assets at FVTOCI	32	-	-	12,487	12,487	-	-	25,854	25,854
Deposits, cash and bank balances	36	3,746,781	-	-	3,746,781	4,860,440	-	-	4,860,440
Total		7,092,340	22,773	12,487	7,127,600	8,141,680	142,919	25,854	8,310,453
Group	2025				2024				
	Note	Financial liabilities classified as amortised cost RM'000	Liabilities at FVTPL RM'000	Liabilities at FVTOCI RM'000	Total RM'000	Financial liabilities classified as amortised cost RM'000	Liabilities at FVTPL RM'000	Liabilities at FVTOCI RM'000	Total RM'000
Financial liabilities									
Borrowings	16	15,052,458	-	-	15,052,458	23,190,985	-	-	23,190,985
Derivative financial instruments	18	66,338	241,511	-	307,849	137,542	63,297	-	200,839
Trade and other payables		4,466,264	-	-	4,466,264	6,242,822	-	-	6,242,822
Total		19,585,060	241,511	241,511	19,826,571	29,571,349	63,297	-	29,634,646

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

17. FINANCIAL INSTRUMENTS BY CATEGORIES (CONTINUED)

	Note	2025	2024
		RM'000	RM'000
Company			
Financial assets			
<u>Financial assets classified as amortised cost</u>			
Amounts due from subsidiaries	34	438,750	278,033
Other receivables and deposits	35	18,970	3,775
Deposits, cash and bank balances	36	724,696	359,385
<u>Assets at FVTPL</u>			
Derivative financial instruments	18	2,333	46,335
Total		1,184,749	687,528
Financial liabilities			
<u>Financial liabilities classified as amortised cost</u>			
Accruals and other payables		39,370	103,775
Borrowings	16	522,812	1,695,453
Amounts due to subsidiaries	34	7,197,870	7,262,807
Financial guarantee contracts	20	70,872	78,323
<u>Liability at FVTPL</u>			
Derivative financial instruments	18	21,060	-
Total		7,851,984	9,140,358

18. DERIVATIVE FINANCIAL INSTRUMENTS

	Note	2025		2024	
		Assets RM'000	Liabilities RM'000	Assets RM'000	Liabilities RM'000
Group					
Non-current					
Non-hedging derivatives:					
- Call option over shares held by NCI	(a)	11,386	-	2,311	-
- Put options over shares held by NCI	(b),(c)	-	(66,338)	-	(137,542)
Derivatives designated as hedging instrument:					
- Interest rate swap ("IRS")	(e)	-	(2,175)	2,218	(2,018)
- CCIRS	(d)	-	(147,075)	103,750	-
- Foreign exchange forward ("FX Forward")	(f)	-	-	-	(930)
Total non-current		11,386	(215,588)	108,279	(140,490)
Current					
Derivatives designated as hedging instrument:					
- IRS	(e)	664	(2,104)	4,846	(1,105)
- CCIRS	(d)	2,333	(86,843)	12,889	(55,879)
- FX Forward	(f)	2,029	(3,314)	5,346	(3,365)
Total current		5,026	(92,261)	23,081	(60,349)
Total		16,412	(307,849)	131,360	(200,839)

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

18. DERIVATIVE FINANCIAL INSTRUMENTS (CONTINUED)

	Note	2025		2024
		Assets RM'000	Liabilities RM'000	Assets RM'000
Company				
Non-current				
Derivatives designated as hedging instrument:				
- CCIRS	(d)	-	(21,060)	26,691
Total non-current		-	(21,060)	26,691
Current				
Derivatives designated as hedging instrument:				
- IRS	(e)	-	-	1,408
- CCIRS	(d)	2,333	-	12,890
- FX Forward	(f)	-	-	5,346
Total current		2,333	-	19,644
Total		2,333	(21,060)	46,335

Non-hedging derivatives

(a) Call option over shares held by NCI

- (i) On 21 April 2021, BHSB has been granted with a call option to purchase the shares in CMA owned by PT Monetrans Mitra Indonesia at a price equal to 90% of the exit price to increase its shareholding up to 85.00% of the issued and paid-up shares of CMA.

The fair value of the call option is estimated using the Black-Scholes valuation model, taking into account the terms and conditions upon which the call option was granted.

The fair value of the call option as at 31 December 2025 is RM2.3 million (2024: RM2.3 million).

- (ii) On 23 June 2025, Axiata Digital Capital Sdn Bhd entered into an Option Agreement with PT Monetrans Mitra Indonesia. Under this agreement, the BHSB Group was granted with a call option to acquire 2,557 ordinary shares representing approximately 14.43% equity interest in CMA.

The fair value of the call option is estimated using the Binomial Option Pricing Model, taking into account the terms and conditions upon which the call option was granted.

The fair value of the call option as at 31 December 2025 is RM9.1 million.

(b) Put option over shares held by NCI in Dialog

In conjunction with the acquisition of Airtel Lanka as disclosed in Note 5(b)(i) to the financial statements, the Group granted Bharti Airtel a put option which requires the Group to purchase up to 952,694,689 ordinary shares of Dialog held by Bharti Airtel. The put option is exercisable at the end of the thirty-sixth (36th) month until the end of the seventy-second (72nd) month from the date of acquisition of Airtel Lanka.

The exercise price of the put option liability is based on the lower of:

- the prevailing 30-day volume-weighted average price as of the date of the put option exercise notice; and
- applicable put option cap price.

The present value of the put option liability is estimated by using the Monte Carlo simulation model incorporating Geometric Brownian Motion in performing the valuation, taking into account the terms and conditions upon which the put option was granted.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

18. DERIVATIVE FINANCIAL INSTRUMENTS (CONTINUED)

(c) Put option over shares held by NCI in Linknet

On 29 May 2024, the Group granted PT Sucorinvest Asset Management a put option which requires the Group to purchase the entire 28,631,954 ordinary shares of Linknet, exercisable between nine (9) and twelve (12) months from 31 May 2024 (“Exercise Period”) with an option to extend for another twelve (12) months (“Extended Exercise Period”).

The exercise price of the put option liability is based on:

- IDR1,088 per ordinary share of Linknet during Exercise Period; or
- IDR1,251 per ordinary share of Linknet during the Extended Exercise Period.

The present value of the put option liability is estimated by using the Binomial Option Pricing simulation model in performing the valuation, taking into account the terms and conditions upon which the put option was granted.

The put option was not exercised during the Exercise Period and was not extended into the Extended Exercise Period. Accordingly, the put option expired on 31 May 2025 and the associated put option liability was derecognised.

Derivatives designated as hedging instrument

(d) Cash flow hedge – CCIRS

The Group and the Company entered into CCIRS that have similar critical terms as the hedged item, such as reference rate, reset dates, payment dates, maturities and notional amount. The Group and the Company does not hedge 100% of its borrowings, therefore the hedged item is identified as a proportion of the outstanding borrowings up to the notional amount of the swaps. As all critical terms matched, there is an economic relationship.

The underlying debt instrument for the CCIRS is the Group’s Multi-Currency Sukuk and the Company’s borrowings from financial institutions as disclosed in Note 16 to the financial statements. The hedging instrument is designed to hedge against foreign currency and interest rate risks.

The CCIRS is designated as cash flow hedge to hedge the currency and interest rate risks of borrowings denominated in USD. The hedge has been fully effective from inception and during the financial year.

The fair value changes of the derivatives of the Group and the Company are attributable to future exchange rates and interest rate movements.

During the financial year, the Group recognised a net gain of RM190.9 million (2024: net gain of RM13.4 million) in OCI, which consist of a gain of RM158.8 million (2024: RM16.3 million) from the cash flow hedge reserve and a gain of RM32.1 million (2024: loss of RM2.9 million) from the cost of hedging reserve. The movement in hedging reserve comprise of a loss of RM287.7 million (2024: RM82.3 million) on fair value changes of effective portion on the CCIRS, reclassification of fair value loss of RM478.6 million (2024: RM95.7 million) on the CCIRS from OCI to the profit or loss – “net foreign exchange gains on borrowings and a loss of RM2.4 million (2024: nil) reclassified from the OCI to the profit or loss on derecognition of CCIRS.

During the financial year, the Company recognised a net loss of RM4.0 million (2024: net gain of RM16.5 million) in OCI, which consist of a gain of RM0.3 million (2024: RM8.7 million) from the cash flow hedge reserve and a loss of RM4.3 million (2024: gain of RM7.8 million) from the cost of hedging reserve. The movement in hedging reserve comprise of a loss of RM57.7 million (2024: gain of RM38.8 million) on fair value changes of effective portion on the CCIRS, reclassification of fair value loss of RM53.7 million (2024: gain of RM22.3 million) on the CCIRS from OCI to the profit or loss net foreign exchange gains on borrowings and a loss of RM2.4 million (2024: nil) reclassified from the OCI to the profit or loss on derecognition of CCIRS.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

18. DERIVATIVE FINANCIAL INSTRUMENTS (CONTINUED)

Derivatives designated as hedging instrument (continued)

(d) Cash flow hedge – CCIRS (continued)

Information relating to the CCIRS of a subsidiary of the Group as at 31 December is as follows:

Counterparties	Notional amount USD'million	Exchange rate	Notional amount RM'million	Notional carrying amount		Period	Semi-annually fixed interest rate paid on RM notional %	Semi-annually fixed interest rate received on USD notional %	Fair value (liabilities)/assets	
				2025 RM'million	2024 RM'million				2025 RM'000	2024 RM'000
<u>Sukuk maturing on 24 March 2026</u>										
CIMB Bank Berhad	130.0	4.193	545.1	526.1	581.4	20 Dec 2016- 24 Mar 2026	6.656	4.357	(24,260)	11,805
	50.0	4.070	203.5	202.3	223.6	25 Mar 2019- 24 Mar 2026	5.600	4.357	(1,947)	14,284
	46.0	4.080	187.7	186.2	205.7	25 Mar 2019- 24 Mar 2026	5.480	4.357	(2,149)	12,991
HSBC Bank Malaysia Berhad	20.0	4.160	83.2	81.0	89.4	28 Oct 2016- 24 Mar 2026	6.730	4.357	(3,078)	2,436
	50.0	4.060	203.0	202.3	223.6	25 Mar 2019- 24 Mar 2026	5.470	4.357	(1,327)	15,134
MUFG Bank (Malaysia) Berhad	154.0	4.160	640.7	623.3	688.7	27 Dec 2016- 24 Mar 2026	6.641	4.357	(23,530)	19,476
	50.0	4.060	203.0	202.3	223.6	25 Mar 2019- 24 Mar 2026	5.470	4.357	(1,327)	15,134
	500.0		2,066.2	2023.5	2,236.0				(57,618)	91,260

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

18. DERIVATIVE FINANCIAL INSTRUMENTS (CONTINUED)

Derivatives designated as hedging instrument (continued)

(d) Cash flow hedge – CCIRS (continued)

Information relating to the CCIRS of a subsidiary of the Group as at 31 December is as follows: (continued)

Counterparties	Notional amount USD'million	Exchange rate	Notional carrying amount		Period	Semi-annually fixed interest rate paid on RM notional %	Semi-annually fixed interest rate received on USD notional %	Fair value (liabilities)/assets	
			2025 RM'million	2024 RM'million				2025 RM'000	2024 RM'000
Sukuk maturing on 19 August 2030									
CIMB Bank Berhad	50.0	4.045	202.3	223.6	19 Feb 2021- 19 Aug 2030	3.350	2.163	(11,112)	(2,134)
	50.0	4.071	203.5	223.6	19 Feb 2021- 19 Aug 2030	3.580	2.163	(14,560)	(6,002)
	70.0	4.118	288.3	313.0	19 Feb 2021- 19 Aug 2030	3.700	2.163	(25,367)	(13,735)
MUFG Bank (Malaysia) Berhad	30.0	4.044	121.3	134.2	19 Feb 2021- 19 Aug 2030	3.330	2.163	(6,525)	(1,117)
	50.0	4.070	203.5	223.6	19 Feb 2021- 19 Aug 2030	3.580	2.163	(14,508)	(5,951)
Standard Chartered Bank Malaysia Berhad	50.0	4.055	202.8	223.6	19 Feb 2021- 19 Aug 2030	3.470	2.163	(12,739)	(3,978)
Malayan Banking Berhad	200.0	4.108	821.6	894.4	19 Feb 2021- 19 Aug 2030	3.700	2.163	(70,429)	(37,164)
	500.0		2,043.3	2,023.5				(155,240)	(70,081)

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

18. DERIVATIVE FINANCIAL INSTRUMENTS (CONTINUED)

Derivatives designated as hedging instrument (continued)

(d) Cash flow hedge – CCIRS (continued)

Information relating to the CCIRS of the Company as at 31 December is as follows:

Counterparties	Notional amount USD'million	Exchange rate	Notional amount RM'million	Notional carrying amount		Period	Quarterly fixed interest rate paid on RM notional %		Quarterly float interest rate received on USD notional %	Fair value (liabilities)/assets	
				2025	2024		RM'million	RM'million		2025	2024
Borrowings from financial institutions											
CIMB Bank Berhad	90.0	4.464	401.8	-	402.5	8 Aug 2024-17 Jun 2025	2.170	3M SOFR daily compounded + 0.65%		-	4,298
Standard Chartered Bank Malaysia Berhad	50.0	4.250	212.5	202.4	223.6	18 Sep 2024-18 Sep 2029	3.480	3M Term SOFR + 0.75%		(5,266)	15,705
CIMB Bank Berhad	20.0	4.250	85.0	80.9	89.4	18 Sep 2024-18 Sep 2029	3.480	3M Term SOFR + 0.75%		(2,106)	6,282
CIMB Bank Berhad	30.0	4.302	129.1	121.4	134.2	16 Oct 2024-18 Sep 2029	3.690	3M Term SOFR + 0.75%		(5,677)	6,648
Standard Chartered Bank Malaysia Berhad	30.0	4.302	129.1	121.4	134.2	16 Oct 2024-18 Sep 2029	3.690	3M Term SOFR + 0.75%		(5,677)	6,648
	220.0		957.5	526.1	983.9					(18,726)	39,581

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

18. DERIVATIVE FINANCIAL INSTRUMENTS (CONTINUED)

Derivatives designated as hedging instrument (continued)

- (e) Cash flow hedge – IRS

The underlying debt instrument for the IRS is the Group's and the Company's borrowings from financial institutions as disclosed in Note 16 to the financial statements. The hedging instrument is designed to hedge against interest rate risks.

Information relating to the IRS of certain subsidiaries of the Group of as at 31 December is as follows:

Counterparties	Notional amount USD'million	Period	Payment frequency	Floating/Fixed interest rate paid		Floating interest rate received		Fair value assets/(liabilities)	
				rate paid %	rate paid %	rate received %	rate received %	2025 RM'000	2024 RM'000
Borrowings from financial institutions									
MUFG Bank (Malaysia) Berhad	50.0	13 Sep 2024- 4 Jun 2026	Quarterly	3.545		3M Term SOFR		196	1,858
RHB Bank Berhad	50.0	6 Jun 2024- 4 Jun 2026	Quarterly	4.655		3M Term SOFR		(741)	(1,600)
CIMB Bank Berhad	50.0	6 Jun 2024- 4 Jun 2028	Quarterly	4.285		3M Term SOFR		(3,418)	(1,523)
CIMB Bank Berhad	45.8	13 Sep 2024- 4 Jun 2028	Quarterly	3.271		3M Term SOFR		348	3,798
	195.8							(3,615)	2,533

Information relating to the IRS of the Company as at 31 December is as follows:

Counterparties	Notional amount USD'million	Period	Payment frequency	Floating/Fixed interest rate paid		Floating interest rate received		Fair value assets	
				rate paid %	rate paid %	rate received %	rate received %	2025 RM'000	2024 RM'000
Borrowings from financial institutions									
United Overseas Bank (Malaysia) Berhad	80.0	19 Sep 2022- 17 Jun 2025	Quarterly	4.120		3M SOFR daily		-	1,408

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

18. DERIVATIVE FINANCIAL INSTRUMENTS (CONTINUED)

Derivatives designated as hedging instrument (continued)

(f) Cash flow hedge – FX Forward

The underlying debt instrument for the FX Forward is the Group and the Company's borrowings from financial institutions as disclosed in Note 16 to the financial statements. The hedging instrument is designed to hedge against foreign currency risks.

Information relating to the FX Forward of a subsidiary of the Group as at 31 December is as follows:

Counterparties	Notional amount USD'million	Exchange rate	Notional amount RM'million	Notional carrying amount		Period	Fair value liabilities	
				2025 RM'million	2024 RM'million		2025 RM'000	2024 RM'000
<u>Borrowings from financial institutions</u>								
MUFG Bank (Malaysia) Berhad	30.0	4.581	137.6	121.6	134.3	17 May 2024- 6 Apr 2026	(3,314)	(4,228)

Information relating to the FX Forward of the Company as at 31 December is as follows:

Counterparties	Notional amount USD'million	Exchange rate	Notional amount RM'million	Notional carrying amount		Period	Fair value assets	
				2025 RM'million	2024 RM'million		2025 RM'000	2024 RM'000
<u>Borrowings from financial institutions</u>								
United Overseas Bank (Malaysia) Berhad	80.0	4.378	350.2	-	357.8	24 Nov 2022- 17 Jun 2025	-	5,346

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025**19. DEFERRED INCOME**

	Group	
	2025 RM'000	2024 RM'000
At 1 January	18,522	22,373
Received	4,087	1,432
Released to profit or loss	(8,648)	(5,470)
Currency translation differences	(1,740)	187
At 31 December	12,221	18,522
Current	4,610	5,443
Non-current	7,611	13,079
	12,221	18,522

Deferred income of the Group mainly relates to the government grants received/receivable by subsidiaries for the purchase of certain qualifying assets.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

20. TRADE AND OTHER PAYABLES

	Note	2025				2024	
		Non-current RM'000	Current RM'000	Total RM'000	Non-current RM'000	Current RM'000	Total RM'000
Group							
Trade payables		2,720	1,128,204	1,130,924	3,023	2,567,588	2,570,611
Customer deposits		3,952	1,021,473	1,025,425	-	1,041,898	1,041,898
Business licence payable	(c)	547,205	176,461	723,666	609,663	281,413	891,076
Payroll liabilities		19,422	298,944	318,366	32,121	354,632	386,753
Accruals		-	1,721,022	1,721,022	-	2,573,978	2,573,978
Other payables	(c),(d)	190,073	702,897	892,970	214,492	230,408	444,900
USP payables		-	106,119	106,119	-	197,507	197,507
Defined benefit plans	(a)	71,775	1,591	73,366	146,017	6,448	152,465
Contract liabilities	(b)	82,585	350,233	432,818	92,311	1,171,127	1,263,438
Taxes		-	309,847	309,847	-	429,238	429,238
Deferred revenue		-	88,738	88,738	-	125,649	125,649
Liabilities under supplier finance arrangements	24	-	-	-	100,405	-	100,405
Total		917,732	5,905,529	6,823,261	1,198,032	8,979,886	10,177,918
Company							
Payroll liabilities		-	33,910	33,910	-	31,600	31,600
Accruals		-	25,142	25,142	-	87,287	87,287
Other payables		-	14,228	14,228	-	16,488	16,488
Financial guarantee contracts	(e)	22,772	48,100	70,872	73,252	5,071	78,323
Taxes		-	17,278	17,278	-	19,674	19,674
Total		22,772	138,658	161,430	73,252	160,120	233,372

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

20. TRADE AND OTHER PAYABLES (CONTINUED)

- (a) The Group's defined benefit plans are mainly from Sri Lanka and Bangladesh under the digital telco segment, Linknet under the infrastructure segment and others. Movements in the present value of defined benefit obligations of the defined benefit plans are as follows:

	Group	
	2025 RM'000	2024 RM'000
At 1 January	152,465	157,997
Acquisition of a subsidiary	-	1,975
Disposal of group of subsidiaries	(76,394)	-
Charge/(Credit) to profit or loss:		
- current services	20,553	26,969
- interest costs	3,960	9,943
- past service costs	-	(860)
	24,513	36,052
Benefit paid	(10,857)	(30,997)
Settlement loss	(2,166)	(2,557)
Credit to OCI:		
- actuarial losses	3,738	1,177
Currency translation differences	(17,933)	(11,182)
At 31 December	73,366	152,465

Present value of the defined benefit obligations is calculated annually by independent actuaries using the projected unit credit method. The principal actuarial valuation assumptions used are as follows:

	Group			
	2025		2024	
	Discount rate (p.a.)	Salary increment rate (p.a.)	Discount rate (p.a.)	Salary increment rate (p.a.)
Digital telco:				
- Sri Lanka	9.8% - 11.2%	8.0% - 10.0%	10.0% - 12.0%	8.0% - 10.0%
- Bangladesh	10.9%	7.0%	13.0%	8.0%
Infrastructure - Linknet	4.9% - 6.5%	5.5%	6.9% - 7.1%	3.0% - 5.0%
Others	1.7% - 10.9%	5.0% - 10.0%	2.2% - 12.0%	5.0% - 12.0%

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025**20. TRADE AND OTHER PAYABLES (CONTINUED)**

(b) The movements of contract liabilities are as follows:

	Group	
	2025 RM'000	2024 RM'000
At 1 January	1,263,438	1,212,777
Revenue recognised that was included in the contract liability balances at the beginning of the financial year	(1,163,700)	(1,125,795)
Increases due to cash received, excluding amounts recognised as revenue during the financial year	902,135	1,170,183
Disposal of group of subsidiaries	(554,738)	-
Currency translation differences	(14,317)	6,273
At 31 December	432,818	1,263,438

- (c) Non-current business licence payables and other payables are classified as non-current based on payment schedule as per contractual terms.
- (d) Includes RM140.8 million payable to strategic partners at an associate pursuant to an investment carve-out completed by the associate on 4 December 2025.
- (e) Financial guarantee contracts

The Company provides financial guarantees to licensed banks as disclosed in Note 16(h) to the financial statements. The Company monitors the ability of the subsidiaries to service their borrowings on an individual basis annually.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

21. PROVISION FOR ASSET RETIREMENT

	Note	Group		Company	
		2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
At 1 January		618,301	751,400	1,132	135
Acquisition of a subsidiary		-	11,649	-	-
Disposal of group of subsidiaries		(353,034)	-	-	-
Additions ¹		3,890	(232,995)	-	962
Utilised during the financial year		(7,712)	(10,862)	-	-
Accretion of interest		12,929	37,765	39	35
Reclassified from liabilities classified as held for sale	38	-	93,130	-	-
Currency translation differences		(41,219)	(31,786)	-	-
At 31 December		233,155	618,301	1,171	1,132

¹ In the previous financial year, the Group reversed RM252.0 million in additions of provision for asset retirement following the change in pricing estimates, discounting rates and revision of useful lives performed by certain subsidiaries of the Group.

The provision for asset retirement of the Group relates to the provision for dismantling costs of telecommunication network equipment and buildings including leased assets.

The provision for asset retirement of the Company relates to provision for dismantling costs of leased buildings.

22. DEFERRED TAXATION

Deferred tax assets and liabilities of the Group are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred taxes relate to the same tax authority. The following amounts, determined after appropriate offsetting, are shown in the statements of financial position:

	Group	
	2025 RM'000	2024 RM'000
Deferred tax assets:		
- To be recovered within twelve (12) months	40,499	49,878
- To be recovered after more than twelve (12) months	111,054	137,542
Deferred tax assets	151,553	187,420
Deferred tax liabilities:		
- To be recovered within twelve (12) months	336,274	460,876
- To be recovered after more than twelve (12) months	110,507	342,184
Deferred tax liabilities	446,781	803,060
Net deferred tax liabilities	295,228	615,640

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

22. DEFERRED TAXATION (CONTINUED)

The movements in net deferred tax liabilities are as follows:

	Note	Group	
		2025 RM'000	2024 RM'000
At 1 January		615,640	504,128
Disposal of group of subsidiaries		(174,461)	-
(Credit)/Charge to profit or loss:			
- PPE and IA		(50,499)	122,396
- Tax losses		13,031	14,391
- ROU assets		94,940	(73,437)
- Lease liabilities		2,254	146,840
- Provision and others		(159,302)	(46,234)
		(99,576)	163,956
Credit to OCI:			
- actuarial losses		(2,546)	(3,880)
Currency translation differences		(43,829)	(49,551)
Reclassified from:			
- assets classified as held for sale	38	-	(44,437)
- liabilities classified as held for sale	38	-	45,424
At 31 December		295,228	615,640

Breakdown of cumulative balances by each type of temporary differences are as follows:

	Group	
	2025 RM'000	2024 RM'000
Deferred tax assets:		
- PPE and IA	19,716	14,136
- Tax losses	45,696	27,292
- Lease liabilities	223,180	2,094,231
- Provision and others	252,667	350,365
	541,259	2,486,024
Offsetting	(389,706)	(2,298,604)
Total	151,553	187,420
Deferred tax liabilities:		
- PPE and IA	550,215	1,081,785
- ROU assets	283,172	1,939,448
- Others	3,100	80,431
	836,487	3,101,664
Offsetting	(389,706)	(2,298,604)
Total	446,781	803,060

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

22. DEFERRED TAXATION (CONTINUED)

The amounts of deductible temporary differences and unutilised tax losses for which no deferred tax asset is recognised in the statements of financial position are as follows:

	Group		Company	
	2025 RM'000	2024 RM'000 Restated ¹	2025 RM'000	2024 RM'000 Restated ¹
Unutilised tax losses	2,858,308	2,558,583	688,933	618,376
Deductible temporary differences ²	777,942	798,526	95,423	90,266
	3,636,250	3,357,109	784,356	708,642

¹ Restated to be consistent with actual tax submission.

² The unabsorbed capital allowances do not expire under current tax legislation.

The unutilised tax losses for which no deferred tax asset is recognised in the statements of financial positions, available for set off against future taxable profit with a time limit of utilisation are as follows:

	Group		Company	
	2025 RM'000	2024 RM'000 Restated ¹	2025 RM'000	2024 RM'000 Restated ¹
Expiring in the financial year ending:				
- 2025	424	144,834	-	-
- 2026	54,595	54,399	-	-
- 2027	48,483	91,147	-	-
- 2028	624,285	648,877	162,690	162,690
- 2029	775,630	380,357	108,991	108,991
- 2030	307,420	312,267	99,507	99,507
- 2031	261,563	250,825	103,761	103,761
- 2032	245,442	273,098	73,377	73,377
- 2033	188,465	207,135	24,602	24,602
- 2034	180,056	195,506	45,448	45,448
- 2035	171,839	-	70,557	-
- No expiry date	106	138	-	-
Total	2,858,308	2,558,583	688,933	618,376

¹ Restated to be consistent with actual tax submission.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

23. LEASE LIABILITIES

The movements in lease liabilities are as follows:

	Note	Group		Company	
		2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
At 1 January		11,034,987	12,102,008	11,390	-
Additions		634,830	1,076,994	-	13,319
Acquisition of a subsidiary		-	52,722	-	-
Disposal of group of subsidiaries		(8,359,532)	-	-	-
Interest expense		343,215	795,349	521	585
Repayment of:					
- principal		(747,062)	(1,710,440)	(2,145)	(1,929)
- interest		(551,765)	(729,502)	(521)	(585)
Remeasurement		45,771	170,724	-	-
Modification		28,373	83,581	-	-
Termination		(3,918)	(6,640)	(1)	-
Reclassified from liabilities					
classified as held for sale	38	-	45,658	-	-
Currency translation differences		(622,794)	(845,467)	-	-
At 31 December		1,802,105	11,034,987	9,244	11,390
Non-current		1,471,579	9,201,817	7,181	9,426
Current		330,526	1,833,170	2,063	1,964
		1,802,105	11,034,987	9,244	11,390

The Group leases sites for installation of telecommunication structures, retail outlets, land and office buildings. Remaining rental contracts duration is between one (1) to thirty-six (36) years (2024: one (1) to thirty-seven (37) years) including extension options. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions.

Extension and termination options are included, to provide the Group with greater flexibility to align its need for access to assets with the fulfilment of customer contracts.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

24. LIABILITIES UNDER SUPPLIER FINANCE ARRANGEMENTS

The Group has participated in supplier finance arrangements with certain bank institutions, in which the bank will pay the amounts that the Group owes to suppliers and the Group agrees to pay according to the terms and conditions of the arrangements with the bank institutions which allow the Group to extend the credit term of seven hundred and twenty (720) days after the purchase order date from credit term with suppliers of one hundred and eighty (180) days after invoice date. These supplier finance arrangements provide the Group with extended payment terms and the suppliers with early payment terms as compared to the related invoice payment due date.

The movements in liabilities under supplier finance arrangements are as follows:

	Note	Group	
		2025 RM'000	2024 RM'000
At 1 January		100,405	-
Origination of liabilities		202,738	97,486
Finance costs	10	12,182	2,919
Currency translation differences		(9,542)	-
At 31 December		305,783	100,405
Current		147,122	-
Non-current		158,661	100,405
		305,783	100,405

The liabilities under supplier finance arrangements as at 31 December 2024 was presented in trade and other payables as disclosed in Note 20 to the financial statements.

25. INTANGIBLE ASSETS

	Note	Group			Total RM'000
		Goodwill RM'000	Licences RM'000	Others ¹ RM'000	
Net book value					
At 1 January 2025		6,815,476	3,263,717	1,497,035	11,576,228
Acquisition of subsidiaries		7,885	-	4,383	12,268
Disposal of group of subsidiaries		(3,725,221)	(1,502,893)	(366,148)	(5,594,262)
Additions		-	232,803	185,610	418,413
Amortisation		-	(354,679)	(252,572)	(607,251)
Disposals		-	-	(136)	(136)
Write-off		-	(3,652)	(18)	(3,670)
Impairment ²	7(a)	(543,049)	-	(3,759)	(546,808)
Reclassified from PPE ³	27	-	-	47,606	47,606
Currency translation differences		(275,160)	(244,822)	(72,990)	(592,972)
At 31 December 2025		2,279,931	1,390,474	1,039,011	4,709,416
Cost		2,801,612	3,831,770	2,337,571	8,970,953
Accumulated amortisation		-	(2,441,296)	(1,290,287)	(3,731,583)
Accumulated impairment losses		(521,681)	-	(8,273)	(529,954)
At 31 December 2025		2,279,931	1,390,474	1,039,011	4,709,416

¹ Others mainly relate to customer contracts and related customer relationships, other licences, software and brands.

² The Group recognised a goodwill impairment related to the infrastructure - Linknet CGU as disclosed in Note 39(f) to the financial statements.

³ Mainly relates to the reclassification of rights on fibre wavelength and infeasible rights of use capacity of the related projects from capital work-in-progress in PPE to intangible assets.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

25. INTANGIBLE ASSETS (CONTINUED)

	Note	Group			Total RM'000
		Goodwill RM'000	Licences RM'000	Others ¹ RM'000	
Net book value					
At 1 January 2024		6,826,346	3,885,671	1,525,528	12,237,545
Acquisition of subsidiaries		233,783	39,367	-	273,150
Additions		-	21,597	381,111	402,708
Amortisation		-	(373,195)	(440,275)	(813,470)
Disposals		-	-	(243)	(243)
Write-off		-	-	(1)	(1)
Impairment	7(a)	-	-	(150)	(150)
Reclassified to assets classified as held for sale	38	-	-	59,346	59,346
Currency translation differences		(244,653)	(309,723)	(28,281)	(582,657)
At 31 December 2024		6,815,476	3,263,717	1,497,035	11,576,228
Cost		8,461,830	5,973,420	3,784,621	18,219,871
Accumulated amortisation		-	(2,709,703)	(2,045,486)	(4,755,189)
Accumulated impairment losses		(1,646,354)	-	(242,100)	(1,888,454)
At 31 December 2024		6,815,476	3,263,717	1,497,035	11,576,228

The remaining amortisation period of acquired telecommunication licences with allocated spectrum rights which are individually material range from three (3) years to eighteen (18) years (2024: three (3) years to nineteen (19) years).

The goodwill of the Group based on segments is as follows:

	2025 RM'000	2024 RM'000
Digital telco:		
- Indonesia*	-	3,831,156
- Sri Lanka	269,617	296,383
- Cambodia	203,355	224,710
Infrastructure - Linknet	390,331	1,032,141
Infrastructure - EDOTCO	1,244,152	1,247,851
Others	172,476	183,235
	2,279,931	6,815,476

* On 27 September 2024, digital telco Indonesia segment acquired the business-to-consumer segment which served residential customers from Infrastructure - Linknet segment ("Business Transfer"). Accordingly, the Group had recorded the following:

- (1) A total goodwill of RM177.1 million (IDR651.1 billion) of Infrastructure - Linknet segment was transferred to digital telco Indonesia segment.
- (2) An increase of RM6.9 million and RM73.1 million in consolidated currency translation differences reserve and non-controlling interest, respectively and a decrease of RM80.0 million in consolidated retained earnings.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

26. CONTRACT COST ASSETS

	Group					
	2025			2024		
	Contract acquisition costs RM'000	Contract fulfilment costs RM'000	Total RM'000	Contract acquisition costs RM'000	Contract fulfilment costs RM'000	Total RM'000
At 1 January	80,677	166,473	247,150	75,223	133,680	208,903
Disposal of group of subsidiaries	(29,551)	-	(29,551)	-	-	-
Additions	58,135	51,734	109,869	127,642	65,419	193,061
Amortisation	(87,983)	(39,942)	(127,925)	(126,918)	(43,372)	(170,290)
Currency translation differences	27	(20,172)	(20,145)	4,730	10,746	15,476
At 31 December	21,305	158,093	179,398	80,677	166,473	247,150

Contract acquisition costs comprise mainly of sales commission paid to dealers. Contract fulfilment costs comprise mainly of set-top boxes and routers. The contract cost assets are expected to be amortised over twenty-three (23) to sixty (60) months (2024: twenty-three (23) to sixty (60) months).

27. PROPERTY, PLANT AND EQUIPMENT

Group	Note	Land	Buildings	Telecom- munication network equipment	Movable plant and equipment	Computer support systems in-progress	Capital work- in-progress	Total
		RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Net book value								
At 1 January 2025		27,347	201,694	22,890,485	249,328	335,175	1,817,613	25,521,642
Additions		-	4,750	1,161,608	53,522	98,509	775,390	2,093,779
Inter-classification		-	780	416,010	1,128	32,538	(450,456)	-
Acquisition of a subsidiary		-	-	(12,268)	-	-	-	(12,268)
Disposal of group of subsidiaries		-	(2,072)	(7,838,804)	(4,639)	(81,142)	(290,056)	(8,216,713)
Disposals		-	(54)	(4,540)	(1,717)	(2)	(1,002)	(7,315)
Write-off		-	(210)	(19,168)	(879)	(706)	(8,870)	(29,833)
Depreciation		-	(26,910)	(2,463,946)	(100,210)	(109,539)	-	(2,700,605)
Reversal of impairment		-	-	2,160	1,677	660	1,425	5,922
Reclassified to intangible assets ¹	25	-	-	-	-	-	(47,606)	(47,606)
Currency translation differences		(3,297)	(23,850)	(1,862,564)	(21,668)	(22,339)	(216,226)	(2,149,944)
At 31 December 2025		24,050	154,128	12,268,973	176,542	253,154	1,580,212	14,457,059

¹ Mainly relates to the reclassification of rights on fibre wavelength and indefeasible rights of use capacity of the related projects from capital work-in-progress in PPE to intangible assets.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

27. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Group	Note	Land RM'000	Buildings RM'000	Telecom- munication network equipment RM'000	Movable plant and equipment RM'000	Computer support systems RM'000	Capital work- in-progress RM'000	Total RM'000
Net book value								
At 1 January 2024		25,095	209,600	24,382,084	315,093	524,752	1,983,159	27,439,783
Additions ¹		-	11,978	3,053,030	103,874	92,903	643,877	3,905,662
Inter-classification		2,770	18,225	670,176	(17,345)	33,404	(707,230)	-
Acquisition of a subsidiary		-	-	127,175	-	-	-	127,175
Disposals		-	(1,422)	(4,580)	(1,166)	(253)	(181)	(7,602)
Write-off		-	(3)	(23,402)	(276)	(333)	(1,956)	(25,970)
Depreciation		-	(31,833)	(3,980,094)	(1,34,649)	(289,478)	-	(4,436,054)
(Impairment)/Reversal of impairment		-	-	(9,953)	646	-	(18,192)	(27,499)
Reclassified from assets classified as held for sale	38	-	-	21,649	149	387	14,018	36,203
Reclassification		-	-	50,756	-	-	-	50,756
Currency translation differences		(518)	(4,851)	(1,396,356)	(16,998)	(26,207)	(95,882)	(1,540,812)
At 31 December 2024		27,347	201,694	22,890,485	249,328	335,175	1,817,613	25,521,642

¹ The Group reversed RM252.0 million in additions of telecommunication network equipment following the change in pricing estimates, discounting rates and revision of useful lives performed by certain subsidiaries of the Group.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

27. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Group	Land RM'000	Buildings RM'000	Telecom- munication network equipment RM'000	Movable plant and equipment RM'000	Computer support systems RM'000	Capital work- in-progress RM'000	Total RM'000
Cost	24,050	310,557	26,485,799	1,124,316	809,142	1,629,750	30,383,614
Accumulated depreciation	-	(156,429)	(14,082,424)	(943,472)	(550,149)	-	(15,732,474)
Accumulated impairment losses	-	-	(134,402)	(4,302)	(5,839)	(49,538)	(194,081)
At 31 December 2025	24,050	154,128	12,268,973	176,542	253,154	1,580,212	14,457,059
Cost	27,347	455,860	61,831,299	1,316,239	3,314,364	1,889,360	68,834,469
Accumulated depreciation	-	(254,166)	(38,420,824)	(1,060,188)	(2,972,232)	-	(42,707,410)
Accumulated impairment losses	-	-	(519,990)	(6,723)	(6,957)	(71,747)	(605,417)
At 31 December 2024	27,347	201,694	22,890,485	249,328	335,175	1,817,613	25,521,642

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

27. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

	Note	Office equipment RM'000	Furniture and fittings RM'000	Motor vehicle RM'000	Capital work- in-progress RM'000	Total RM'000
Company						
Net book value						
At 1 January 2025		6,457	9,090	132	-	15,679
Additions		1,478	868	-	-	2,346
Write-off		(20)	(521)	-	-	(541)
Depreciation	7(a)	(2,841)	(1,279)	(57)	-	(4,177)
At 31 December 2025		5,074	8,158	75	-	13,307
At 1 January 2024		3,567	1,643	189	3,269	8,668
Additions		3,975	7,595	-	-	11,570
Inter-classification		2,037	1,232	-	(3,269)	-
Disposals		(10)	-	-	-	(10)
Depreciation	7(a)	(3,112)	(1,380)	(57)	-	(4,549)
At 31 December 2024		6,457	9,090	132	-	15,679
Cost		17,721	9,957	286	-	27,964
Accumulated depreciation		(12,647)	(1,799)	(211)	-	(14,657)
At 31 December 2025		5,074	8,158	75	-	13,307
Cost		39,803	23,357	951	-	64,111
Accumulated depreciation		(33,346)	(14,267)	(819)	-	(48,432)
At 31 December 2024		6,457	9,090	132	-	15,679

- (a) Net book value of PPE of certain subsidiaries pledged as security for borrowings as disclosed in Note 16(a) to the financial statements are as follows:

	Group	
	2025 RM'000	2024 RM'000
Telecommunication network equipment	2,200,673	2,566,045

- (b) During the financial year, net book value of telecommunication network equipment subject to operating lease of the Group is RM5,020.6 million (2024: RM5,504.2 million).

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

28. RIGHT-OF-USE ASSETS

	Note	Land RM'000	Buildings RM'000	Telecom- munication network sites and equipment RM'000	Others RM'000	Total RM'000
Group						
Net book value						
At 1 January 2025		1,404,603	197,004	8,099,527	74,679	9,775,813
Additions		220,513	30,968	406,099	4,540	662,120
Disposal of group of subsidiaries		(103,583)	(47,147)	(6,942,654)	(56,780)	(7,150,164)
Disposal/Termination		-	(1,432)	(2,311)	-	(3,743)
Depreciation		(327,526)	(45,964)	(467,875)	(14,119)	(855,484)
Remeasurement		37,759	(962)	-	-	36,797
Modification		33,535	3,589	(98,190)	570	(60,496)
Currency translation differences		(54,954)	(12,858)	(416,166)	(3,657)	(487,635)
At 31 December 2025		1,210,347	123,198	578,430	5,233	1,917,208
At 1 January 2024		1,353,378	220,526	9,278,920	89,648	10,942,472
Additions		122,257	44,537	961,975	16,785	1,145,554
Acquisition of a subsidiary		46,615	-	-	-	46,615
Disposal/Termination		(1,456)	(3,324)	(3,277)	-	(8,057)
Depreciation		(349,379)	(65,310)	(1,470,653)	(26,781)	(1,912,123)
Remeasurement		166,611	1,658	-	-	168,269
Modification		98,876	9,107	(15,324)	19	92,678
Reclassified from assets classified as held for sale	38	21,107	1,319	-	-	22,426
Reclassification		-	-	(50,756)	-	(50,756)
Currency translation differences		(53,406)	(11,508)	(601,359)	(4,992)	(671,265)
At 31 December 2024		1,404,603	197,005	8,099,526	74,679	9,775,813

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

28. RIGHT-OF-USE ASSETS (CONTINUED)

Amounts recognised in profit or loss within “Other operating costs” related to lease contracts accounted for in accordance with MFRS 16 are as follows:

	Group	
	2025 RM'000	2024 RM'000
Short-term leases	20,384	72,831
Low value assets	381	4,719
Variable lease payments	3,601	4,524

The Group is also exposed to potential future cash outflow on variable lease payments totalling RM7.1 million (2024: RM8.6 million), which are not included as lease liability until the event or condition that triggers those payments occur. Variable lease payments are in relation to the number of equipment installed on network sites.

	Note	Company	
		2025 RM'000	2024 RM'000
Buildings (net book value)			
At 1 January		11,936	-
Addition		-	14,278
Depreciation	7(a)	(2,480)	(2,342)
At 31 December		9,456	11,936

29. SUBSIDIARIES

	Note	2025			2024		
		Malaysia RM'000	Overseas RM'000	Total RM'000	Malaysia RM'000	Overseas RM'000	Total RM'000
Company							
Unquoted shares, at cost	(a)	15,009,828	5,430,965	20,440,793	15,009,828	5,430,965	20,440,793
Accumulated impairment losses	(b)	(775,948)	(5,241,797)	(6,017,745)	(775,948)	(5,241,797)	(6,017,745)
Net cost of investments in subsidiaries		14,233,880	189,168	14,423,048	14,233,880	189,168	14,423,048
Quasi-investments	(a)	782,448	-	782,448	877,309	-	877,309
Accumulated impairment losses	(a)	(303,603)	-	(303,603)	(398,464)	-	(398,464)
Net quasi-investments		478,845	-	478,845	478,845	-	478,845
Total		14,712,725	189,168	14,901,893	14,712,725	189,168	14,901,893

The Group's and the Company's ownership interests in subsidiaries, their respective principal activities and countries of incorporation are listed in Note 43 to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

29. SUBSIDIARIES (CONTINUED)

- (a) During the financial year, the Company has fully written off its quasi-investment and accumulated impairment losses in Axiata SPV1 amounting to RM94.9 million respectively, following the completion of member's voluntary winding up as disclosed in Note 5(a)(vii) to the financial statements.

In the previous financial year, the Company had:

- (i) new investment in BHSB of RM1,199.6 million and a reduction in cost of investment in ADS of RM1,199.6 million, via a capital distribution by way of share capital reduction by ADS as disclosed in Note 5(b)(v) to the financial statements.
- (ii) additional cost of investment in BHSB of RM151.0 million via conversion of existing shareholders' loan as disclosed in Note 5(b)(iii) to the financial statements.
- (iii) made a capital injection of RM2.9 million in a subsidiary on 16 April 2024.
- (iv) derecognised a total cost of investment of RM87.7 million in ADS following the completion of partial disposal as disclosed in Note 5(b)(ii) to the financial statements.

- (b) Impairment tests for cost of investments in subsidiaries

The Company performed impairment assessments of its cost of investments in certain subsidiaries as there were indicators of impairment arising from the changes in macroeconomic outlook and pre-existing business challenges as follows:

- i) Impairment assessment for BHSB

During the financial year, there was no impairment loss on its cost of investment in BHSB recorded by the Company. The recoverable amount of BHSB is determined based on FVLCTS within Level 3 of the fair value hierarchy, using discounted free cash flows from all the operational activities of businesses of BHSB's subsidiaries and the terminal values are calculated using the exit multiples of comparable companies of each individual subsidiary.

In the previous financial year, the Company recorded an impairment loss of RM234.9 million on its cost of investment in BHSB using the same method.

The exit multiples and discount rates used in determining the recoverable amounts of the businesses of BHSB's subsidiaries are ranging from 2.1x to 10.5x (2024: 1.8x to 14.2x) and 23.0% to 30.0% (2024: 26.0% to 45.0%) respectively.

Management's assessment included an impact of assessment of changes in key assumptions. Based on sensitivity analysis performed and assuming all else remained constant, the effects of movement in the key assumptions to the recoverable amounts are as follows:

- If the discount rates were to increase by a range from 2.0% to 2.5% (2024: 2.5%) from the base discount rates and assuming all else remained constant, there would be an impairment of RM58.5 million (2024: additional impairment of RM92.3 million).
- If the exit multiples of the subsidiaries were to decrease by a range from 9.0% to 11.0% (2024: 5.0% to 20.0%) and assuming all else remained constant, there would be an impairment of RM103.1 million (2024: additional impairment of RM121.5 million).

- ii) Impairment assessment for Axiata Investments (Singapore) Limited ("AIS")

During the financial year, there was no impairment loss on its cost of investment in AIS recorded by the Company.

In the previous financial year, the Company recorded an impairment loss of RM99.2 million by impairing in full its cost of investment in AIS. The underlying asset of AIS comprises an investment in a fund and the fair value of the underlying investments of the fund have been fully written down and management did not expect any return from its investment.

- iii) Impairment assessment for Axiata Investments (UK) Limited ("AIUK")

During the financial year, there was no impairment loss on its cost of investment in AIUK recorded by the Company.

In the previous financial year, the Company recorded an impairment loss on its investment in AIUK of RM30.8 million using the same method. The recoverable amount was determined based on VIU using discounted cash flows from AIUK. The discount rate used was 10.8% based on the Group's cost of equity.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

29. SUBSIDIARIES (CONTINUED)

(c) NCI

The total NCI of the Group as at reporting date is RM3,711.1 million (2024: RM6,383.5 million), of which the subsidiaries that have material NCI to the Group are:

- RM852.9 million (2024: RM937.2 million) is attributable to Robi;
- RM370.6 million (2024: RM398.3 million) is attributable to Smart; and
- RM1,331.0 million (2024: RM1,495.5 million) is attributable to EDOTCO Group.

The remaining NCI of the Group are individually immaterial.

The financial information (before inter-company eliminations and after consolidation adjustments) of the segments that have material NCI to the Group are as follows:

(i) The summarised statements of comprehensive income for the financial year ended 31 December are as follows:

	EDOTCO Group		Smart		Robi	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Profit for the financial year	256,109	410,764	526,088	529,641	337,629	279,434
OCI	(355,215)	(275,257)	(167,433)	(43,388)	(276,876)	(289,269)
Total comprehensive (expense)/income	(99,106)	135,507	358,655	486,253	60,753	(9,835)
Profit for the financial year attributable to NCI	150,610	216,027	144,779	145,757	128,907	106,414
Dividend paid to NCI	73,617	26,473	-	-	107,872	87,106

(ii) The summarised statements of financial position as at 31 December are as follows:

	EDOTCO Group		Smart		Robi	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Non-current assets	8,343,072	9,134,516	1,962,321	1,757,334	6,282,522	7,065,866
Current assets	2,038,110	3,021,467	1,066,598	915,765	532,509	577,566
Non-current liabilities	(4,453,398)	(7,321,453)	(850,241)	(531,466)	(2,357,734)	(2,465,476)
Current liabilities	(3,119,040)	(1,692,803)	(873,060)	(735,466)	(2,152,884)	(2,780,958)
Net assets	2,808,744	3,141,727	1,305,618	1,406,167	2,304,413	2,396,998

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

29. SUBSIDIARIES (CONTINUED)

(c) NCI (continued)

The financial information (before inter-company eliminations and after consolidation adjustments) of the segments that have material NCI to the Group are as follows: (continued)

(iii) The summarised statements of cash flows as at 31 December are as follows:

	EDOTCO Group		Smart		Robi	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Net cash flow from operating activities	1,296,854	1,587,188	748,059	855,558	1,572,366	1,721,984
Net cash flow used in investing activities	(456,872)	(365,354)	(228,157)	(269,999)	(549,585)	(1,050,210)
Net cash flow used in financing activities	(1,403,177)	(713,150)	(445,170)	(536,640)	(1,029,321)	(707,288)
Net (decrease)/increase in cash and cash equivalents	(563,195)	508,684	74,732	48,919	(6,540)	(35,514)
Effect of exchange rate changes on cash and cash equivalents	(48,414)	(100,458)	(17,926)	(3,686)	(10,564)	(14,672)
Cash and cash equivalents classified as held for sale as at 1 January 2024	-	390,270	-	-	-	-
Cash and cash equivalents at beginning of financial year	1,236,187	437,691	188,620	143,387	97,537	147,723
Cash and cash equivalents at the end of financial year	624,578	1,236,187	245,426	188,620	80,433	97,537

30. ASSOCIATES

	2025			2024		
	Malaysia RM'000	Overseas RM'000	Total RM'000	Malaysia RM'000	Overseas RM'000	Total RM'000
Group						
Quoted investments	15,532,517	5,554,397	21,086,914	15,532,517	-	15,532,517
Unquoted investments	44,631	45,126	89,757	44,551	117,450	162,001
Share of post-acquisition results and reserves	(289,396)	(597,163)	(886,559)	(123,517)	(4,304)	(127,821)
	15,287,752	5,002,360	20,290,112	15,453,551	113,146	15,566,697
Accumulated impairment losses	-	(32,770)	(32,770)	-	(29,620)	(29,620)
Currency translation differences	-	(431,077)	(431,077)	-	(2,426)	(2,426)
Total	15,287,752	4,538,513	19,826,265	15,453,551	81,100	15,534,651
Company						
Quoted investment	15,532,517	-	15,532,517	15,532,517	-	15,532,517

The Group's and the Company's ownership interests in the associates, their respective principal activities and countries of incorporation are listed in Note 44 to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

30. ASSOCIATES (CONTINUED)

- (a) Summarised financial information of material associates of the Group

The tables below provide summarised financial information for material associates of the Group, CelcomDigi Berhad (“CelcomDigi”) and XLSMART. The information disclosed reflects the amounts presented in the financial statements of the relevant associates and not the Group’s share of those amounts. They have been amended to reflect adjustments made by the Company when using the equity method, including fair value adjustments and modifications for differences in accounting policy.

- (i) The summarised statements of comprehensive income for the financial year ended 31 December are as follows:

	2025		2024
	CelcomDigi RM'000	XLSMART* RM'000	CelcomDigi RM'000
Revenue	12,957,700	8,417,240	12,679,400
Profit/(Loss) for the financial year/period	1,414,619	(1,080,063)	1,167,215
Group's share of profit/(loss) for the financial year/period	468,239	(388,810)	386,348
Dividends received	574,703	248,962	547,521

* For the eight and a half month period from 16 April 2025 to 31 December 2025.

- (ii) The summarised statements of financial position for the financial year ended 31 December are as follows:

	2025		2024
	CelcomDigi RM'000	XLSMART RM'000	CelcomDigi RM'000
Non-current assets	18,366,844	23,909,295	18,936,124
Current assets	4,815,112	3,619,856	3,828,580
Current liabilities	(8,180,377)	(7,673,346)	(6,796,291)
Non-current liabilities	(12,868,313)	(13,824,259)	(13,513,506)
	2,133,266	6,031,546	2,454,907
Group's share in %	33.10%	34.69 %	33.10%
Group's share of net assets	706,111	2,092,344	812,574
Goodwill	14,548,177	2,445,951	14,548,177
Carrying amount	15,254,288	4,538,295	15,360,751

- (iii) The fair value as at 31 December is as follows:

	2025		2024
	CelcomDigi RM'000	XLSMART RM'000	CelcomDigi RM'000
Fair value	12,387,182	5,706,022	14,056,928

The fair value of the quoted investments are within Level 1 of the fair value hierarchy.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

30. ASSOCIATES (CONTINUED)

(b) The details of carrying amount of the associates of the Group as at 31 December are as follows:

	CelcomDigi RM'000	XLSMART RM'000	Others RM'000	Total RM'000
<u>2025</u>				
Group's share of net assets	706,111	2,092,344	33,682	2,832,137
Goodwill	14,548,177	2,445,951	-	16,994,128
Total	15,254,288	4,538,295	33,682	19,826,265
<u>2024</u>				
Group's share of net assets	812,574	-	173,900	986,474
Goodwill	14,548,177	-	-	14,548,177
Total	15,360,751	-	173,900	15,534,651

(c) The Group's share of results of other individually immaterial associates is a loss of RM60.1 million (2024: a profit of RM67.8 million).

31. JOINT VENTURES

	Group	
	2025 RM'000	2024 RM'000 Restated
Unquoted investments	29,189	29,189
Share of post-acquisition reserves	(12,530)	(12,539)
Total	16,659	16,650

The Group's ownership interests in the joint ventures, their respective principal activities and countries of incorporation are listed in Note 45 to the financial statements.

The tables below provide summarised financial information for Merchantrade Asia Sdn Bhd, being a material joint venture of the Group.

(i) The summarised statements of comprehensive income for the financial year ended 31 December are as follows:

	2025 RM'000	2024 RM'000
Revenue	328,608	115,750
Profit for the financial year	43	347
Group's share of profit for the financial year	8	66

(ii) The summarised statements of financial position for the financial year ended 31 December are as follows:

	2025 RM'000	2024 RM'000
Non-current assets	87,348	85,057
Current assets	522,084	428,065
Current liabilities	(516,815)	(421,432)
Non-current liabilities	(2,649)	(1,685)
Total	89,968	90,005

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

32. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	Group	
	2025 RM'000	2024 RM'000
Unquoted securities:		
- Pegasus 7 Ventures Pte. Ltd. ("Pegasus 7") ¹	-	-
- Others	12,487	25,854
Total	12,487	25,854

¹ In the previous financial year, the Group had fully written down its investment in Pegasus 7 Ventures Pte. Ltd. as the underlying assets failed to meet the predetermined performance targets. The decision followed a thorough evaluation of the assets' financial outlook, considering market conditions and operational challenges affecting its value.

The Group has, at initial recognition, irrevocably elected to present the fair value changes of non-trading equity securities above in OCI. The Group considers this classification to be more relevant as these instruments are strategic investments of the Group and not held for trading purpose.

33. INVENTORIES

	Group	
	2025 RM'000	2024 RM'000
Trading inventories	80,739	151,642
Allowance for inventory obsolescence	(8,898)	(28,979)
Total	71,841	122,663

Inventories comprise of SIM cards, handsets, vouchers and other consumables.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

34. AMOUNTS DUE FROM/(TO) SUBSIDIARIES

The carrying amount and currencies profile of the amounts due from/to subsidiaries are as follows:

	2025					2024				
	RM RM'000	USD RM'000	LKR RM'000	Others RM'000	Total RM'000	RM RM'000	USD RM'000	LKR RM'000	Others RM'000	Total RM'000
Amounts due from subsidiaries:										
- Non-current	-	-	3,860	-	3,860	17,419	28,265	-	-	45,684
- Current ¹	374,433	21,213	28,692	10,552	434,890	126,571	72,093	28,436	5,249	232,349
Total	374,433	21,213	32,552	10,552	438,750	143,990	100,358	28,436	5,249	278,033
Amounts due to subsidiaries:										
- Non-current ²	4,746,106	-	-	-	4,746,106	7,223,003	-	-	-	7,223,003
- Current ³	2,451,764	-	-	-	2,451,764	39,804	-	-	-	39,804
Total	7,197,870	-	-	-	7,197,870	7,262,807	-	-	-	7,262,807

¹ Includes amounts due from a subsidiary of RM82.2 million (2024: RM90.6 million) which are non-trade in nature and bearing interest ranging from 6.00% to 10.00% p.a. (2024: 6.00% to 8.00%).

² Includes amounts due to subsidiaries which are non-trade in nature of:

- RM2,730.8 million (2024: RM3,187.0 million) which bears an interest of 3.214% p.a. and is repayable in full on 19 August 2050;
 - RM2,015.3 million which bears an interest of 2.163% p.a. and is repayable in full on 19 August 2030; and
- (The above are presented as non-current; however, the related accrued interest is classified within current balance)

³ Includes amount due to subsidiary which is non-trade in nature of:

- RM2,017.7 million which bears an interest of 4.357% p.a. and is repayable in full on 24 March 2026.

Except as disclosed otherwise above, amounts due from/to subsidiaries are unsecured, interest free and repayable on demand.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

34. AMOUNTS DUE FROM/(TO) SUBSIDIARIES (CONTINUED)

Amounts due from subsidiaries

Maximum exposure to credit risk

Generally, the Company considers amounts due from subsidiaries to have low credit risk as the subsidiaries have capacity to meet their contractual cash flow obligations in the near term and adverse changes in economic and business conditions may, but will not necessarily, reduce the ability of the subsidiaries to fulfil their contractual cash flow obligations. The Company does not specifically monitor the ageing of amounts due from subsidiaries as the Company is able to determine the timing of payments of the subsidiaries' balances when they are payable. The Company considers the amount payable to be in default when the subsidiaries are not able to pay when demanded.

Details of the measurement of ECL is shown below:

Category	Company's definition of categories	Basis for recognising ECL
Performing	Subsidiaries have a low risk of default and a strong capacity to meet contractual cash flows.	Twelve (12) months ECL
Underperforming	Subsidiaries for which there is a significant increase in credit risk due to actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the subsidiary's ability to meet its obligations.	Lifetime ECL
Non-performing	Subsidiaries for which there are evidence indicating the assets are credit impaired.	Lifetime ECL

Based on the above, loss allowance is measured on either twelve (12) months ECL or lifetime ECL using a PD x LGD x EAD methodology as follows:

- PD ("probability of default") – the likelihood that the subsidiary would not be able to repay during the contractual period;
- LGD ("loss given default") – the percentage of contractual cash flows that will not be collected if default happens; and
- EAD ("exposure at default") – the outstanding amount that is exposed to default risk.

In deriving the PD and LGD, the Company considers the historical collection trend and expected future cash flows generated by individual subsidiaries. The Company also identified other relevant factors in relation to the geographical area that the subsidiaries operate in and adjust the loss rates based on the expected changes in these factors. Loss allowance is measured at a probability-weighted amount that reflects the possibility that a credit loss occurs and the possibility that no credit loss occurs.

Movements in provision for impairment of amounts due from subsidiaries are as follows:

	2025 RM'000	2024 RM'000
At 1 January	217,120	261,995
Provision for impairment	26,982	41,493
Reversal of impairment	(24,120)	(60,850)
Write-off	(2,303)	(25,518)
At 31 December	217,679	217,120

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

34. AMOUNTS DUE FROM/(TO) SUBSIDIARIES (CONTINUED)

Amounts due from subsidiaries (continued)

Maximum exposure to credit risk (continued)

The table below contains an analysis of the credit risk exposure of amounts due from subsidiaries for which loss allowance is recognised. The gross carrying amount of amounts due from subsidiaries also represent the maximum exposure to credit risk on these assets.

	Expected credit loss rate	Basis for recognition of expected credit loss RM'000	Estimated gross carrying amount at default RM'000	Loss allowance RM'000	Carrying amount (net of impairment) RM'000
2025					
Performing	0.6 %	12 months ECL	365,137	(2,114)	363,023
Underperforming	74.0 %	Lifetime ECL	291,171	(215,565)	75,606
Non-performing	0.0 %	Lifetime ECL	121	-	121
Total			656,429	(217,679)	438,750
2024					
Performing	2.2 %	12 months ECL	184,478	(4,120)	180,358
Underperforming	68.3 %	Lifetime ECL	308,372	(210,697)	97,675
Non-performing	100.0 %	Lifetime ECL	2,303	(2,303)	-
Total			495,153	(217,120)	278,033

The movements in the amounts due to subsidiaries are as follows:

	Note	Company	
		2025 RM'000	2024 RM'000
At 1 January		7,262,807	8,159,499
Advances from subsidiaries		2,506,789	114,948
Repayments of advances to subsidiaries		(456,189)	(848,997)
Payment of finance costs		(297,014)	(345,354)
Finance costs	10	301,162	328,574
Novation	(a)	-	(81,594)
Dividend received via intercompany settlement		(1,942,504)	-
Others	(b)	(177,181)	(64,269)
At 31 December		7,197,870	7,262,807

- (a) In the previous financial year, the Company novated an amount due to a subsidiary of RM81.6 million to another subsidiary, to perform contra settlement against an amount owing by the subsidiary of RM81.6 million.
- (b) Included in Others are reclassifications to amounts due from subsidiaries and payment on behalf. Amounts due to certain subsidiaries have been presented on a net basis as the Company has a legal enforceable right to offset these amounts with amounts due from certain subsidiaries. The Company currently has the intention to settle on a net basis or realise/settle the amounts due from/to subsidiaries simultaneously.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

35. TRADE AND OTHER RECEIVABLES

	Note	2025			2024		
		Non-current RM'000	Current RM'000	Total RM'000	Non-current RM'000	Current RM'000	Total RM'000
Group							
Finance lease receivables	(a)	-	-	-	-	15,759	15,759
Accrued lease receivables	(b)	120,056	2,141	122,197	158,160	-	158,160
Prepayment		111	215,211	215,322	225	1,632,243	1,632,468
Contract assets	(c)	-	73,131	73,131	-	70,004	70,004
Trade receivables		99,610	2,689,782	2,789,392	48,090	3,031,705	3,079,795
Deposits ¹		95,959	123,582	219,541	114,306	92,966	207,272
Other receivables	(e)	464,585	1,057,206	1,521,791	509,264	851,149	1,360,413
Advances		42,982	246,650	289,632	104,075	349,548	453,623
Provision for impairment:	(d)						
- Accrued lease receivables		(7,584)	-	(7,584)	(9,436)	-	(9,436)
- Trade receivables		(2,167)	(522,068)	(524,235)	(2,437)	(656,225)	(658,662)
- Deposits		(223)	(3,123)	(3,346)	(223)	(2,548)	(2,771)
- Other receivables		(71,559)	(18,967)	(90,526)	(5,427)	(35,139)	(40,566)
Total		741,770	3,863,545	4,605,315	916,597	5,349,462	6,266,059

¹ Includes deposits for rental and utilities as well as deposits for ongoing legal, regulatory and taxation claims and disputes amounting to RM63.6 million (2024: RM62.9 million).

	Company	
	2025 RM'000	2024 RM'000
Current		
Trade receivables	110,792	110,792
Prepayment	4,342	5,610
Deposits	3,319	3,305
Other receivables	21,946	6,765
Advances	(177)	82
Provision for impairment:		
- Trade receivables	(110,792)	(110,792)
- Deposits and other receivables	(6,295)	(6,295)
Total	23,135	9,467

(a) Finance lease receivables are receivables related to the lease of fibre optic cable and telecommunication infrastructures and equipment of subsidiaries.

The movements in finance lease receivables are as follows:

	Group	
	2025 RM'000	2024 RM'000
At 1 January	15,759	20,398
Lease payments received	(921)	(4,599)
Finance income	651	2,729
Disposal of group of subsidiaries	(14,628)	-
Currency translation differences	(861)	(2,769)
At 31 December	-	15,759

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

35. TRADE AND OTHER RECEIVABLES (CONTINUED)

- (a) Finance lease receivables are receivables related to the lease of fibre optic cable and telecommunication infrastructures and equipment of subsidiaries. (continued)

Details of finance lease receivables according to maturity schedule are as follows:

	Group	
	2025 RM'000	2024 RM'000
Within 1 year	-	16,041
Unearned finance lease income	-	(282)
Total	-	15,759

- (b) Accrued lease receivables relate to the effect of fixed price escalation clauses that are spread on a straight-line basis over the lease term.
- (c) The movements in contract assets are as follows:

	Group	
	2025 RM'000	2024 RM'000
At 1 January	70,004	142,950
Additions	597,341	645,257
Transfer to trade receivables	(586,594)	(731,981)
Reclassified from assets held for sale	-	15,616
Disposal of group of subsidiaries	(7,620)	-
Currency translation differences	-	(1,838)
At 31 December	73,131	70,004

- (d) Movements in provision for impairment of certain components of trade and other receivables are as follows:

	Group	
	2025 RM'000	2024 RM'000
Accrued lease receivables		
At 1 January	9,436	8,608
Reclassified from assets held for sale	-	1,428
Currency translation differences	(1,852)	(600)
At 31 December	7,584	9,436
Trade receivables		
At 1 January	658,662	595,443
Provision for impairment	69,658	134,126
Reversal of provision for impairment	(20,209)	(4,566)
Write-off	(16,015)	(49,699)
Disposal of group of subsidiaries	(109,637)	-
Reclassified from assets held for sale	-	12,784
Currency translation differences	(58,224)	(29,426)
At 31 December	524,235	658,662
Deposits and other receivables		
At 1 January	43,337	38,654
Provision for impairment	62,652	13,040
Write-off	(8,013)	(7,530)
Currency translation differences	(4,104)	(827)
At 31 December	93,872	43,337

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

35. TRADE AND OTHER RECEIVABLES (CONTINUED)

(d) Movements in provision for impairment of certain components of trade and other receivables are as follows: (continued)

	Company	
	2025 RM'000	2024 RM'000
Trade receivables		
At 1 January	110,792	110,792
Provision for impairment	-	-
At 31 December	110,792	110,792
Deposits and other receivables		
At 1 January	6,295	6,197
Provision for impairment	-	98
At 31 December	6,295	6,295

(e) Includes in other receivables are:

- (i) non-current consideration receivable of RM156.6 million (2024: RM150.5 million) relates to the disposal of a former subsidiary, Reynolds Holding Limited on 1 December 2023.
- (ii) current deferred equalisation consideration receivable of RM303.5 million relates to the disposal of XL Group as disclosed in Note 5(a)(i) to the financial statements; and
- (iii) other financial asset at amortised cost, being Malaysian Government Securities amounting to RM193.6 million, with maturity of less than twelve (12) months.

(f) The carrying amounts of trade and other receivables approximate their fair value. Credit terms of trade receivables for the Group range from thirty (30) to ninety (90) days (2024: thirty (30) to ninety (90) days).

(g) Measurement of ECL

- (i) Simplified approach - accrued lease receivables, finance lease receivables, trade receivables and contract assets within the scope of MFRS 15

The expected loss rates are based on the payment profiles of sales over a period of twenty-four (24) months before reporting date and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle receivables. The Group has identified the GDP, inflation rates, interest rates and unemployment rates to be the most relevant factor, and accordingly adjusts the historical loss rates based on expected changes in these factors. At every reporting date, the historical loss rates are updated and changes in the forward-looking estimates are analysed.

- (ii) General 3-stage approach for trade receivables arising from loan receivables and all other financial instruments

The Group and the Company use three (3) categories for trade receivables arising from loan receivables and all other financial instruments which reflect their credit risk and how the loss allowance is determined for each of those categories. A summary of the assumptions underpinning the Group's and the Company's ECL model is as follows:

Category	Group's definition of categories	Basis of recognising ECL
Performing	Debtors have a low risk of default and a strong capacity to meet contractual cash flows.	Twelve (12) months ECL
Underperforming	Debtors for which there is a significant increase in credit risk or significant increase in credit risk is presumed if interest and/or principal repayments are thirty (30) to ninety (90) days past due. For debtors with repayments of ninety (90) days past due, historically, there is no correlation between significant increases in the risk of a default occurring and financial assets on which payments are more than thirty (30) days past due, but there exists a correlation when payments are more than ninety (90) days past due.	Lifetime ECL
Non-performing	Interest and/or principal repayments are ninety (90) days to three hundred and sixty-five (365) days past due or there is evidence indicating the asset is credit-impaired.	Lifetime ECL

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

35. TRADE AND OTHER RECEIVABLES (CONTINUED)

(g) Measurement of ECL (continued)

Based on the above, loss allowance is measured on either twelve (12) months ECL or lifetime ECL using a PD x LGD x EAD methodology as follows:

- PD – the likelihood that the debtor would not be able to repay during the contractual period;
- LGD – the percentage of contractual cash flows that will not be collected if default happens; and
- EAD – the outstanding amount that is exposed to default risk.

In deriving the PD and LGD, the Group and the Company consider historical data by each receivable by categories and adjusts for forward-looking macroeconomic data. The Group and the Company have identified GDP to be the most relevant factor, and accordingly adjusts the historical loss rates based on expected changes in these factors. Loss allowance is measured at a probability-weighted amount that reflects the possibility that a credit loss occurs and the possibility that no credit loss occurs. There is no significant change to estimation techniques or assumptions used.

(h) Maximum exposure to credit risk

(i) Trade receivables and contract assets within the scope of MFRS 15 - simplified approach (collective assessment)

The gross carrying amount of receivables below, which also represent the maximum exposure to credit risk to the Group, are as follows:

	Current		Past due		Total
	RM'000	1-3 months RM'000	4-6 months RM'000	Over 6 months RM'000	RM'000
2025					
Expected loss rate	7.4%-22.7%	10.7%-65.0%	35.6%-100.0%	55.4%-100.0%	
Gross trade receivables	524,120	51,201	26,932	253,951	856,204
Provision for impairment	(13,338)	(6,465)	(9,553)	(160,435)	(189,791)
Net trade receivables	510,782	44,736	17,379	93,516	666,413
2024					
Expected loss rate	7.6%-21.7%	13.8%-68.3%	22.8%-100.0%	51.6%-100.0%	
Gross trade receivables	881,610	123,659	73,383	405,823	1,484,475
Provision for impairment	(52,038)	(13,463)	(18,946)	(214,035)	(298,482)
Net trade receivables	829,572	110,196	54,437	191,788	1,185,993

Expected loss rates disclosed represent range of expected loss rates applied by the Group on trade receivables balances across different entities of the Group.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

35. TRADE AND OTHER RECEIVABLES (CONTINUED)

(h) Maximum exposure to credit risk (continued)

(ii) Accrued lease receivables, finance lease receivables, trade receivables and contract assets within the scope of MFRS 15 - simplified approach (individual assessment)

The gross carrying amount of accrued lease receivables, finance lease receivables, trade receivables and contract assets within the scope of MFRS 15 (with individually significant balances which are separately assessed for ECL measurement) represent maximum exposure to credit risk to the Group are as follows:

	2025		2024		
	Accrued lease receivables RM'000	Trade receivables RM'000	Accrued lease receivables RM'000	Finance lease receivables RM'000	Trade receivables RM'000
Group					
Gross balances:					
Current (not past due)	114,613	491,328	148,724	15,759	576,839
Up to 3 months past due	-	216,769	-	-	230,166
3 to 6 months past due	-	61,745	-	-	145,057
More than 6 months past due	-	227,097	-	-	200,199
Credit impaired	7,584	159,366	9,436	-	202,105
	122,197	1,156,305	158,160	15,759	1,354,366
Provision for impairment:					
Credit impaired	(7,584)	(159,366)	(9,436)	-	(202,105)
Non-credit impaired	-	(39,876)	-	-	(44,996)
Total	114,613	957,063	148,724	15,759	1,107,265

(iii) Trade receivables - 3-stage approach (individual assessment)

The gross carrying amount of trade receivables arising from loan receivables (with individually significant balances which are separately assessed for ECL measurement) represent maximum exposure to credit risk to the Group are as follows:

	Expected credit loss rate	Basis for recognition of expected credit loss RM'000	Estimated gross carrying amount at default RM'000	Loss allowance RM'000	Carrying amount (net of impairment) RM'000
2025					
Group					
Performing	1.0%	12 months ECL	593,977	(6,126)	587,851
Underperforming	16.5%	Lifetime ECL	24,889	(4,116)	20,773
Non-performing	79.1%	Lifetime ECL	158,017	(124,960)	33,057
Total			776,883	(135,202)	641,681
Company					
Non-performing	100.0%	Lifetime ECL	110,792	(110,792)	-
Total			110,792	(110,792)	-

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

35. TRADE AND OTHER RECEIVABLES (CONTINUED)

(h) Maximum exposure to credit risk (continued)

(iii) Trade receivables - 3-stage approach (individual assessment) (continued)

The gross carrying amount of trade receivables arising from loan receivables (with individually significant balances which are separately assessed for ECL measurement) represent maximum exposure to credit risk to the Group are as follows: (continued)

	Expected credit loss rate	Basis for recognition of expected credit loss RM'000	Estimated gross carrying amount at default RM'000	Loss allowance RM'000	Carrying amount (net of impairment) RM'000
2024					
Group					
Performing	0.3%	12 months ECL	121,350	(364)	120,986
Underperforming	3.0%	Lifetime ECL	5,204	(155)	5,049
Non-performing	98.4%	Lifetime ECL	114,400	(112,560)	1,840
Total			240,954	(113,079)	127,875
Company					
Non-performing	100.0%	Lifetime ECL	110,792	(110,792)	-
Total			110,792	(110,792)	-

(iv) Deposits and other receivables - 3-stage approach (individual assessment)

The gross carrying amount of deposits and other receivables (excluding non-financial assets) (with individually significant balances which are separately assessed for ECL measurement) represent maximum exposure to credit risk to the Group and the Company are as follows:

	Expected credit loss rate	Basis for recognition of expected credit loss RM'000	Estimated gross carrying amount at default RM'000	Loss allowance RM'000	Carrying amount (net of impairment) RM'000
2025					
Group					
Performing	6.8%	12 months ECL	1,140,686	(78,057)	1,062,629
Underperforming	0.0%	Lifetime ECL	15,332	-	15,332
Non-performing	86.6%	Lifetime ECL	18,256	(15,815)	2,441
Total			1,174,274	(93,872)	1,080,402
Company					
Performing	0.0%	12 months ECL	18,970	-	18,970
Underperforming	100.0%	Lifetime ECL	6,295	(6,295)	-
Total			25,265	(6,295)	18,970

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

35. TRADE AND OTHER RECEIVABLES (CONTINUED)

(h) Maximum exposure to credit risk (continued)

(iv) Deposits and other receivables - 3-stage approach (individual assessment) (continued)

The gross carrying amount of deposits and other receivables (excluding non-financial assets) (with individually significant balances which are separately assessed for ECL measurement) represent maximum exposure to credit risk to the Group and the Company are as follows: (continued)

	Expected credit loss rate	Basis for recognition of expected credit loss RM'000	Estimated gross carrying amount at default RM'000	Loss allowance RM'000	Carrying amount (net of impairment) RM'000
2024					
Group					
Performing	3.2%	12 months ECL	866,437	(27,327)	839,110
Underperforming	0.0%	Lifetime ECL	17,943	-	17,943
Non-performing	83.9%	Lifetime ECL	19,089	(16,010)	3,079
Total			903,469	(43,337)	860,132
Company					
Performing	0.0%	12 months ECL	3,775	-	3,775
Underperforming	100.0%	Lifetime ECL	6,295	(6,295)	-
			10,070	(6,295)	3,775

In respect to other receivables that are performing, the risk of default is immaterial if debtors have a strong capacity to meet their contractual cash flow obligations in the near term and adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the debtors to fulfill their contractual cash flow obligations.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

35. TRADE AND OTHER RECEIVABLES (CONTINUED)

The currencies profiles of trade and other receivables are as follows:

Group	2025										2024												
	RM					Functional currency					RM					Functional currency							
	RM'000	IDR	LKR	BDT	USD	Others	Total	RM'000	IDR	LKR	BDT	USD	Others	Total	RM'000	IDR	LKR	BDT	USD	Others	Total		
RM	1,435,417	2,168	-	-	-	-	1,437,585	-	-	-	-	-	-	1,287,556	-	-	-	-	-	-	-	1,287,556	
USD	317,762	156,575	101,734	1,696	224,769	-	802,536	148,924	67,073	118,315	6,745	600,846	-	941,903	-	-	-	-	-	-	-	941,903	
IDR	35,440	370,509	-	-	-	-	405,949	4,995	1,830,095	-	-	-	-	1,835,090	-	-	-	-	-	-	-	1,835,090	
LKR	-	-	507,978	-	-	-	507,978	-	-	610,010	-	-	-	610,010	-	-	-	-	-	-	-	610,010	
BDT	-	-	-	726,660	-	-	726,660	-	-	-	804,809	-	-	804,809	-	-	-	-	-	-	-	804,809	
MMK	-	-	-	-	-	-	-	-	-	-	-	82,948	-	82,948	-	-	-	-	-	-	-	82,948	
PKR	-	-	-	-	-	122,724	122,724	-	-	-	-	-	-	110,878	-	-	-	-	-	-	-	110,878	
PHP	-	-	-	-	-	491,449	491,449	-	-	-	-	-	-	512,864	-	-	-	-	-	-	-	512,864	
Others	-	-	6,638	-	-	103,796	110,434	223	-	7,720	-	-	-	80,001	-	-	-	-	-	-	-	80,001	
Total	1,788,619	529,252	616,350	728,356	224,769	717,969	4,605,315	1,441,698	1,897,168	736,045	811,554	683,794	695,800	6,266,059	-	-	-	-	-	-	-	6,266,059	
Company																							
RM	7,281	-	-	-	-	-	7,281	6,505	-	-	-	-	-	6,505	-	-	-	-	-	-	-	6,505	
USD	15,017	-	-	-	-	-	15,017	2,218	-	-	-	-	-	2,218	-	-	-	-	-	-	-	2,218	
Others	837	-	-	-	-	-	837	744	-	-	-	-	-	744	-	-	-	-	-	-	-	744	
Total	23,135	-	-	-	-	-	23,135	9,467	-	-	-	-	-	9,467	-	-	-	-	-	-	-	9,467	

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

36. DEPOSITS, CASH AND BANK BALANCES

	Note	Group		Company	
		2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Deposits with licensed banks		1,770,541	2,499,783	534,978	-
Deposits under Islamic principles		253,631	146,787	114,000	-
Total deposits		2,024,172	2,646,570	648,978	-
Conventional cash and bank balances		1,296,879	1,728,658	61,838	325,836
Islamic cash and bank balances		425,730	485,212	13,880	33,549
Total cash and bank balances		1,722,609	2,213,870	75,718	359,385
Total deposits, cash and bank balances		3,746,781	4,860,440	724,696	359,385
Represented by:					
Cash and cash equivalents in banks		2,818,281	3,898,123	724,696	359,385
Deposits pledged	16(a)	90,199	86,230	-	-
Restricted cash		75,597	81,026	-	-
Deposits maturing more than three (3) months		762,704	795,061	-	-
Total deposits, cash and bank balances		3,746,781	4,860,440	724,696	359,385

Deposits are placed mainly with a number of creditworthy financial institutions. There is no major concentration of deposits in any single financial institution. Maturity range of deposits are as follows:

(In days)	Group		Company	
	From	To	From	To
Financial year ended 31 December 2025	2	365	6	59
Financial year ended 31 December 2024	Overnight	365	10	91

The effective interest rates on deposits for the Group and the Company range from 2.00% to 11.30% (2024: 0.50% to 10.50%) per annum.

The Group and the Company placed its cash and bank balances with licensed financial institutions with credit rating range from P1 to B3 (2024: P1 to B3) in managing its credit exposure.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

36. DEPOSITS, CASH AND BANK BALANCES (CONTINUED)

The currencies profiles of deposits, cash and bank balances are as follows:

Group	2025										2024										
	RM					Functional currency					RM					Functional currency					
	RM'000	IDR	LKR	BDT	USD	RM'000	IDR	LKR	BDT	USD	Others	Total	RM'000	RM	IDR	LKR	BDT	USD	Others	Total	
RM	988,835	-	-	-	-	988,835	-	-	-	-	-	1,530,612	-	-	-	-	-	55	147	1,530,814	
USD	758,215	7,685	114,507	502	1,197,891	161	2,078,961	43,185	369,313	10,839	1,008,642	13,583	1,875,616	-	-	-	-	-	-	-	
IDR	3,596	191,301	-	-	-	194,897	1,795	573,210	-	-	-	-	575,005	-	-	-	-	-	-	-	
LKR	19	169	143,562	-	-	143,750	23	165,897	-	-	-	-	165,920	-	-	-	-	-	-	-	
BDT	-	-	-	203,250	-	203,250	-	-	-	-	-	-	138,306	-	-	-	-	-	-	-	
MMK	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	437,093	-	-	437,093	
PKR	-	-	-	-	-	51,479	51,479	-	-	-	-	-	49,238	-	-	-	-	-	-	49,238	
PHP	-	-	-	-	-	68,160	68,160	-	-	-	-	-	67,139	-	-	-	-	-	-	67,139	
Others	257	1	-	-	2,824	14,367	17,449	160	13	21,136	21,309	-	-	-	-	-	-	-	-	-	
Total	1,750,922	199,156	258,069	203,752	1,200,715	134,167	3,746,781	1,962,644	616,395	535,210	149,145	1,445,803	151,243	4,860,440	-	-	-	-	-	-	
Company																					
RM	151,161	-	-	-	-	151,161	131,320	-	-	-	-	-	131,320	-	-	-	-	-	-	131,320	
USD	573,395	-	-	-	-	573,395	227,918	-	-	-	-	-	227,918	-	-	-	-	-	-	227,918	
Others	140	-	-	-	-	140	147	-	-	-	-	-	147	-	-	-	-	-	-	147	
Total	724,696	-	-	-	-	724,696	359,385	-	-	-	-	-	359,385	-	-	-	-	-	-	359,385	

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

37. CASH FLOWS FROM/(USED IN) OPERATING, INVESTING AND FINANCING ACTIVITIES

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Receipts from customers, related parties and others	12,755,305	21,720,526	-	12,566
Payments to suppliers, employees and others	(6,833,702)	(9,879,624)	(348,468)	(355,847)
Payments of finance costs	(1,543,512)	(2,157,191)	(339,463)	(438,170)
Payments of income taxes	(692,682)	(704,571)	-	-
Refund of income taxes	30,399	10,920	-	-
Total cash flows from/(used in) operating activities	3,715,808	8,990,060	(687,931)	(781,451)
Proceeds from disposal of PPE	12,382	14,890	42	11
Proceeds from disposal of IA	136	-	-	-
Purchase of PPE	(2,040,639)	(5,141,204)	(2,346)	(11,570)
Acquisition of IA	(331,672)	(799,485)	-	-
Placement of deposits maturing more than three (3) months	(820,665)	(1,090,492)	-	-
Withdrawal of deposits maturing more than three (3) months	778,085	845,987	-	-
Investments in subsidiaries (net of cash acquired)	-	(5,908)	-	-
Investments in associates	(700)	(554)	-	-
Interest received	212,422	263,341	42,616	44,037
Proceeds from disposal of/(Purchase of) other investments	12,350	(209,409)	-	-
Proceeds from disposal of group subsidiaries/partial disposal of a subsidiary (net of cash disposed)	1,340,823	23,538	-	259,738
Other deposit	-	23,768	-	-
Dividends received from associates	843,557	547,612	574,703	547,521
Dividends received from subsidiaries	-	-	487,919	445,273
Repayment from employees	1,191	476	-	-
Payments for ROU assets	(27,127)	(65,454)	-	-
Advances to subsidiaries	-	-	(129,322)	(156,353)
Repayments from subsidiaries	-	-	131,831	427,773
Total cash flows (used in)/from investing activities	(19,857)	(5,592,894)	1,105,443	1,556,430

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

37. CASH FLOWS FROM/(USED IN) OPERATING, INVESTING AND FINANCING ACTIVITIES (CONTINUED)

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Proceeds from borrowings	4,566,904	4,100,067	270,000	597,521
Repayments of borrowings	(6,606,241)	(4,436,072)	(1,360,412)	(732,050)
Repayments of Sukuk	(100,000)	(110,246)	-	-
Partial disposal of subsidiaries	-	267,570	-	-
Additional investments in subsidiaries by NCI	35,142	44,246	-	-
Advances from subsidiaries	-	-	2,506,789	114,948
Repayments of advances to subsidiaries	-	-	(456,189)	(848,997)
Repayments of lease liabilities	(747,062)	(1,731,173)	(2,145)	(1,929)
Dividends paid to NCI	(427,852)	(344,389)	-	-
Dividends paid to shareholders	(918,586)	(918,192)	(918,586)	(918,192)
Total cash flows (used in)/from financing activities	(4,197,695)	(3,128,189)	39,457	(1,788,699)

38. ASSETS AND LIABILITIES CLASSIFIED AS HELD FOR SALE

As of 31 December 2024, the management reassessed and concluded that the proposed exit from the infrastructure segment in Myanmar, which comprised of EIS Group was no longer highly probable under MFRS 5. Accordingly, the Group had re-presented the financial results of EIS Group as continuing operations as follows:

- (i) The assets and liabilities of EIS Group as at 31 December 2024 were reclassified to their appropriate categories in the consolidated statements of financial position; and
- (ii) The comparative figures in the consolidated statement of comprehensive income and its related notes had been re-presented.
- (iii) The Group had adjusted a total of RM14.0 million relating to amortisation of IA, depreciation of PPE and ROU assets for the financial year ended 31 December 2024, which aligned with what would have been recorded had the assets not been classified as held for sale.

The assets and liabilities of EIS Group as at 31 December 2024 were as follows:

	Note	Group RM'000
Assets		
IA	25	59,346
PPE	27	36,203
ROU assets	28	22,426
Deferred tax assets	22	44,437
Trade and other receivables		358,104
Cash and bank balances		441,327
		961,843
Liabilities		
Trade and other payables		55,027
Lease liabilities	23	45,658
Current tax liabilities		7,538
Deferred tax liabilities	22	45,424
Provision for asset retirement	21	93,130
		246,777

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

39. IMPAIRMENT TEST FOR NON-FINANCIAL ASSETS OF THE GROUP

The Group reviews the carrying value of its IA (including goodwill), PPE and ROU assets based on CGUs identified according to operating segment periodically.

Assumptions used

For the purpose of impairment testing, the recoverable amount of respective CGU, is the higher of VIU and FVLCTS.

Discounted cash flow models based on approved forecasts and projections have been applied to determine the VIU for certain CGUs. The forecasts and projections reflect management's expectations of revenue growth, operating costs, margins and capex based on past experience and future market outlook of the respective CGUs. The cash flows beyond projected years approved are extrapolated in perpetuity using estimated terminal growth rates which takes into consideration Gross Domestic Product ("GDP") growth, inflation and average growth rates for the telecommunication industry. These rates have been determined with regards to projected growth rates for the markets in which the CGUs participate and are not expected to exceed the long-term average growth rates for these markets. In addition, the Group closely monitors the developments in these markets including consolidations and mergers, development of new and emerging technologies and other changes in the telecommunication industry.

For the remaining CGUs where FVLCTS calculations are used for impairment testing, management has applied discounted cash flow models based on market participants' view using level 3 of the fair value hierarchy.

(a) Digital telco - Indonesia (Discontinued operations)

The recoverable amount of Indonesia CGU was determined using FVLCTS calculation based on cash flows projection covering a five (5) year period.

The following assumptions had been applied in the calculation:

	2024 (%)
Revenue growth rates	2.7 - 11.1
EBITDA margins	48.8 - 52.0
Capex to revenue ratios	11.4 - 15.0
Terminal growth rate	3.0
Discount rate ^{&}	10.0

[&] Post-tax adjusted discount rate applied to the post-tax cash flow forecasts.

Based on the assessment performed in the previous financial year, goodwill allocated to the Indonesia CGU was not impaired as the recoverable amount exceeded the carrying amount.

Management's assessment included an impact assessment of changes in key assumptions. Based on the sensitivity analysis performed, the Group concluded that no reasonable change in the base case assumptions would cause the carrying amount of Indonesia CGU to exceed its recoverable amount.

(b) Digital telco - Sri Lanka

The following CGUs for which management monitors the goodwill of Sri Lanka digital telco segment and its related calculations used in determining each CGU's recoverable amount are as follows:

	2025 RM'000	2024 RM'000
Mobile operation	196,657	214,442
Fixed telephony and broadband	46,776	54,400
Others	26,184	27,541
	269,617	296,383

The recoverable amounts of the mobile operation and fixed telephony and broadband CGU were determined using VIU calculations based on cash flows projections covering a four (4) year period.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

39. IMPAIRMENT TEST FOR NON-FINANCIAL ASSETS OF THE GROUP (CONTINUED)

Assumptions used (continued)

(b) Digital telco – Sri Lanka (continued)

The following assumptions have been applied in the calculations:

	Mobile operations		Fixed telephony and broadband	
	2025 (%)	2024 (%)	2025 (%)	2024 (%)
Revenue growth rates	4.0 - 9.4	4.7 - 7.7	6.6 - 8.7	1.8 - 2.4
EBITDA margins	50.3 - 52.4	40.3 - 45.1	66.9 - 68.2	52.9 - 55.4
Capex to revenue ratios	8.5 - 9.9	10.5 - 13.5	3.0 - 3.9	4.3 - 5.2
Terminal growth rate	3.0	3.0	3.0	3.0
Discount rate*	18.3	12.0 [#]	14.5	11.9 [#]

* Pre-tax discount rates applied to the cash flow forecasts were derived from the pre-tax cash flows at the date of assessment of the respective CGUs that reflect the risk of the CGUs.

[#] Due to the impending expiration of tax concession in year 2027, management has adopted a multi-stage approach in discounting the cash flows to consider the tax impact.

Based on the assessment performed, goodwill allocated to the mobile operation and fixed telephony and broadband CGUs were not impaired as the recoverable amount exceeded the carrying amount.

Management's assessment included an impact of assessment of changes in key assumptions. Based on the sensitivity analysis performed, the Group concluded that no reasonable change in the base case assumptions would cause the carrying amount of Sri Lanka CGU to exceed its recoverable amount.

(c) Digital telco – Cambodia

The recoverable amount of Cambodia CGU was determined using VIU calculation based on cash flows projection covering a three (3) year period.

The following assumptions have been applied in the calculation:

	2025 (%)	2024 (%)
Revenue growth rates	4.5 - 6.3	5.6 - 8.0
EBITDA margins	56.8 - 57.7	55.3 - 56.5
Capex to revenue ratios	16.4 - 25.1	10.4 - 15.6
Terminal growth rate	2.0	2.0
Discount rate*	15.9	15.3

* Pre-tax discount rate applied to the cash flow forecasts was derived from the pre-tax cash flows at the date of assessment that reflects the risk of the CGU.

Based on the assessment above, goodwill allocated to the Cambodia CGU was not impaired as the recoverable amount exceeded the carrying amount.

Management's assessment included an impact assessment of changes in key assumptions. Based on the sensitivity analysis performed, the Group concluded that no reasonable change in the base case assumptions would cause the carrying amount of Cambodia CGU to exceed its recoverable amount.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

39. IMPAIRMENT TEST FOR NON-FINANCIAL ASSETS OF THE GROUP (CONTINUED)

Assumptions used (continued)

(d) Digital telco - Bangladesh

The recoverable amount of Bangladesh CGU was determined using VIU calculation based on cash flows projection covering a five (5) year period.

The following assumptions have been applied in the calculation:

	2025 (%)	2024 (%)
Revenue growth rates	7.0 - 11.2	1.5 - 7.2
EBITDA margins	50.9 - 53.2	49.1 - 52.9
Capex to revenue ratios	11.8 - 16.1	8.3 - 18.0
Terminal growth rate	8.3	6.5
Discount rate*	16.8	19.4

* Pre-tax discount rate applied to the cash flow forecasts was derived from the pre-tax cash flows at the date of assessment that reflects the risk of the CGU.

Based on the assessment above, the non-financial assets of Bangladesh CGU were not impaired as the recoverable amount exceeded the carrying amount.

Management's assessment included an impact assessment of changes in key assumptions. Based on the sensitivity analysis performed, the Group concluded that no reasonable change in the base case assumptions would cause the carrying amount of Bangladesh CGU to exceed its recoverable amount.

(e) Infrastructure - EDOTCO

The following CGUs for which management monitors the goodwill of the infrastructure segment and its related calculations used in determining each CGU's recoverable amount are as follows:

	2025 RM'000	2024 RM'000
Malaysia ¹	1,210,936	1,210,936
Pakistan	33,216	36,915
	1,244,152	1,247,851

¹ Malaysia consists of two CGUs, Tanjung Digital Sdn Bhd Group and Touch Mindscape Group with goodwill amounting to RM39.2 million and RM1,171.8 million respectively.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

39. IMPAIRMENT TEST FOR NON-FINANCIAL ASSETS OF THE GROUP (CONTINUED)

Assumptions used (continued)

(e) Infrastructure - EDOTCO (continued)

The recoverable amounts of all CGUs in infrastructure - EDOTCO were determined using FVLCTS calculations. Estimates with regard to demand and supply in the tower infrastructure market have been assessed by an external consultant.

The following assumptions have been applied in the calculations:

		Malaysia	Pakistan	
2025				
Number of projection year ¹		15	15	
Post-tax adjusted discount rate (%)		7.0 - 7.5	18.0 - 18.5	
Terminal growth rate (%)		2.5	4.0	
EBITDA margins (%)		74.6 - 75.8	79.3 - 89.6	
Colocation ratio average		2.59x	1.69x	
	Myanmar	Malaysia	Pakistan	Philippines
2024				
Number of projection year ¹	15	15	15	15
Post-tax adjusted discount rate (%)	22.5 - 23.5 [^]	7.4 - 8.2	19.3 - 20.4	10.2
Terminal growth rate (%)	2.0	2.5	4.0	4.0 [^]
EBITDA margins (%)	33.9 - 85.3	73.4 - 76.8	76.4 - 84.8	80.6 - 87.0
Colocation ratio average	2.0x	2.52x	1.57x	1.62x

¹ The forecast period of fifteen (15) years represents the average lease term that is executed with customers and incorporates all agreed changes in lease rates over the lease term.

[^] Key assumptions applied in the impairment assessment are those to which the recoverable amount is most sensitive.

Based on the assessment performed,

(i) Malaysia CGU

Goodwill allocated to the Malaysia CGU was not impaired as the recoverable amount exceeded the carrying amount. Management's assessment included an impact of assessment of changes in key assumptions. Based on the sensitivity analysis performed, the Group concluded that no reasonable change in the base case assumptions would cause the carrying amount of Malaysia CGU to exceed its recoverable amount.

(ii) Pakistan CGU

Goodwill allocated to the Pakistan CGU was not impaired as the recoverable amount exceeded the carrying amount. Management's assessment included an impact assessment of changes in key assumptions. Based on the sensitivity analysis performed, the Group concluded that no reasonable change in the base case assumptions would cause the carrying amount of Pakistan CGU to exceed its recoverable amount.

(iii) Philippines CGU

The non-financial assets of Philippines CGU were not impaired as the recoverable amount exceeded the carrying amount and impact of assessment of changes in key assumptions are not sensitive.

In the previous financial year, the non-financial assets of Philippines CGU were not impaired as the recoverable amount exceeded the carrying amount. Management's assessment included an impact of assessment of changes in key assumptions. Based on the sensitivity analysis performed and assuming all else remained constant, the effect of movement in the key assumptions to the recoverable amounts was as follows:

- If the terminal growth rate were to decrease from 4.0% to 3.1%, assuming all else remained constant, there would be an impairment of RM28.5 million.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

39. IMPAIRMENT TEST FOR NON-FINANCIAL ASSETS OF THE GROUP (CONTINUED)

Assumptions used (continued)

(e) Infrastructure - EDOTCO (continued)

(iv) Myanmar CGU (Discontinued operations)

In the previous financial year, the non-financial assets of Myanmar CGU were not impaired as the recoverable amount exceeded the carrying amount. Management's assessment included an impact assessment of changes in key assumptions. Based on the sensitivity analysis performed and assuming all else remained constant, the effect of movement in the key assumptions to the recoverable amount was as follows:

- If the average discount rate were to increase from 23.0% to 24.0% and assuming all else remained constant, there would be an impairment of RM24.2 million.

(f) Infrastructure - Linknet

The recoverable amount of Infrastructure - Linknet CGU was determined using FVLCTS calculation.

The following assumptions have been applied in the calculation:

	2025* (%)	2024 (%)
Number of projection year ¹	10	10
Revenue growth rates	4.3 - 22.8	4.3 - 22.8
EBITDA margins	34.9 - 47.1	34.5 - 52.4
Capex to revenue ratios	22.1 - 87.6	21.1 - 83.5
Terminal growth rate	4.0	4.0
Post-tax adjusted discount rate (%) ^{&}	10.5	10.0 [^]

¹ The forecast period of ten (10) years represents the duration of the construction and roll out of the HomePasses and the longer gestation period for the Infrastructure - Linknet CGU to achieve the expected penetration rate and generate cash flows.

[&] Post- tax adjusted discount rate applied to the post-tax cash flow forecasts.

[^] Key assumptions applied in the impairment assessment are those to which the recoverable amount is most sensitive.

^{*} Key assumptions applied in the impairment assessment performed during the first nine (9) months of the financial year.

During the first nine (9) months of the financial year, Infrastructure - Linknet CGU consistently underperformed against forecasts with revenue and EBITDA below expectations, driven by high churn in fibre and media wholesale businesses mainly due to the slower roll out of home connects amid intense competition in the retail market. Hence, management has revised the cash flow projections and post-tax adjusted discount rate to reflect a more cautious view of Infrastructure - Linknet CGU's near-term growth. Accordingly, the Group has recorded a total impairment loss of RM543.0 million (recoverable amount: RM3,145.4 million), of which RM145.8 million was allocated to NCI. The impairment loss related solely to goodwill.

Subsequently during the remaining three (3) months of the financial year, management has revised Infrastructure - Linknet CGU's strategy to focus on open-access and capital-light business model resulting in improved EBITDA margins and Capex to revenue ratios. Infrastructure - Linknet CGU continues to emphasise on monetising existing fibre assets and expanding relationships with other Internet Service Provider customers.

Based on the assessment as at reporting date, goodwill allocated to Infrastructure - Linknet CGU was not impaired as the recoverable amount exceeded the carrying amount and management concluded that the assumptions used in the assessment are not sensitive.

In the previous financial year, management's assessment included an impact assessment of changes in key assumptions. Based on sensitivity analysis performed and assuming all else remained constant, the effect of movement in the key assumptions to the recoverable amounts was as follows:

- If the discount rate increases from 10.0% to 10.5% assuming all else remained constant, there would be an impairment of RM36.0 million.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

39. IMPAIRMENT TEST FOR NON-FINANCIAL ASSETS OF THE GROUP (CONTINUED)

Assumptions used (continued)

(g) Associate - CelcomDigi

The recoverable amount CelcomDigi was determined using VIU calculations based on cash flows projections covering a five (5) year period.

The following assumptions have been applied in the calculations:

	2025 (%)	2024 (%)
Revenue compound annual growth rate	2.8	3.1
EBITDA margins	43.1 - 44.5 [^]	45.0 - 45.2
Terminal growth rate	2.5	2.5 [^]
Discount rate*	8.0	8.0 [^]

* Discount rate applied to the cash flows forecast reflects the risk of the investment.

[^] Key assumptions applied in the impairment assessment were those to which the recoverable amount is most sensitive.

Based on the assessment above, the carrying amount of the material associate was not impaired as the recoverable amount exceeded the carrying amount.

Management's assessment included an impact of assessment of changes in key assumptions. Based on sensitivity analysis performed and assuming all else remained constant, the effects of movement in the key assumptions to the recoverable amounts are as follows:

- If the EBITDA margins were to decrease from 43.1% - 44.5% to 39.6% - 42.2%, assuming all else remained constant, there would be an impairment of RM61.6 million (Company: RM 342.3 million).

In the previous financial year, management's assessment included an impact of assessment of changes in key assumptions. Based on the sensitivity analysis performed and assuming all else remained constant, the effects of movement in the key assumptions to the recoverable amounts were as follows:

- If the terminal growth rate were to decrease from 2.5% to 2.0%, assuming all else remained constant, there would be an impairment of RM319.7 million.
- If the discount rate were to increase from 8.0% to 8.5% assuming all else remained constant, there would be an impairment of RM596.2 million.

(h) Associate - XLSMART

The recoverable amount XLSMART was determined using FVLCTS calculation based on the public market quoted price as disclosed in Note 30(a)(iii) to the financial statements. Based on the assessment above, the carrying amount of XLSMART was not impaired as the recoverable amount exceeded the carrying amount.

40. CONTINGENCIES AND COMMITMENTS

(a) Capital commitments

	Group	
	2025 RM'000	2024 RM'000
PPE		
Commitments in respect of expenditure approved and contracted for	536,941	1,457,461

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

40. CONTINGENCIES AND COMMITMENTS (CONTINUED)

(b) Operating lease - The Group as a lessor

The Group leases out its telecommunication towers, sites and network equipment. The Group classified these leases as operating leases, because they do not transfer substantially all of the risks and rewards incidental to the ownership of the assets. The following table sets out the maturity schedule of undiscounted lease payments to be received after the reporting date.

	Group	
	2025 RM'000	2024 RM'000
Within 1 year	629,403	951,234
Between 1 and 2 years	609,379	901,724
Between 2 and 3 years	606,213	858,628
Between 3 and 4 years	585,174	739,547
Between 4 and 5 years	575,042	702,626
Later than 5 years	3,846,455	3,738,406
Total undiscounted lease payments to be received	6,851,666	7,892,165

(c) List of contingent liabilities of subsidiaries of the Group as at 31 December is as follows:

Description	Potential exposure	
	2025 RM'million	2024 RM'million

1. Robi vs Large Taxpayer Unit (“LTU-VAT”) of the National Board of Revenue of Bangladesh (“NBR”) (SIM Replacement Tax)	137.7	154.4
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Robi SIM Replacement Dispute March 2007 - June 2011

On 17 May 2015, the LTU-VAT of the NBR issued a revised demand letter for RM137.7 million (BDT4,145.5 million) (“2007 to 2011 Revised Claim”) to Robi alleging that Robi had evaded payment of supplementary duty and value-added tax (“VAT”) levied on the issuance of a certain number of SIM cards to new customers of Robi for the duration from March 2007 to June 2011 when such SIM cards were issued as replacement cards to existing subscribers of Robi.

In August 2015, Robi filed an appeal against the 2007 to 2011 Revised Claim to the Customs, Excise and VAT Appellate Tribunal. Robi deposited 10% of the sum set out in the 2007 to 2011 Revised Claim with the LTU-VAT of the NBR based on provisions of the Value Added Tax Act 1991, as disclosed in Note 35 to the financial statements.

This appeal was first heard on 28 September 2016 by the Customs, Excise and VAT Appellate Tribunal and later reheard on 11 April 2017 by a reconstituted bench of the Customs, Excise and VAT Appellate Tribunal. The Customs, Excise and VAT Appellate Tribunal dismissed Robi’s appeal.

In September 2017, Robi filed an appeal to the High Court of Bangladesh against the Customs, Excise and VAT Appellate Tribunal’s decision (“VAT Appeal No. 1”).

On 23 November 2020, the VAT Appeal No. 1 pending in the High Court of Bangladesh was fixed for hearing whereupon the High Court of Bangladesh ordered parties to file the remaining paper books and fixed VAT Appeal for continued hearing from 20 January 2021 onwards, with no further developments to date.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

40. CONTINGENCIES AND COMMITMENTS (CONTINUED)

(c) List of contingent liabilities of subsidiaries of the Group as at 31 December is as follows: (continued)

Description	Potential exposure	
	2025 RM'million	2024 RM'million
2. Robi vs LTU-VAT of the NBR (SIM Replacement Tax)	94.7	106.2
Robi SIM Replacement Dispute July 2012 to June 2015		
<p>On 20 November 2017, the LTU-VAT of the NBR issued a demand letter for RM94.7 million (BDT2,852.0 million) ("2012 to 2015 Claim") to Robi alleging that Robi had evaded payment of supplementary duty and VAT levied on the issuance of certain number of SIM cards to new customers of Robi for the duration from July 2012 to June 2015 when such SIM cards were issued as replacement cards to existing subscribers of Robi.</p> <p>On 18 February 2018, Robi filed an appeal against the 2012 to 2015 Claim to the Customs, Excise and VAT Appellate Tribunal on the basis that replacement cards do not establish new connections and do not change existing subscribers' numbers. Robi deposited 10% of the sum set out in the respective demand notices with the LTU-VAT of the NBR based on provisions of the Value Added Tax Act 1991, as disclosed in Note 35 to the financial statements. This appeal was dismissed by the Customs, Excise and VAT Appellate Tribunal.</p> <p>Robi has filed an appeal to the High Court of Bangladesh against the Customs, Excise and VAT Appellate Tribunal's decision ("VAT Appeal No. 2").</p> <p>On 23 November 2020, the VAT Appeal No. 2 pending in the High Court of Bangladesh was fixed for hearing whereupon the High Court of Bangladesh ordered parties to file the remaining paper books.</p> <p>On 3 December 2020, the High Court of Bangladesh took the view that Robi will need to file a Revision Application for the VAT Appeal No. 2 under the new Value Added Tax and Supplementary Duty Act 2012 which became effective on 1 July 2019. Pursuant thereto, Robi will have to deposit a further 10% of the sum set out in the respective demand notice with the LTU-VAT of the NBR.</p> <p>Robi has filed written arguments against such view on the basis that the new Value Added Tax and Supplementary Duty Act 2012 is not applicable. This legal point was heard on 2 March 2021 in which the High Court of Bangladesh dismissed Robi's argument and advised Robi to file a Revision Application under the new Value Added Tax and Supplementary Duty Act 2012. Subsequently on 23 March 2021, Robi filed a Civil Miscellaneous Petition for Leave to Appeal ("CMP") before the Appellate Division of the Supreme Court of Bangladesh contending the dismissal. Pending the hearing of the CMP by the Appellate Division, the High Court Division of Supreme Court of Bangladesh issued a certified copy of the judgement on maintainability on 23 August 2021. Robi subsequently filed a Civil Petition for Leave to Appeal ("CP") before the Appellate Division of the Supreme Court of Bangladesh. The CP is now pending for hearing.</p> <p>The Board of Directors, based on external legal advice received, are of the view that it has good prospects of succeeding on the claim.</p>		
3. Robi's tax position	-	119.0
<p>Robi has claimed certain expenses as deductible expenses in its tax provision computations for the FY 2005 to 2021 (2024: FY 2005 to 2020). The NBR has challenged its claims and regarded those expenses as non-deductible.</p> <p>Robi deposited between 10% to 25% of the tax liability with the NBR at different stages of appeal based on provisions of the Income Tax Ordinance 1984.</p> <p>Robi favourably concluded ADR proceedings with NBR in respect of the tax provision computations for all disputed income years from FY2005 to 2021 except for FY 2017 and 2019 based on ADR agreements reached prior to 31 December 2025. Accordingly, Robi has adjusted its provisions to reflect the concluded ADR outcomes, as well as updated the unresolved assessments for FY 2017 and 2019 based on management's best estimates as disclosed in Note 9 and Note 11 to the financial statements.</p> <p>The tax exposures from FY 2005 to 2021 have been fully provided and no longer exposed to any contingent liability.</p>		

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

40. CONTINGENCIES AND COMMITMENTS (CONTINUED)

(c) List of contingent liabilities of subsidiaries of the Group as at 31 December is as follows: (continued)

Description	Potential exposure	
	2025 RM'million	2024 RM'million
4. Robi vs Bangladesh Telecommunication Regulatory Commission (“BTRC”)	241.1	270.4

BTRC conducted an information system audit on Robi for the years between 1997 to 2014 and issued a claim of RM288.0 million (BDT8,672.4 million) against Robi on 31 July 2018 (“Information System Audit Claim”). This Information System Audit Claim was disputed by Robi, and a Notice of Arbitration was served on BTRC on 30 May 2019.

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

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

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

On 5 January 2020, the High Court of Bangladesh issued an injunction upon BTRC on condition that Robi deposit RM69.0 million (BDT1,380.0 million) in five instalments. Robi deposited these five (5) equal instalments by 31 May 2020, as disclosed in Note 35 to the financial statements. This matter is currently pending for hearing before the Joint District Judge, Dhaka.

Separately, on 10 January 2023, the Honourable Appellate Division of Supreme Court of Bangladesh announced verbal judgement on the 2G spectrum fees and licence fees that allows the appeal filed by BTRC, without deducting 15% value added tax. Similar claim amounting to RM46.9 million (BDT1,412.1 million) is included in one of the items from the Information System Audit Claim of BDT8,672.4 million. Robi recognised BDT1,412.1 million as provision in the previous financial year following the verbal judgement and consequently, reduced the potential exposure by the same amount.

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

40. CONTINGENCIES AND COMMITMENTS (CONTINUED)

(c) List of contingent liabilities of subsidiaries of the Group as at 31 December is as follows: (continued)

Description	Potential exposure	
	2025 RM'million	2024 RM'million
5. Robi vs LTU-VAT of the NBR (VAT rebate cancellation)	93.2	104.5
<p>For the period of 2010 to 2016, Robi claimed rebate for input VAT payable on certain goods and services relating to capital machineries (i.e. antenna, cable, media gateway switch, battery, modem, telephone and telegraphic switch, power system, optical multi service systems, universal service router, printed service board, racks, etc.). The LTU-VAT of the NBR issued five (5) show cause cum demand notices to Robi to cancel such rebate for input VAT and demanded for a total amount of RM93.2 million (BDT2,805.6 million).</p> <p>(i) The demand notice for the period of July 2013 to June 2014 is for RM19.8 million (BDT596.8 million).</p> <p>(ii) The demand notice for the period of July 2014 to January 2016 is for RM33.0 million (BDT993.2 million).</p> <p>(iii) The demand notice for the period of February 2016 to April 2016 for RM1.4 million (BDT41.0 million).</p> <p>(iv) The demand notice for the period of May 2016 to December 2016 is for RM23.5 million (BDT707.7 million).</p> <p>(v) The demand notice for the period of July 2010 to June 2012 is for RM15.5 million (BDT466.9 million). Robi filed an appeal to the Customs, Excise and VAT Appellate Tribunal.</p> <p>Pursuant to each demand notice in items (i) to (v), Robi deposited 10% of the sum set out in the respective demand notices with the LTU-VAT of the NBR based on the provisions of the Value Added Tax Act 1991, as disclosed in Note 35 to the financial statements.</p> <p>For items (i) to (iv), Robi filed four (4) separate VAT appeals to the High Court of Bangladesh on 21 January 2019 to challenge the said demand notices. For item (v), the earlier appeal to the Customs, Excise and VAT Appellate Tribunal was dismissed and Robi thereafter filed a VAT appeal to the High Court of Bangladesh on 1 June 2020 to challenge the said demand notice. All cases are currently pending before the High Court Division, except for two covering the demand notice for the period of July 2013 to June 2014 and the demand notice for the period of May 2016 to December 2016, where hearings are ongoing.</p> <p>The Board of Directors, based on external legal advice received, are of the view that it has good prospects of succeeding on the claim.</p> <p>In addition, there are similar Airtel cases amounting to RM14.7 million (BDT442.8 million) which are indemnified by a third party arising from a business combination.</p>		
Total potential exposure	566.7	754.5

The Company does not have any contingent liability as at 31 December 2025 and 31 December 2024.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

41. SEGMENTAL REPORTING

By business segments and geographical locations of the key operating companies of the Group

Management has determined the operating segments to be based on the management reports reviewed by the Board of Directors as CODM.

The business segments of the Group represent the core businesses and geographical locations of the key operating companies based on the operating results regularly reviewed by the Board of Directors. The business segments of the Group are as follows:

(i) Digital telco/ Mobile segment

The digital telco/ mobile business of the Group is segmented based on the countries in which the key operating companies operate. The reportable segments are principally engaged in the provision of mobile services and other services such as provision of interconnect services, sale of devices, pay television transmission services, broadband services and digital business and others.

(ii) Infrastructure segment

The infrastructure segment is principally engaged in the provision of telecommunication infrastructure and related services. Although the infrastructure segment operates in different geographical locations, resource allocation decisions and business performance management for this segment are viewed as a single business unit by the Board of Directors. This is consistent with the current practice of internal reporting. As such, the geographical information on infrastructure segment is not presented.

(iii) Digital segment

The digital segment is principally engaged in multimedia advertising, creative content, e-commerce enablement, digital financial (including digital banking business), digital lifestyle and its related businesses.

(iv) Others

Others comprise of investment holding entities, financing entities and other operating companies providing other services including information technology related services in Malaysia and other countries that contributed less than 10% of consolidated revenue.

The Board of Directors assess the performance of the operating segment, before its respective tax charge or tax credits, mainly based on the measure of EBITDA. EBITDA is derived after revenue less operating costs (domestic interconnect, international outpayment and other direct costs, marketing, advertising and promotion, other operating costs, staff costs and net impairment on financial assets). Segment assets and segment liabilities are not used in decisions about allocation of resources and in assessing the performance of the operating segments.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

41. SEGMENTAL REPORTING (CONTINUED)

	Digital telco/ Mobile segment----->		Infrastructure segment ---->		Digital segment ----->		Consolidation adjustments/ eliminations		Continuing operations	
	Bangladesh RM'000	Sri Lanka RM'000	Cambodia RM'000	Linknet ¹ RM'000	EDOTCO RM'000	ADA ² RM'000	Boost ³ RM'000	Others ⁴ RM'000	RM'000	RM'000
Financial year ended 31 December 2025										
Revenue:										
Total revenue	3,515,759	2,561,139	1,847,182	801,213	2,382,819	980,247	222,741	184,367	-	12,495,467
Inter-segment ⁵	(78,419)	(1,756)	(16,919)	(6)	(521,326)	(27,949)	(602)	(90,493)	-	(737,470)
External revenue	3,437,340	2,559,383	1,830,263	801,207	1,861,493	952,298	222,139	93,874	-	11,757,997
Results:										
EBITDA ⁷	1,751,790	1,225,724	1,096,042	217,575	1,765,773	87,584	(112,238)	62,605	(634,412)	5,460,443
Finance income	4,691	11,441	45,421	2,482	30,923	15,964	2,754	69,522	(13,481)	169,717
Gain on early redemption of debt	-	-	-	-	-	-	-	175,129	-	175,129
Finance costs	(247,696)	(161,306)	(55,649)	(136,687)	(444,225)	(994)	(19,666)	(364,820)	182,213	(1,248,830)
Depreciation of PPE	(611,967)	(458,482)	(296,611)	(430,477)	(371,619)	(2,798)	(946)	(5,728)	-	(2,178,628)
Depreciation of ROU assets	(182,239)	(39,688)	(95,211)	(7,287)	(308,682)	(4,026)	(3,213)	(5,170)	172,899	(472,617)
Amortisation of IA	(314,333)	(64,678)	(13,544)	(20,599)	(47,610)	(15,364)	(34,534)	(6,290)	(31,206)	(548,158)
Impairment of PPE and IA, net	(4,406)	(14,958)	(479)	6,803	13,561	(3,618)	-	5,382	-	2,285
Impairment of goodwill	-	-	-	-	-	-	-	-	(543,049)	(543,049)
Joint ventures:										
- share of results (net of tax)	-	-	-	-	-	-	-	8	-	8
Associates:										
- share of results (net of tax)	-	(672)	7,584	-	-	-	-	20,014	(7,584)	19,342
- Gain on dilution	-	-	-	-	-	-	-	53,178	-	53,178
Other income/(expense)	55,495	(117,148)	(12,139)	(7,051)	52,210	(9,067)	(13,195)	153,850	3,828	106,783
Taxation	(121,623)	(84,258)	(138,589)	(1,485)	(234,166)	(18,971)	25,887	118,022	34,897	(656,330)
Segment profit/(loss) for the financial year	329,712	295,975	536,825	(376,726)	456,165	48,710	(155,151)	39,658	(835,895)	339,273

1 Following the transformation of core business of Linknet from a retail broadband provider to a wholesale fibre infrastructure provider ("FibreCo"), Linknet is regrouped from Fixed broadband segment to Infrastructure segment.

2 ADA refers to ADA and its subsidiaries.

3 Boost refers to Boost Holdings and its subsidiaries.

4 Others include the Company, special purpose vehicles and other entities.

5 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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

41. SEGMENTAL REPORTING (CONTINUED)

	←-----Discontinued operations-----→				
	Continuing operations ⁶ RM'000	EIS Group RM'000	XL Group RM'000	Discontinued operations RM'000	Total RM'000
Financial year ended 31 December 2025 (continued)					
Total revenue	12,495,467	123,886	2,739,573	2,863,459	15,358,926
Inter-segment ⁵	(737,470)	-	(257,304)	(257,304)	(994,774)
External revenue	11,757,997	123,886	2,482,269	2,606,155	14,364,152
Results:					
EBITDA ⁷	5,460,443	101,649	1,371,671	1,473,320	6,933,763
Finance income	169,717	29,510	11,842	41,352	211,069
Gain on early redemption of debt	175,129	-	-	-	175,129
Finance costs	(1,248,830)	(10,763)	(245,079)	(255,842)	(1,504,672)
Depreciation of PPE	(2,178,628)	(1,773)	(520,206)	(521,979)	(2,700,607)
Depreciation of ROU assets	(472,617)	(979)	(381,887)	(382,866)	(855,483)
Amortisation of IA	(548,158)	(2,038)	(57,054)	(59,092)	(607,250)
Impairment of PPE and IA, net	2,285	-	(122)	(122)	2,163
Impairment of goodwill	(543,049)	-	-	-	(543,049)
(Loss)/Gain on disposal of group of subsidiaries - net	-	(288,048)	504,235	216,187	216,187
Joint ventures:					
- share of results (net of tax)	8	-	-	-	8
Associates:					
- share of results (net of tax)	19,342	-	(4,611)	(4,611)	14,731
- gain on dilution	53,178	-	-	-	53,178
Other income/(expense)	106,783	(29,141)	(152,250)	(181,391)	(74,608)
Taxation	(656,330)	1,528	(34,149)	(32,621)	(688,951)
Segment profit/(loss) for the financial period	339,273	(200,055)	492,390	292,335	631,608

⁶ Reference to previous page disclosure of continuing operations.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

41. SEGMENTAL REPORTING (CONTINUED)

7 The breakdown of costs deducted from revenue to derive to EBITDA is as follows:

	<---Digital telco/ Mobile segment---><---Infrastructure segment---><---Digital segment--->					Consolidation adjustments/ eliminations			Discontinued operations<--->			Total RM'000		
	Bangladesh RM'000	Sri Lanka RM'000	Cambodia RM'000	Linknet ¹ RM'000	EDOTCO RM'000	ADA ² RM'000	Boost ³ RM'000	Others ⁴ RM'000	Continuing operations RM'000	EIS Group RM'000	XL Group RM'000		Discontinued operations RM'000	
Financial year ended 31 December 2025														
Domestic interconnect international outpayment and other direct costs	(160,071)	(98,144)	(34,843)	(290,971)	(188,084)	(488,294)	(33,493)	(10,079)	97,205	(1,206,774)	(9,521)	(57,000)	(66,521)	(1,273,295)
Marketing, advertising and promotion	(379,632)	(218,277)	(129,139)	(15,053)	(2,850)	(98,468)	(29,607)	(10,668)	17,144	(866,550)	-	(102,754)	(102,754)	(969,304)
Other operating costs	(1,014,144)	(739,689)	(502,512)	(206,053)	(195,752)	(186,535)	(150,462)	(86,103)	195,966	(2,885,284)	(6,946)	(836,348)	(843,294)	(3,728,578)
Staff costs	(208,255)	(247,383)	(83,764)	(69,452)	(238,834)	(116,639)	(117,905)	(237,714)	14,619	(1,305,327)	(5,770)	(105,025)	(110,795)	(1,416,122)
(Provision for)/ Reversal of impairment on financial assets - net	(1,867)	(31,922)	(882)	(2,109)	8,474	(2,727)	(3,512)	926	-	(33,619)	-	(9,471)	(9,471)	(43,090)
Total	(1,763,969)	(1,335,415)	(751,140)	(583,638)	(617,046)	(892,663)	(334,979)	(343,638)	324,934	(6,297,554)	(22,237)	(1,110,598)	(1,132,835)	(7,430,389)

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

41. SEGMENTAL REPORTING (CONTINUED)

	Digital telco/Mobile segment		Infrastructure segment			Digital segment			Consolidation adjustments/eliminations	
	Bangladesh RM'000	Sri Lanka RM'000	Cambodia RM'000	Linknet ¹ RM'000	EDOTCO RM'000	ADA ² RM'000	Boost ³ RM'000	Others ⁴ RM'000	RM'000	RM'000
Financial year ended 31 December 2024										
Revenue:										
Total revenue	3,956,313 (88,809)	2,658,103 (3,791)	1,881,710 (38,318)	1,057,423 (70)	2,532,321 (601,410)	975,568 (28,861)	155,818 (1,162)	185,522 (98,439)	-	13,402,778 (860,860)
Inter-segment ⁵										
External revenue	3,867,504	2,654,312	1,843,392	1,057,353	1,930,911	946,707	154,656	87,083	-	12,541,918
Results:										
EBITDA ⁷	1,979,456	1,033,534	1,082,717	329,881	1,794,976	66,931	(110,138)	(274,830)	(277,210)	5,688,317
Finance income	4,567	22,735	44,605	3,573	24,876	16,687	4,270	150,999	(95,986)	176,326
Gain on early redemption of debt	-	-	-	-	-	-	-	306,101	-	306,101
Finance costs	(292,902)	(157,328)	(46,235)	(176,381)	(496,381)	(1,180)	(20,900)	(503,357)	275,091	(1,419,573)
Depreciation of PPE	(594,956)	(476,374)	(330,535)	(470,008)	(511,589)	(3,366)	(870)	(6,701)	-	(2,394,399)
Depreciation of ROU assets	(213,116)	(36,367)	(84,647)	(19,942)	(315,894)	(4,676)	(3,430)	(5,007)	206,479	(476,600)
Amortisation of IA	(341,852)	(75,765)	(12,714)	(21,531)	(48,236)	(15,733)	(39,775)	(6,695)	(159,749)	(722,050)
Impairment of PPE, ROU assets and IA (licence and others), net	(1,983)	(4,410)	(344)	(8,342)	(4,633)	-	-	(1)	-	(19,713)
Joint ventures:										
- share of results (net of tax)	-	-	-	-	-	-	-	66	-	66
Associates:										
- share of results (net of tax)	-	(537)	23,395	-	-	-	-	434,916	(3,595)	454,179
- gain on dilution of equity interests	-	-	-	-	-	-	-	-	-	-
Other (expense)/income	(35,328)	(54,846)	(401)	537,123	1,026	7,432	(5,496)	91,183	(552,792)	(12,099)
Taxation	(224,452)	(57,542)	(134,742)	(40,495)	(211,735)	(13,167)	10,354	(99,405)	(4,382)	(775,566)
Segment profit/(loss) for the financial year	279,434	193,100	541,099	196,878	232,410	52,928	(165,985)	87,269	(612,144)	804,989

¹ Following the transformation of core business of Linknet from a retail broadband provider to a wholesale fibre infrastructure provider ("FibreCo"), Linknet is regrouped from Fixed broadband segment to Infrastructure segment.

² ADA refers to ADA and its subsidiaries.

³ Boost refers to Boost Holdings and its subsidiaries.

⁴ Others include the Company, special purpose vehicles and other entities.

⁵ 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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

41. SEGMENTAL REPORTING (CONTINUED)

	<---Discontinued operations--->				Total RM'000
	Continuing operations ⁶ RM'000	EIS Group RM'000	XL Group RM'000	Discontinued operations RM'000	
Financial year ended 31 December 2024 (continued)					
Revenue:					
Total revenue	13,402,778	324,843	9,939,172	10,264,015	23,666,793
Inter-segment ⁵	(860,860)	-	(471,316)	(471,316)	(1,332,176)
External revenue	12,541,918	324,843	9,467,856	9,792,699	22,334,617
Results:					
EBITDA ⁷	5,688,317	270,547	5,170,380	5,440,927	11,129,244
Finance income	176,326	66,126	23,194	89,320	265,646
Gain on early redemption of debt	306,101	-	-	-	306,101
Finance costs	(1,419,573)	(31,297)	(894,151)	(925,448)	(2,345,021)
Depreciation of PPE	(2,394,399)	(7,139)	(2,008,995)	(2,016,134)	(4,410,533)
Depreciation of ROU assets	(476,600)	(1,820)	(1,433,703)	(1,435,523)	(1,912,123)
Amortisation of IA	(722,050)	(5,080)	(86,340)	(91,420)	(813,470)
Impairment of PPE, ROU assets and IA (licence and others), net	(19,713)	18,841	(7,936)	10,905	(8,808)
Joint ventures:					
- share of results (net of tax)	66	-	-	-	66
Associates:					
- share of results (net of tax)	454,179	-	(3,314)	(3,314)	450,865
Other (expense)/income	(12,099)	(104,048)	18,654	(85,394)	(97,493)
Taxation	(775,566)	(27,775)	(162,274)	(190,049)	(965,615)
Segment profit for the financial year	804,989	178,355	615,515	793,870	1,598,859

⁶ Reference to previous page disclosure of continuing operations.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

41. SEGMENTAL REPORTING (CONTINUED)

7 The breakdown of costs deducted from revenue to derive to EBITDA is as follows:

	<---Digital telco/ Mobile segment---><-Infrastructure segment-><-Digital segment->					Consolidation adjustments/ eliminations			Discontinued operations<----->				
	Bangladesh RM'000	Sri Lanka RM'000	Cambodia RM'000	Linknet ¹ RM'000	EDOTCO RM'000	ADA ² RM'000	Boost ³ RM'000	Others ⁴ RM'000	Continuing operations RM'000	EIS Group RM'000	XL Group RM'000	Discontinued operations RM'000	Total RM'000
Financial year ended 31 December 2024													
Domestic interconnect, international outpayment and other direct costs	(190,000)	(358,643)	(34,227)	(232,760)	(250,892)	(540,352)	(23,000)	(128,906)	(1,513,718)	(24,975)	(414,901)	(439,876)	(1,953,594)
Marketing, advertising and promotion	(510,360)	(202,949)	(168,144)	(36,497)	(3,518)	(63,466)	(31,024)	19,130	(1,007,410)	(12)	(530,034)	(530,046)	(1,537,456)
Other operating costs	(1,071,464)	(796,813)	(516,614)	(280,069)	(254,738)	(159,358)	(119,067)	388,276	(2,949,727)	(18,051)	(2,990,979)	(3,009,030)	(5,958,757)
Staff costs	(204,159)	(240,345)	(78,451)	(92,267)	(206,774)	(142,365)	(90,161)	25,759	(1,280,392)	(12,686)	(321,316)	(334,002)	(1,614,394)
(Provision for)/ Reversal of impairment on financial assets - net	(874)	(25,819)	(1,557)	(22,949)	(21,423)	(3,096)	(2,704)	-	(102,354)	1,428	(40,246)	(38,818)	(141,172)
Total	(1,976,857)	(1,624,569)	(798,993)	(664,542)	(737,345)	(908,637)	(265,956)	562,071	(6,853,601)	(54,296)	(4,297,476)	(4,351,772)	(11,205,373)

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

41. SEGMENTAL REPORTING (CONTINUED)

By geographical location

In presenting information for geographical segments of the Group, total non-current assets are determined based on where the assets of core businesses and geographical locations of the key operating companies. Non-current assets exclude financial instruments defined under MFRS 9 and deferred tax assets.

	Digital telco/ Mobile segment					Infrastructure segment					Digital			Total RM'000	
	Indonesia RM'000	Bangladesh RM'000	Sri Lanka RM'000	Cambodia RM'000	Linknet RM'000	EDOTCO ² RM'000	ADA RM'000	Boost RM'000	Others ¹ RM'000	Total RM'000					
As at 31 December 2025															
Total non-current assets	-	5,319,559	2,700,115	1,804,671	3,239,675	8,239,334	211,224	164,564	19,881,861	41,561,003					
As at 31 December 2024															
Total non-current assets	22,728,813	6,172,865	3,333,954	1,882,190	4,389,092	8,852,261	231,049	155,560	15,520,588	63,266,372					

¹ Included in Others is the Company's investment in material associates in Malaysia and Indonesia, as disclosed in Note 30 to the financial statements.

² Geographical locations of EDOTCO infrastructure segment non-current assets are as follows:

	Malaysia RM'000	Bangladesh RM'000	Myanmar RM'000	Philippines RM'000	Pakistan RM'000	Others* RM'000	Total RM'000
2025	2,934,703	1,307,700	-	2,958,588	442,582	595,761	8,239,334
2024	2,938,134	1,517,641	188,749	3,286,859	417,037	503,841	8,852,261

* Others include other geographical locations within the infrastructure segment that are not individually material.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

42. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

- (a) Market risks consist of:
- (i) price risk – risk that the value of a financial instrument will fluctuate as a result of changes in market prices, whether those changes are caused by factors specific to the individual instrument or its issuer or factors affecting all instrument traded in the market.
 - (ii) foreign currency exchange risk – risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates.
 - (iii) fair value interest rate risk – risk that the value of a financial instrument will fluctuate due to changes in market interest rates.
 - (iv) cash flow interest rate risk – risk that future cash flows associated with a financial instrument will fluctuate. In the case of a floating rate debt instrument, such fluctuations result in a change in the effective interest rate of the financial instrument, usually without a corresponding change in its fair value.
- (b) Credit risk – risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss.
- (c) Liquidity risk (funding risk) – risk that an entity will encounter difficulty in raising funds to meet commitments associated with financial instruments.

The Group's and the Company's overall financial risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Group and the Company. Financial risk management is carried out through risk reviews, internal control systems, insurance programmes and adherence to the Group's and the Company's financial risk management policies. The Board of Directors regularly reviews these risks and approves the treasury policies, which covers the management of these risks. Hedging transactions are determined in the light of commercial commitments. Derivative financial instruments are used to hedge underlying commercial exposures.

(a) Market risks

(i) Price risk

The Group is exposed to equity securities price risk mainly due to:

- investments held by the Group classified on the consolidated statement of financial position as FVTOCI asset, which is fair valued under level 3 fair value estimation; and
- changes in the future cash flows of the put option liabilities due to changes in market price as disclosed in Note 18(b) and Note 18(c) to the financial statements.

The Group continuously monitors market conditions and applies appropriate risk management strategies to manage this risk.

(ii) Foreign currency exchange risk

The foreign exchange risk of the Group and the Company predominantly arises from unhedged borrowings denominated in foreign currencies. The main currency exposure from borrowings denominated in foreign currency is USD as disclosed in Note 16 to the financial statements. The Group and the Company's foreign currency exchange risk objective is to manage an acceptable level of USD exchange rate risk. In order to achieve this objective, the Group and the Company targets a composition of natural and contractual hedge based on assessment of its existing exposure and desirable USD exchange rate. To obtain this composition, the Group and the Company uses cross currency swaps and FX forward, where available, and USD currency reserves that are primarily used to hedge USD currency borrowings to reduce the USD currency exposures on these borrowings.

Group

Based on the unhedged borrowings position as at 31 December 2025, if USD were to strengthen/weaken by 10% against BDT, LKR and RM with all other variables held constant, this will result in foreign exchange losses/gains to the profit or loss of RM440.8 million (2024: RM678.7 million) on translation of USD denominated unhedged borrowings.

The exposure to other foreign currency risk of the Group is not material and hence, sensitivity analysis is not presented.

Company

As at 31 December 2025, if USD were to strengthen/weaken by 10% against RM with all other variables held constant, this will result in foreign exchange losses/gains to the profit or loss of nil (2024: RM35.8 million) on translation of USD denominated unhedged borrowings.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

42. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(a) Market risks (continued)

(iii) Cash flow and fair value interest rate risk

The Group and the Company have deposits, cash and bank balances including deposits placed with creditworthy licensed banks and financial institutions. The Group and the Company manage its interest rate risk by actively monitoring the yield curve trend and interest rate movement for the various deposits, cash and bank balances.

The Group and the Company's borrowings comprise of borrowings from financial institutions, Sukuk, Bonds and Note. The Group and the Company's interest rate risk objective is to manage an acceptable level of rate fluctuation on interest expense. In order to achieve this objective, the Group targets a composition of fixed and floating borrowings based on assessment of its existing exposure and desirable interest rate profile. To obtain this composition, the Group uses hedging instruments such as CCIRS and IRS as disclosed in Note 18(d) and Note 18(e) to the financial statements.

The Company's borrowings comprise of borrowings from financial institutions. The interest rate profiles of the Company's borrowings are regularly reviewed against prevailing and anticipated market interest rates to determine whether refinancing or early repayment is warranted.

The Company provided loan to subsidiaries with fixed interest rate. The interest risk profiles of the Company's loan to subsidiaries are regularly reviewed to manage an acceptable level of rate fluctuation on interest income.

Group

As at 31 December 2025, if interest rates on unhedged floating borrowings had been lower/higher by 5% with all other variables held constant, this will result in a lower/higher finance costs of the Group amounting to RM11.4 million (2024: RM23.3 million).

Company

As at 31 December 2025, if interest rates on unhedged floating borrowings had been lower/higher by 5% with all other variables held constant, this will result in a lower/higher finance costs of the Company amounting to nil (2024: RM1.0 million).

As at 31 December 2025, if interest rates on loan provided to subsidiaries had been lower/higher by 5% with all other variables held constant, this will result in a lower/higher finance income of the Company amounting to nil (2024: RM0.6 million).

Effects of IBOR reform

The reform and replacement of benchmark interest rates such as London Inter-Bank Offered Rate ("LIBOR") and other inter-bank offered rates has become a priority for global regulators. The alternative reference rates are being introduced to improve the integrity of financial benchmark rates as part of a transition to transaction-based rates, in line with the LIBOR reforms. The Jakarta Interbank Offer Rate ("JIBOR") will be replaced with the Indonesia Overnight Index Average ("IndONIA") as the financial benchmark rate for IDR loans in Indonesia on 1 January 2026. The transition from JIBOR to IndONIA has no material impact on the Group's borrowings.

The Group's JIBOR based financial instruments as of 31 December 2025 amounted to RM120.5 million (2024: RM3,989.4 million).

(b) Credit risk

Credit risk arises from trade receivables and other receivables, cash and cash equivalents and financial instruments used in hedging activities.

The Group has no significant concentration of credit risk due to its diverse customer base. Credit risk is managed through the application of credit assessment and approval, credit limit and monitoring procedures. Where appropriate, the Group obtains deposits or bank guarantees from customers.

The Group and the Company place its cash and cash equivalents with a number of creditworthy financial institutions. The Group's and the Company's policy limit the concentration of financial exposure to any single financial institution.

All hedging instruments are executed with creditworthy financial institutions with a view to limit the credit risk exposure of the Group and the Company. The Group and the Company, however, are exposed to credit-related losses in the event of non-performance by counterparties to financial derivative instruments, but do not expect any counterparties to fail to meet their obligations.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

42. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(b) Credit risk (continued)

The maximum credit risk exposure of the financial assets of the Group and the Company are approximately their carrying amounts as at the end of the reporting period, except for financial guarantee contracts liability. The Company's maximum credit risk exposure arising from the borrowings including interest expenses under financial guarantee contracts amounted to RM9,484.7 million (2024: RM11,378.9 million).

The carrying amount and expected credit losses for amounts due from subsidiaries and trade receivables and other receivables are shown in Note 34 and Note 35 to the financial statements, respectively.

(c) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient liquid funds to meet its financial obligations.

In the management of liquidity risk, the Group and the Company monitor and maintain a level of cash and cash equivalents deemed adequate by management to finance the Group's and the Company's operations and to mitigate the effects of fluctuations in cash flows. Due to the dynamic nature of the underlying business, the Group and the Company aim at maintaining flexibility in funding by keeping both committed and uncommitted credit lines available.

Surplus cash of the Group and the Company are invested in profit bearing current accounts, money market deposits and other instruments with appropriate maturities and sufficient liquidity levels to provide sufficient headroom and to enable the Group and the Company to discharge liabilities in the normal course of business.

As at 31 December 2025, the Group's and the Company's current liabilities exceeded its current assets by RM6,108.2 million (2024: RM5,842.5 million) and RM1,409.5 million (2024: RM702.0 million), respectively. Notwithstanding this, the Company and its subsidiaries have access to undrawn facilities from continuing operations amounting to RM3,576.0 million, available to meet liquidity requirements. In addition, as disclosed in Note 16 to the financial statements, certain subsidiaries of the Group have available undrawn amounts under the Multi-Currency Sukuk, Sukuk Wakalah and EMTN Programme amounting to USD500.0 million (RM2,023.5 million), RM1,600.0 million and USD500.0 million (RM2,023.5 million), respectively. Any issuance under these programmes will be subject to prevailing market conditions. The Group has successfully refinanced its syndicated term facility and secured a bridging loan to fund the repayment of loan obligations due within the next twelve (12) months, as disclosed in Note 48(c) and (e) respectively to the financial statements. The Group expects to be able to access additional funding from its available facilities and funding programmes, if required within the next twelve (12) months from the date of the financial statements.

The Group's net cash flows from operating activities for the financial year ended 2025 was RM3,715.8 million (2024: RM8,990.1 million). In addition, the Group's deposits, cash and bank balances as at 31 December 2025 was RM3,746.8 million (2024: RM4,860.4 million).

Where undrawn facilities are not available, subsidiaries' twelve (12) months cash flow forecasts have been prepared taking into account expected revenue growth, past performance and one-off transactions. Based on these cash flow forecasts and available undrawn facilities, the Group is able to generate sufficient cash flows for the next twelve (12) months from the date of the financial statements to meet operational and financing needs, including capital commitments which are due in the next twelve (12) months, as and when they fall due.

The Company is in a net current liabilities position primarily due to amounts due to subsidiaries amounting to RM2,451.8 million. However, the Company anticipates healthy cash inflows, supported by expected dividend income from subsidiaries and associate. Additionally, as mentioned above, the Company has access to undrawn credit facilities, which can be utilised if required to manage liquidity requirements.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

42. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(c) Liquidity risk (continued)

The tables below analyse the Group's and the Company's financial liabilities into relevant maturity groupings based on the remaining period at the end of the reporting period to the contractual maturity date. As amounts included in the tables are contractual undiscounted cash flows, these amounts may not be reconciled to the amounts disclosed on the statements of financial position for trade and other payables, lease liabilities, borrowings and derivative financial liabilities.

	2025						
	Trade and other payables RM'000	Lease liabilities RM'000	Liabilities under supplier finance arrangements RM'000	Borrowings RM'000	Derivative financial liabilities		Total RM'000
					(Inflow) RM'000	Outflow RM'000	
Group							
Below 1 year	4,286,170	358,300	154,294	6,975,519	(2,160,520)	2,255,617	11,869,380
1 - 2 years	180,094	394,299	203,131	1,283,698	(64,674)	161,637	2,158,185
2 - 3 years	-	322,306	-	541,010	(65,768)	94,244	891,792
3 - 4 years	-	280,291	-	1,260,029	(586,774)	643,827	1,597,373
4 - 5 years	-	239,963	-	2,418,763	(2,067,147)	2,116,465	2,708,044
5 - 10 years	-	865,979	-	1,966,136	-	-	2,832,115
10 - 15 years	-	136,929	-	888,254	-	-	1,025,183
15 - 40 years	-	5,826	-	3,060,333	-	-	3,066,159
Total contractual undiscounted cash flows	4,466,264	2,603,893	357,425	18,393,742	(4,944,883)	5,271,790	26,148,231
Total carrying amounts	4,466,264	1,802,105	305,783	15,052,458		307,849	21,934,459
	2024						
	Trade and other payables RM'000	Lease liabilities RM'000	Borrowings RM'000	Derivative financial liabilities		Total RM'000	
				(Inflow) RM'000	Outflow RM'000		
Group							
Below 1 year	5,939,148	2,536,134	4,853,022	(269,608)	331,819	13,390,515	
1 - 2 years	315,741	2,196,826	6,213,819	(329,782)	366,963	8,763,567	
2 - 3 years	-	1,951,986	1,842,121	(193,414)	347,490	3,948,183	
3 - 4 years	-	1,647,591	2,255,238	(118,846)	144,092	3,928,075	
4 - 5 years	-	1,373,543	3,606,776	(48,365)	73,495	5,005,449	
5 - 10 years	-	3,751,354	4,081,753	-	-	7,833,107	
10 - 15 years	-	391,627	2,839,158	-	-	3,230,785	
15 - 40 years	-	8,286	4,316,227	-	-	4,324,513	
Total contractual undiscounted cash flows	6,254,889	13,857,347	30,008,114	(960,015)	1,263,859	50,424,194	
Total carrying amounts	6,242,822	11,034,987	23,190,985		200,839	40,669,633	

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

42. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(c) Liquidity risk (continued)

The tables below analyse the Company's financial liabilities into relevant maturity groupings based on the remaining period at the end of the reporting period to the contractual maturity date. As amounts included in the tables are contractual undiscounted cash flows, these amounts may not be reconciled to the amounts disclosed on the statements of financial position for other payables, financial guarantee contracts, amounts due to subsidiaries and borrowings.

	2025						
	Other payables RM'000	Financial guarantee contracts RM'000	Amounts due to subsidiaries RM'000	Borrowings RM'000	Derivative financial liabilities		Total RM'000
					(Inflow) RM'000	Outflow RM'000	
Company							
Below 1 year	39,370	3,220,925	2,699,204	23,415	(22,237)	19,878	5,980,555
1 - 2 years	-	115,544	161,255	23,415	(20,906)	19,987	299,295
2 - 3 years	-	115,544	161,859	23,415	(21,757)	19,823	298,884
3 - 4 years	-	115,544	161,053	543,021	(543,127)	570,542	847,033
4 - 5 years	-	2,139,044	2,204,233	-	-	-	4,343,277
5 - 10 years	-	358,882	438,842	-	-	-	797,724
10 - 15 years	-	358,882	438,842	-	-	-	797,724
15 - 40 years	-	3,060,333	3,576,276	-	-	-	6,636,609
Total contractual undiscounted cash flows	39,370	9,484,698	9,841,564	613,266	(608,027)	630,230	20,001,101
Total carrying amounts	39,370	70,872	7,197,870	522,812		18,727	7,849,651

	2024					
	Other payables RM'000	Financial guarantee contracts RM'000	Amounts due to subsidiaries RM'000	Borrowings RM'000	Total	
					RM'000	
Company						
Below 1 year		103,775	279,918	324,471	1,178,487	1,886,651
1 - 2 years		-	2,440,686	2,271,018	32,054	4,743,758
2 - 3 years		-	228,014	175,916	32,054	435,984
3 - 4 years		-	179,627	175,916	32,054	387,597
4 - 5 years		-	670,123	175,916	604,510	1,450,549
5 - 10 years		-	2,765,586	2,601,638	-	5,367,224
10 - 15 years		-	498,686	512,151	-	1,010,837
15 - 40 years		-	4,316,227	4,275,850	-	8,592,077
Total contractual undiscounted cash flows		103,775	11,378,867	10,512,876	1,879,159	23,874,677
Total carrying amounts		103,775	78,323	7,262,807	1,695,453	9,140,358

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

42. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(d) Capital risk management

The Group's and the Company's objective when managing capital is to safeguard the Group's and the Company's ability to continue as a going concern while at the same time provide returns for shareholders and benefits for other stakeholders as well as to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group and the Company may adjust the amount of dividends paid to shareholders, issue new shares or return capital to shareholders. The Group and the Company maintain a strong credit rating and optimal capital structure that will improve its capital efficiency whilst ensuring availability of funds in order to meet financial obligations, support business growth and maximise shareholder's value through a long-term sustainable dividend policy. The Group's credit rating remains unchanged at Baa2 by Moody's Investors Service (Moody's) and BBB by Standard & Poor's Financial Services (S&P) as at 31 December 2025.

Consistent with others in the industry, the Group monitors capital on the basis of the gearing ratios. This ratio is calculated as total debts over total equity. Total debts including non-current, current borrowings, lease liabilities and liabilities under supplier finance arrangements as shown in the consolidated statement of financial position. Total equity is calculated as 'equity' in the consolidated statement of financial position.

	Note	2025 RM'000	2024 RM'000
Total borrowings	16	15,052,458	23,190,985
Lease liabilities	23	1,802,105	11,034,987
Liabilities under supplier finance arrangements	24	305,783	-
Total debts		17,160,346	34,225,972
Total equity		24,068,415	27,576,713
Gearing ratio		0.71	1.24

(e) Fair value estimation

The tables below analyse financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

- Quoted prices (unadjusted) in active markets for identified assets or liabilities (Level 1).
- Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as stock prices, dividend yield and volatility) or indirectly (that is, derived from prices) (Level 2).
- Inputs for the asset or liability that are not based on observable market data (that is unobservable inputs) (Level 3).

The Group measures the financial instruments based on published price quotations (Level 1) and market approach valuation technique (Level 2) with inputs of valuation technique such as interest rates and yield curves observable at commonly quoted intervals; implied volatilities; and credit spreads that are observable direct or indirectly as at reporting date.

There is no transfer between Level 1 and Level 2 during the financial year.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

42. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(e) Fair value estimation (continued)

The following tables represent the fair value level of the assets and liabilities that are measured at fair value as at reporting date.

	2025				2024			
	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
Group								
Assets								
Financial assets at FVTPL:								
- Trading securities	52	-	-	52	49	-	-	49
- Unquoted securities	-	-	6,308	6,308	-	-	11,510	11,510
- Non-hedging derivatives	-	11,386	-	11,386	-	2,311	-	2,311
- Derivatives used for hedging	-	5,026	-	5,026	-	129,049	-	129,049
Financial assets at FVTOCI ¹ :								
- Equity securities	-	-	12,487	12,487	-	-	25,854	25,854
Assets at FVTPL:								
- Trade and other receivables	-	-	63,577	63,577	-	-	62,910	62,910
Total assets	52	16,412	82,372	98,836	49	131,360	100,274	231,683
Liabilities								
Financial liabilities at FVTPL:								
- Derivatives used for hedging	-	(241,511)	-	(241,511)	-	(63,297)	-	(63,297)
Financial liabilities at FVTOCI ¹ :								
- Non-hedging derivatives	-	-	(66,338)	(66,338)	-	-	(137,542)	(137,542)
Total liabilities	-	(241,511)	(66,338)	(307,849)	-	(63,297)	(137,542)	(200,839)

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

(i) Financial instruments in Level 1

The fair value of financial instruments traded in active markets is based on quoted market prices at the reporting date. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis.

(ii) Financial instruments in Level 2

The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined by using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in Level 2.

If one or more of the significant inputs is not based on observable market data, the instrument is included in Level 3.

Specific valuation techniques used to value financial instruments include:

- Quoted market prices or dealer quotes for similar instruments;
- The fair value of cross currency interest rate swaps and interest rate swaps is calculated as the present value of the estimated future cash flows based on observable market curves; and
- The fair value of forward foreign exchange contracts is determined using forward exchange rates at the reporting date, with the resulting value discounted back to present value.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025**42. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)**

(e) Fair value estimation (continued)

(iii) Financial instruments in Level 3

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques where the underlying assets' significant inputs are not available from observable market data.

(f) Offsetting financial assets and financial liabilities

Financial assets and liabilities are offset and the net amounts are reported in the Statements of Financial Position where the Group and the Company have a legally enforceable right to offset the recognised amounts, and there is intention to settle on a net basis or realise the assets and the liabilities simultaneously.

The following table presents the recognised financial instruments that are offset or subject to enforceable master netting arrangements and other similar agreements, as at financial year end. The column 'Net amounts' shows the impact on the Group's and Company's Statements of Financial Position if all set-off rights were exercised.

	Gross amounts RM'000	Gross amounts of recognised (financial liabilities)/ financial assets set off RM'000	Net amounts RM'000
Group			
2025			
Trade receivables	1,099,647	(493,775)	605,872
Trade payables	(1,098,267)	493,775	(604,492)
2024			
Trade receivables	833,698	(265,319)	568,379
Trade payables	(2,625,163)	265,319	(2,359,844)
Company			
2025			
Amount due from subsidiaries	2,213,298	(1,774,548)	438,750
Amount due to subsidiaries	(8,972,418)	1,774,548	(7,197,870)
2024			
Amount due from subsidiaries	349,781	(71,748)	278,033
Amount due to subsidiaries	(7,334,555)	71,748	(7,262,807)

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

43. LIST OF SUBSIDIARIES

The list of subsidiaries of the Group as at 31 December 2025 is as follows:

Name of company	Ownership interest directly held by the parent (%)	Ownership interest held by the Group (%)	Ownership interest held by NCI (%)	Principal activities	Country and place of incorporation
Axiata Digital Labs Sdn Bhd ¹	100.00	100.00	-	Provision of services in relation to information technology (IT), including IT solutions development and maintenance, IT related managed services, analytics and technical advisory	Malaysia
Axiata Digital Services Sdn Bhd ¹	80.00	80.00	20.00	Investment holding	Malaysia
Axiata Enterprise Sdn Bhd ¹	100.00	100.00	-	Provision of international carrier services and enterprise solutions	Malaysia
Axiata Foundation ^{1 and 6}	100.00	100.00	-	Develop and nurture talent pool and foster, develop and improve education	Malaysia
Axiata Investments (Cambodia) Limited ¹	100.00	100.00	-	Investment holding	Federal Territory Labuan, Malaysia
Axiata Investments (Labuan) Limited ¹	100.00	100.00	-	Investment holding	Federal Territory Labuan, Malaysia
Axiata Investments (Singapore) Limited ¹	100.00	100.00	-	Investment holding	Federal Territory Labuan, Malaysia
Axiata Investments (UK) Limited ²	100.00	100.00	-	Investment holding	United Kingdom
Axiata Investments 1 (India) Limited ^{5 and 12}	100.00	100.00	-	Investment holding	Mauritius
Axiata SPV2 Berhad ¹	100.00	100.00	-	Financing	Malaysia
Axiata SPV4 Sdn Bhd ¹	100.00	100.00	-	Investment holding	Malaysia
Axiata SPV5 (Labuan) Limited ¹	100.00	100.00	-	To hold securities and financial instruments on a non-trading basis	Federal Territory Labuan, Malaysia
Boost Holdings Sdn Bhd ¹	77.76	77.76	22.24	Investment holding	Malaysia
EDOTCO Group Sdn Bhd ¹	63.00	63.00	37.00	Investment holding and provision of technical and operations support services in the telecommunications and related industries in local and/or international markets	Malaysia
Subsidiary held through Axiata Digital Labs Sdn Bhd					
Axiata Digital Labs Port City (Private) Limited ^{5 and 13}	-	100.00	-	Dormant	Sri Lanka
Subsidiaries held through Axiata Enterprise Sdn Bhd					
Xpand Investments (Labuan) Limited ¹¹	-	100.00	-	Investment holding	Federal Territory Labuan, Malaysia
Subsidiaries held through Axiata Digital Services Sdn Bhd					
Apigate Inc. ^{3 and 5}	-	80.00	20.00	Dormant	United States of America
ADA Data AI Solutions Sdn Bhd [formerly known as Axiata Digital & Analytics Sdn Bhd] ("ADA") ¹	-	50.78	49.22	Investment holding and provision of multimedia advertising services as well as multimedia advertising sales support services	Malaysia

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

43. LIST OF SUBSIDIARIES (CONTINUED)

The list of subsidiaries of the Group as at 31 December 2025 is as follows: (continued)

Name of company	Ownership interest directly held by the parent (%)	Ownership interest held by the Group (%)	Ownership interest held by NCI (%)	Principal activities	Country and place of incorporation
Subsidiary held through Apigate Inc.					
Apigate (Private) Limited ^{3 and 5}	-	80.00	20.00	Dormant	Sri Lanka
Subsidiary held through ADA					
ADA Data AI Solutions Pte Ltd [formerly known as ADA Digital Singapore Pte Ltd] ("ADAS") ²	-	50.78	49.22	Advertising service provider and investment holding	Singapore
Subsidiaries held through ADA and Axiata Digital Services Sdn Bhd					
PT ADA Data Solutions (formerly known as PT Axiata Digital Analytics Indonesia) ²	-	50.87	49.13	Provision of digital analytics services	Indonesia
ADA Data AI Solutions Limited (formerly known as Axiata Digital Bangladesh (Private) Limited) ³	-	50.78	49.22	Advertising service provider	Bangladesh
Subsidiaries held through ADAS					
ADA Data AI Commerce Solutions Pte Ltd [formerly known as AAD Holdings Pte Ltd] ("ADACS") ²	-	50.78	49.22	Investment holding	Singapore
ADA Data AI Commerce Solution Sdn Bhd (formerly known as ADA Asia Malaysia Sdn Bhd) ¹	-	50.78	49.22	Provision of multimedia advertising services and creative content, as well as multimedia advertising sales support services	Malaysia
ADA Digital Philippines Inc ²	-	50.77	49.23	Provision of technology and software solutions	Philippines
ADA Data AI Solutions Co., Ltd [formerly known as ADA Digital (Thailand) Co. Ltd] ²	-	50.70	49.30	Provision of IT products and services for online media companies	Thailand
ADA Digital Analytics Private Limited ^{3 and 14}	-	50.46	49.54	Provision of technology and software solutions	India
Adknowledge Asia Pacific (India) Private Limited ^{3 and 5}	-	50.77	49.23	Dormant	India
Komli Network Philippines, Inc ^{2,5 and 10}	-	50.78	49.22	Dormant	Philippines
PT ADA Asia Indonesia ²	-	50.27	49.73	Provision of multimedia advertising services and creative content, as well as multimedia advertising sales support services	Indonesia
ADA Data AI Solutions K.K. (formerly known as ADA Digital Analytics Kabushiki Kaisha) ²	-	50.78	49.22	Provision of technology and software solution	Japan
ADA Data AI Solutions LLC ^{5 and 13}	-	50.78	49.22	Dormant	United States of America
Subsidiaries held through ADACS					
AADistribution Phils Inc ²	-	50.77	49.23	e-commerce distribution business and rendering solutions for clients	Philippines
AAD Indochina Pte Ltd ²	-	50.78	49.22	Investment holding	Singapore
Awake Asia Distribution Pte Ltd ^{2 and 5}	-	50.78	49.22	Dormant	Singapore
Awake Asia Distribution Sdn Bhd ^{1 and 5}	-	50.78	49.22	Dormant	Malaysia
PT Awake Asia Distribution Indonesia ²	-	50.78	49.22	e-commerce distribution business	Indonesia
Thien An Investment Co., Ltd ²	-	50.78	49.22	Carrying on business of retail, consignment and service through e-commerce	Vietnam

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

43. LIST OF SUBSIDIARIES (CONTINUED)

The list of subsidiaries of the Group as at 31 December 2025 is as follows: (continued)

Name of company	Ownership interest directly held by the parent (%)	Ownership interest held by the Group (%)	Ownership interest held by NCI (%)	Principal activities	Country and place of incorporation
Subsidiaries held through Boost Holdings Sdn Bhd					
Axiata Digital Capital Sdn Bhd ¹	-	77.76	22.24	Provide microfinancing, money lending services, micro-insurance and related services, including related technology services	Malaysia
Axiata Digital eCode Sdn Bhd ¹	-	77.76	22.24	Conducting e-wallet mobile application and other related services	Malaysia
Boost Bank Berhad ¹	-	46.66	53.34	Digital banking business	Malaysia
Boost Biz Sdn Bhd ¹	-	77.76	22.24	Outsourcing services	Malaysia
Boost Connect Sdn Bhd ¹	-	77.76	22.24	Application programming interface, software and mobile applications	Malaysia
PT Creative Mobile Adventure ^{2 and 14}	-	60.68	39.32	IT-based platform lending	Indonesia
Subsidiary held through Boost Holdings Sdn Bhd and Axiata Digital eCode Sdn Bhd					
PT Axiata Digital Services Indonesia ²	-	77.76	22.24	Provision of digital services	Indonesia
Subsidiary held through Boost Holdings Sdn Bhd and Boost Connect Sdn Bhd					
Apigate India Services Private Ltd ²	-	77.76	22.24	Support services	India
Subsidiary held through Axiata Digital Capital Sdn Bhd and PT Axiata Digital Services Indonesia					
PT Axiata Digital Capital Indonesia ²	-	77.76	22.24	Provision of service in data processing and management consultation	Indonesia
Subsidiary held through Axiata Investments (Cambodia) Limited					
Axiata (Cambodia) Holdings Limited ¹	-	72.48	27.52	Investment holding	Federal Territory Labuan, Malaysia
Subsidiary held through Axiata (Cambodia) Holdings Limited					
Smart Axiata Co., Ltd ²	-	72.48	27.52	Establishment, operation, expansion and development of a wireless telecommunications system and services including transmission network and other services based on wireless telecommunications technology	Cambodia
Associate held through Smart Axiata Co., Ltd					
EDOTCO (Cambodia) Co., Ltd ²	-	14.50	5.50	Telecommunication infrastructure and services	Cambodia

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

43. LIST OF SUBSIDIARIES (CONTINUED)

The list of subsidiaries of the Group as at 31 December 2025 is as follows: (continued)

Name of company	Ownership interest directly held by the parent (%)	Ownership interest held by the Group (%)	Ownership interest held by NCI (%)	Principal activities	Country and place of incorporation
Subsidiaries held through Axiata Investments (Labuan) Limited					
Axiata Digital Labs (Private) Limited ³	-	100.00	-	Develop software and provide IT related services for export and local markets	Sri Lanka
Axiata Investments (Indonesia) Sdn Bhd ¹	-	100.00	-	Investment holding	Malaysia
Axiata Lanka (Private) Limited ³	-	100.00	-	Property development and letting of property for commercial purposes	Sri Lanka
Dialog Axiata PLC ³	-	73.75	26.25	Communication services, telecommunication infrastructure services, media and digital services	Sri Lanka
Robi Axiata PLC ³	-	61.82	38.18	Mobile telecommunication and IT related services	Bangladesh
Subsidiary held through Axiata Digital Labs (Private) Limited and Axiata Investments (Labuan) Limited					
PT Axiata Digital Labs Indonesia ²	-	100.00	-	Software development and IT enabled services venture	Indonesia
Subsidiaries held through Axiata Investments (Indonesia) Sdn Bhd and Axiata SPV4 Sdn Bhd					
PT Link Net Tbk ^{2, 9 and 14}	-	78.47	21.53	Wired fixed network and internet access services	Indonesia
Subsidiaries held through PT Link Net Tbk					
Link Net Global Solution Pte Ltd ^{2, 9 and 14}	-	78.47	21.53	Dormant	Singapore
PT First Media Television ^{2, 9 and 14}	-	78.46	21.54	Subscription broadcasting	Indonesia
Subsidiary held through PT Link Net Tbk and PT First Media Television					
PT Infra Solusi Indonesia ^{2, 9 and 14}	-	78.47	21.53	Outsourcing services	Indonesia
PT Linknet Fiber Indonesia ^{2, 9 and 14}	-	78.47	21.53	Dormant	Indonesia
PT Axentec Fiber Indonesia ^{2, 9 and 14}	-	78.47	21.53	Dormant	Indonesia
Subsidiaries held through Dialog Axiata PLC					
Dialog Broadband Networks (Private) Limited ³	-	73.75	26.25	Data and backbone, fixed wireless and transmission infrastructure	Sri Lanka
Dialog Business Services (Private) Limited ³	-	73.75	26.25	Provision of manpower for call centre operations	Sri Lanka
Dialog Device Trading (Private) Limited ³	-	73.75	26.25	Selling information technology enabled equipment	Sri Lanka
Dialog Finance PLC ³	-	73.05	26.95	Provision of financial services	Sri Lanka
Digital Holdings Lanka (Private) Limited ³	-	73.75	26.25	Investment holding company for new business areas of Dialog Group	Sri Lanka
Dialog Network Services (Private) Limited ³	-	73.75	26.25	Provision of network development, operations and maintenance services	Sri Lanka

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

43. LIST OF SUBSIDIARIES (CONTINUED)

The list of subsidiaries of the Group as at 31 December 2025 is as follows: (continued)

Name of company	Ownership interest directly held by the parent (%)	Ownership interest held by the Group (%)	Ownership interest held by NCI (%)	Principal activities	Country and place of incorporation
Subsidiaries held through Dialog Axiata PLC (continued)					
Dialog Television (Private) Limited ³	-	73.75	26.25	Television broadcasting services and direct-to-home satellite pay television service	Sri Lanka
Subsidiaries held through Dialog Broadband Networks (Private) Limited					
Telecard (Private) Limited ³	-	73.75	26.25	Provision of digital credit facilities	Sri Lanka
H One (Private) Limited ³	-	73.75	26.25	Provision of software licenses	Sri Lanka
Subsidiary held through Digital Holdings Lanka (Private) Limited					
Dialog Axiata Digital Innovation Fund (Private) Limited ^{3, 7 and 14}	-	70.61	29.39	Venture capital fund	Sri Lanka
Subsidiary held through Digital Holdings Lanka (Private) Limited and Dialog Axiata PLC					
Digital Commerce Lanka (Private) Limited ^{3 and 5}	-	73.75	26.25	Dormant	Sri Lanka
Subsidiaries held through Digital Holdings Lanka (Private) Limited and Dialog Axiata Digital Innovation Fund (Private) Limited					
Digital Health (Private) Limited ^{3 and 7}	-	41.90	58.10	Developing and operating a state-of-the-art electronic commerce infrastructure for the healthcare sector	Sri Lanka
Headstart (Private) Limited ^{3 and 8}	-	72.56	27.44	e-learning products and services	Sri Lanka
Subsidiary held through Dialog Television (Private) Limited					
Communiq Broadband Network (Private) Limited ^{3 and 5}	-	73.75	26.25	Dormant	Sri Lanka
Subsidiary held through Digital Health (Private) Limited					
My Health Solutions (Private) Limited ^{3, 5 and 7}	-	41.90	58.10	Dormant	Sri Lanka
Subsidiaries held through Robi Axiata PLC					
AxEnTec PLC ³	-	61.82	38.18	Sales, distribution and marketing services for connectivity, IT and ICT solutions, digital services, software, applications and hardware.	Bangladesh
r ventures PLC ³	-	61.82	38.18	Provision of digital services, including over-the-top, ticketing and mobile value-added services and investing in startups and digital ventures.	Bangladesh

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

43. LIST OF SUBSIDIARIES (CONTINUED)

The list of subsidiaries of the Group as at 31 December 2025 is as follows: (continued)

Name of company	Ownership interest directly held by the parent (%)	Ownership interest held by the Group (%)	Ownership interest held by NCI (%)	Principal activities	Country and place of incorporation
Subsidiaries held through Robi Axiata PLC (continued)					
RedDot Digital Limited ³	-	61.82	38.18	Provision of IT, information and communications technology services to facilitate Robi's non-mobile network operator business activities	Bangladesh
Smart Pay Limited ³	-	61.82	38.18	Provision of Fintech-driven electronic payments services and other related services	Bangladesh
Subsidiaries held through EDOTCO Group Sdn Bhd					
edotco Holdings (Labuan) Limited ¹	-	63.00	37.00	Investment holding	Federal Territory Labuan, Malaysia
edotco Investments (Labuan) Limited ¹	-	63.00	37.00	Investment holding	Federal Territory Labuan, Malaysia
EDOTCO Malaysia Sdn Bhd ¹	-	63.00	37.00	Telecommunication infrastructure and services	Malaysia
Subsidiary held through EDOTCO Group Sdn Bhd and edotco Investments (Labuan) Limited					
EDOTCO Bangladesh Co. Ltd ³	-	44.10	55.90	Telecommunication infrastructure and services	Bangladesh
Subsidiary held through EDOTCO Group Sdn Bhd and EDOTCO Malaysia Sdn Bhd					
PT EDOTCO Infrastruktur Indonesia ²	-	63.00	37.00	Telecommunication infrastructure and services	Indonesia
Subsidiary held through edotco Holdings (Labuan) Limited					
EDOTCO (Cambodia) Co., Ltd ²	-	50.40	49.60	Telecommunication infrastructure and services	Cambodia
Subsidiaries held through edotco Investments (Labuan) Limited					
EDOTCO Services Lanka (Private) Limited ³	-	63.00	37.00	Provision of end to end Integrated Infrastructure services	Sri Lanka
EDOTCO Towers (Bangladesh) Limited ³	-	63.00	37.00	Telecommunication infrastructure and services	Bangladesh
EDOTCO Towers, Inc. ²	-	63.00	37.00	Telecommunication infrastructure and services	Philippines
EDOTCO Towers Pakistan (Private) Limited ²	-	63.00	37.00	Telecommunication infrastructure and services	Pakistan

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

43. LIST OF SUBSIDIARIES (CONTINUED)

The list of subsidiaries of the Group as at 31 December 2025 is as follows: (continued)

Name of company	Ownership interest directly held by the parent (%)	Ownership interest held by the Group (%)	Ownership interest held by NCI (%)	Principal activities	Country and place of incorporation
Subsidiary held through EDOTCO Malaysia Sdn Bhd and EDOTCO Group Sdn Bhd					
Tanjung Digital Sdn Bhd ¹	-	50.40	49.60	Investment holding	Malaysia
Subsidiaries held through EDOTCO Malaysia Sdn Bhd					
On Site Services Sdn Bhd ²	-	63.00	37.00	Provision of wireless telecommunication and equipment services including business of engineering and design, installation, testing and commissioning, network audit and optimisation for telecommunication industry	Malaysia
Alam Mindscape Sdn Bhd ³	-	63.00	37.00	Telecommunication infrastructure and services	Malaysia
Subsidiary held through Tanjung Digital Sdn Bhd					
Yiked Bina Sdn Bhd ⁴	-	50.40	49.60	Telecommunication infrastructure and services	Malaysia
Subsidiaries held through Alam Mindscape Sdn Bhd					
Shahzan Alam Muda Sdn Bhd ⁵	-	50.40	49.60	Telecommunication infrastructure and services	Malaysia
Alam Matrix Towers Sdn Bhd ⁶	-	63.00	37.00	Telecommunication infrastructure and services	Malaysia
Alam Mindscape (Melaka) Sdn Bhd ⁷	-	34.65	65.35	Telecommunication infrastructure and services	Malaysia
Alam Mindscape Mobile Sdn Bhd ⁸	-	63.00	37.00	Other business support service activities	Malaysia
Vista Bumiria Sdn Bhd ⁹	-	63.00	37.00	Telecommunication infrastructure and services	Malaysia

¹ Audited by PricewaterhouseCoopers Malaysia.

² Audited by member firms of PricewaterhouseCoopers International Limited which are separate and independent legal entities from PricewaterhouseCoopers Malaysia.

³ Audited by a firm other than a member firm of PricewaterhouseCoopers International Limited.

⁴ No audit is required as allowed by the laws of the respective country of incorporation.

⁵ Dormant/Inactive as at 31 December 2025.

⁶ In accordance with IC Interpretation 112 "Consolidation - Special Purpose Vehicles", Axiata Foundation is consolidated in the Group as the substance of the relationship between the Company and the special purpose entity indicates that the entity is controlled by the Company.

⁷ The Group exercises its controlling power on DADIF via the Investment and Shareholders' Agreement. The ownership interest in DADIF is calculated based on issued and paid-up capital of DADIF including preference shares with no voting rights. Accordingly, the Group also exercises its controlling power on DH and MyHealth via its subsidiaries, DADIF and Dialog.

⁸ The Group exercises its controlling power via its subsidiary, Dialog.

⁹ Ownership interest in Linknet consists of legal and substance ownerships held by the Group.

¹⁰ On 31 October 2019, Komli Network Philippines Inc commenced the voluntary liquidation and dissolution.

¹¹ On 20 June 2025, Xpand Investments (Labuan) Limited commenced a members' voluntary winding up.

¹² On 12 December 2025, Axiata Investments 1 (India) Limited commenced the member's voluntary winding up pursuant to the Companies Act 2001 of Mauritius.

¹³ Incorporated during the financial year as disclosed in Note 5(a)(vi) to the financial statements.

¹⁴ Change in ownership interests due to dilutions/accretions during the financial year as disclosed in Note 5(a)(iii) to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

44. LIST OF ASSOCIATES

The list of associates of the Group as at 31 December is as follows:

Name of company	Ownership interest held by the Group		Principal activities	Country and place of incorporation
	2025 (%)	2024 (%)		
CelcomDigi Berhad	33.10	33.10	Investment holding	Malaysia
Associate held through Axiata Investments (Indonesia) Sdn Bhd				
PT XLSmart Telecom Sejahtera Tbk ^{5 and 6}	34.69	-	Provision of telecommunication services, network infrastructure, and digital solutions to consumers and businesses	Indonesia
Associate held through Dialog Axiata PLC				
Firstsource - Dialog Solutions (Private) Limited	19.18	19.18	Providing call centre operation	Sri Lanka
Associate held through Digital Broadband Networks (Private) Limited				
Digital Realty (Private) Limited	25.81	25.81	Establish, operate and manage data centre	Sri Lanka
Associate held through Axiata SPV4 Sdn Bhd				
Axiata Digital Innovation Fund Sdn Bhd ¹	62.19	62.19	Venture capital fund	Malaysia
Associates held through Smart Axiata Co., Ltd				
Milvik (Cambodia) Micro Insurance PLC	21.74	21.74	Micro insurance	Cambodia
Pi Pay International Co. Limited	19.15	19.15	Investment holding	Hong Kong
Smart Axiata Digital Innovation Fund ^{2 and 4}	-	57.98	Venture capital fund	Federal Territory Labuan, Malaysia
Associate held through PT XL Axiata Tbk				
PT Princeton Digital Group Data Centres ("PDGDC") ^{3 and 5}	-	7.13	Rack server rental	Indonesia

¹ The Group exercised its significant influence via 1 out of 7 votes in the Investment Committee.

² The Group exercised its significant influence via 2 out of 5 votes in the Investment Committee.

³ The Group exercised its significant influence via material transactions entered with the associate.

⁴ Ceased to be an associate of the Group following the disposal as disclosed in Note 5(a)(v) to the financial statements.

⁵ New Associate/Ceased to be an associate of the Group following the completion of merger between XL and Smartfren as disclosed in Note 5(a)(i) to the financial statements.

⁶ Change in ownership interest due to the dilution during the financial year as disclosed in Note 5(a)(iv) to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

45. LIST OF JOINT VENTURES

The list of joint ventures of the Group as at 31 December is as follows:

Name of company	Ownership interest held by the Group		Principal activities	Country and place of incorporation
	2025 (%)	2024 (%)		
Joint venture held through Axiata SPV4 Sdn Bhd				
Merchantrade Asia Sdn Bhd	19.00	19.00	Provision of money services business (remittance business and currency business) and payment business	Malaysia
Joint venture held through PT XL Axiata Tbk				
PT One Indonesia Synergy ¹	-	33.27	Dormant	Indonesia

¹ Ceased to be a joint venture of the Group following the completion of merger between XL and Smartfren as disclosed in Note 5(a)(i) to the financial statements

46. RELATED PARTY TRANSACTIONS

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

Khazanah Nasional Berhad (“Khazanah”) has direct interest of 36.71% in the Company’s shares. Khazanah is the sovereign wealth fund of the Government of Malaysia and was incorporated under the Companies Act 2016 on 3 September 1993 as a public limited company.

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

- receiving telecommunications services, including interconnection revenue/charges;
- purchasing of goods, including use of public utilities and amenities; and
- placement of bank deposits.

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

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

Key management personnel are the persons who have authority and responsibility for planning, directing and controlling the activities of the Group or the Company either directly or indirectly. Key management personnel of the Group and the Company include the Senior Leadership Team who report directly to the Group Chief Executive Officer.

Whenever it exists, related party transactions also include transactions with entities that are controlled, joint ventures or significantly influenced directly by any key management personnel or their close family members.

In addition to related party transactions and balances mentioned elsewhere in the financial statements, set out below are significant related party transactions and balances which were carried out on terms and conditions negotiated amongst the related parties.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

46. RELATED PARTY TRANSACTIONS (CONTINUED)

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
(a) Sale of goods and services to associates:				
- Telecommunication services	277,284	11,819	-	-
- Information technology services	50,481	52,332	-	-
- Lease services	581,859	676,160	-	-
(b) Purchase of goods and services from associates:				
- Leaseline charges, maintenance and others	(295,480)	(38,997)	-	-
(c) Contractual minimum guarantee shortfall obligations to an associate	(124,997)	(107,300)	-	-
(d) Intercompany service agreement with subsidiaries:				
- Technical and management services	-	-	38,334	51,858
(e) Finance income on amounts due from subsidiaries	-	-	11,441	9,154
(f) Finance costs on amounts due to subsidiaries	-	-	(301,162)	(328,574)
(g) Dividends received from subsidiaries ¹	-	-	2,659,903	445,273
(h) Dividends received from associates	843,557	547,521	574,703	547,521
(i) Amounts due from subsidiaries:				
- Repayments from	-	-	131,831	427,773
- Advances to	-	-	(129,322)	(156,353)
(j) Amounts due to subsidiaries:				
- Advances from	-	-	2,506,789	114,948
- Repayments to	-	-	(456,189)	(848,997)
(k) Receivable from associates	152,188	46,874	-	-
(l) Lease receivable from associates	200,923	128,173	-	-
(m) Payable to associates	(427,730)	(16,822)	-	-
(n) Lease payable to associates	-	(88,785)	-	-
(o) Trademark license fees charged to a related party	-	-	-	12,566
(p) Payment on behalf by the Company	-	-	(70,624)	(120,739)

¹ Dividends received from subsidiaries amounting to RM1,942.5 million (2024: Nil) is settled via offset with amounts due to subsidiaries of the same amount.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

46. RELATED PARTY TRANSACTIONS (CONTINUED)

(a) Key management compensation short term employee benefits:

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
- Salaries, allowances and bonus	38,926	39,019	38,926	39,019
- Contribution to EPF	2,377	1,956	2,377	1,956
- Estimated money value of benefits	16	15	16	15
- Other staff benefits	347	337	347	337
- Share-based compensation expense	11,088	12,364	11,088	12,364
- Fees and allowances of Non-Executive Directors of the Company ("NEDs")	3,549	3,555	3,471	3,555
- Estimated money value of benefits of NEDs	514	757	514	757

Included in key management compensation is the Directors' remuneration of the Company as disclosed in Note 7(e) to the financial statements.

47. DIVIDENDS

	Tax exempt dividend under single tier system					
	2025			2024		
	Type	Per ordinary share sen	Total RM'000	Type	Per ordinary share sen	Total RM'000
- 2023	-	-	-	Interim	5.0	459,096
- 2024	-	-	-	Interim	5.0	459,096
- 2024	Interim	5.0	459,274	-	-	-
- 2025	Interim	5.0	459,312	-	-	-
			918,586			918,192

In respect of financial year ended 31 December:

- 2023	-	-	-	Interim	5.0	459,096
- 2024	-	-	-	Interim	5.0	459,096
- 2024	Interim	5.0	459,274	-	-	-
- 2025	Interim	5.0	459,312	-	-	-
			918,586			918,192

The Board of Directors had on 26 February 2026, declared a tax exempt dividend under single tier system of 5.0 sen per ordinary share of the Company in respect of the financial year ended 31 December 2025 amounting to RM459.3 million.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

48. EVENTS AFTER REPORTING PERIOD

(a) Dilution of equity interest in Linknet

From 2 January to 14 January 2026 Linknet disposed 2,048,300 treasury shares to the public, at the price ranging from RM0.89 (IDR3,710.00) to RM0.99 (IDR4,070.57) per shares, for a total gross consideration of RM1.9 million (IDR7,805.9 million). Accordingly, the Group's equity interest in Linknet decreased from 78.47% to 78.41%.

(b) Robi's tax position

In January 2026, Robi received the revised assessment orders from NBR to formalise the ADR agreements reached prior to 31 December 2025, as disclosed in Note 40(c)(3) to the financial statements.

(c) Refinancing of EDOTCO syndicated term facility

On 6 February 2026, EDOTCO completed the drawdown of USD500.0 million (RM2.0 billion) syndicated term facility to refinance the outstanding balance of USD485.8 million (RM1.9 billion) under its existing syndicated term facility, comprising of USD390.0 million (RM1.5 billion) under Tranche 1 maturing on 6 April 2026 and USD95.8 million (RM0.4 billion) under Tranche 2 maturing on 6 April 2028.

(d) Dilution of equity interest in Alam Mindscape Mobile Sdn Bhd ("Alam Mindscape Mobile") and Vista Bumiria Sdn Bhd ("Vista Bumiria")

On 14 February 2026, Alam Mindscape Sdn Bhd entered into Share Sale Agreements with Nusa Prospek Sdn Bhd and Talian Ikatan Sdn Bhd for the disposal of its 30.00% equity interest in Alam Mindscape Mobile and Vista Bumiria for a total consideration of RM42,857 and RM214,286, respectively. The disposals were completed on 24 February 2026 and the Group's equity interest in Alam Mindscape Mobile and Vista Bumiria decreased from 63.00% to 44.10% accordingly.

(e) Repayment of of Multi-Currency Sukuk

On 19 March 2026, the Company completed the drawdown of RM2.0 billion revolving credit to refinance the USD500.0 million (RM2.0 billion) Multi-Currency Sukuk which matured on 24 March 2026 as disclosed in Note 16(b)(i) to the financial statements.

STATEMENT BY DIRECTORS PURSUANT TO SECTION 251(2) OF THE COMPANIES ACT 2016

We, Tan Sri Shahril Ridza Ridzuan and Vivek Sood, two of the Directors of Axiata Group Berhad, do hereby state that, in the opinion of the Directors, the financial statements set out on pages 46 to 202 are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as of 31 December 2025 and of their financial performance and cash flows for the financial year then ended.

Signed on behalf of the Board of Directors in accordance with their resolution dated 31 March 2026.



TAN SRI SHAHRIL RIDZA RIDZUAN
DIRECTOR



VIVEK SOOD
DIRECTOR

STATUTORY DECLARATION PURSUANT TO SECTION 251(1) OF THE COMPANIES ACT 2016

I, Nik Rizal Kamil Nik Ibrahim Kamil, the officer primarily responsible for the financial management of Axiata Group Berhad, do solemnly and sincerely declare that the financial statements set out on pages 46 to 202 are, to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the same to be true, and by virtue of the provisions of the Statutory Declarations Act, 1960.



NIK RIZAL KAMIL NIK IBRAHIM KAMIL
(MIA No: 50894)

Subscribed and solemnly declared by the above named Nik Rizal Kamil Nik Ibrahim Kamil at Kuala Lumpur on 31 March 2026, before me.

COMMISSIONER FOR OATHS



INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF AXIATA GROUP BERHAD

(Incorporated in Malaysia)

Registration No. 199201010685 (242188-H)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Our opinion

In our opinion, the financial statements of Axiata Group Berhad (“the Company”) and its subsidiaries (“the Group”) give a true and fair view of the financial position of the Group and of the Company as at 31 December 2025, and of their financial performance and their cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

What we have audited

We have audited the financial statements of the Group and of the Company, which comprise the statements of financial position as at 31 December 2025 of the Group and of the Company, and the statements of comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and notes to the financial statements, including material accounting policy information, as set out on pages 46 to 202.

Basis for opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the “Auditors’ responsibilities for the audit of the financial statements” section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence and other ethical responsibilities

We are independent of the Group and of the Company in accordance with the By-Laws (on Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants (“By-Laws”) and the International Ethics Standards Board for Accountants’ International Code of Ethics for Professional Accountants (including International Independence Standards) (“IESBA Code”), as applicable to audits of financial statements of public interest entities and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

Our audit approach

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements of the Group and of the Company. In particular, we considered where the Directors made subjective judgements; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters, consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the financial statements as a whole, taking into account the structure of the Group and of the Company, the accounting processes and controls, and the industry in which the Group and the Company operate.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF AXIATA GROUP BERHAD

(Incorporated in Malaysia)

Registration No. 199201010685 (242188-H)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the Group and of the Company for the current financial year. These matters were addressed in the context of our audit of the financial statements of the Group and of the Company as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How our audit addressed the key audit matter
<p>Goodwill impairment assessment in the Group's financial statements</p> <p>Refer to Note 3(b)(i) – Material accounting policy information – Goodwill, Note 4(b)(i) – Critical accounting estimates and judgements – Critical accounting estimates and assumptions – Impairment assessment of goodwill and Note 39 – Impairment test for non-financial assets of the Group.</p> <p>As at 31 December 2025, the Group's goodwill amounted to RM2,279.9 million was allocated to the Group's cash generating units ("CGU") identified according to the Group's operating segments. The Group is required to test goodwill for impairment annually based on the requirements of MFRS 136 "Impairment of Assets".</p> <p>Management's assessments of the recoverable amounts involved significant estimates and assumptions about future cash flows, discount rates and terminal growth rates. These estimates and assumptions are inherently uncertain.</p> <p>We focused on the above as the assumptions made by the Group in determining the recoverable amounts are inherently uncertain, require significant estimates and are sensitive to changes.</p>	<p>We performed the following audit procedures:</p> <ul style="list-style-type: none"> Assessed the appropriateness of the methodology adopted by management for the impairment assessments in accordance with MFRS 136 "Impairment of Assets" with the assistance of our valuation expert; Evaluated the reasonableness of key assumptions used in the impairment assessments including the discount rates, terminal growth rates, revenue growth rates, capital expenditure ("capex") to revenue ratios and EBITDA margins by comparing these assumptions against publicly available macroeconomic and industry data, historical data and market expectations from industry reports, where available; Assessed the reliability of management's forecast by comparing prior year forecast against actual results; Checked the sensitivity analysis performed by management by stress testing the discount rates, terminal growth rates, revenue growth rates, capex to revenue ratios and EBITDA margins for the respective CGUs; and Checked the appropriateness of disclosures in the financial statements. <p>Based on the procedures performed above, we did not identify any material exceptions.</p>

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF AXIATA GROUP BERHAD

(Incorporated in Malaysia)

Registration No. 199201010685 (242188-H)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)**Key audit matters (continued)**

Key audit matter	How our audit addressed the key audit matter
<p>Contingent liabilities</p> <p>Refer to Note 3(y) – Material accounting policy information – Contingent liabilities and contingent assets, Note 3(n) – Material accounting policy information – Provisions, Note 4(a)(i) – Critical accounting estimates and judgements – Critical judgements in applying the Group's and the Company's accounting policies – Legal, regulatory and taxation claims and disputes and Note 40(c) – Contingencies and Commitments.</p> <p>There are a number of ongoing legal, regulatory and taxation claims and disputes across the Group. The accounting treatment for contingent liabilities is based on the Group's view of the expected outcome of these contingencies. These outcomes are assessed in consultation with legal counsel for litigation cases and internal and external experts of the Group for regulatory and taxation matters in the ordinary course of business. Provisions are recorded if it is probable that an outflow of economic benefits will be required to settle the obligation, and the amount can be estimated reliably.</p> <p>We considered the measurement of provisions and contingent liability disclosures to be a key audit matter due to the uncertainties surrounding the outcome of the ongoing legal, regulatory and taxation claims and disputes and the degree of estimation and judgements needed in assessing the outcomes.</p> <p>Any change in the expected outcome of ongoing legal, regulatory and taxation claims and disputes and in the estimation and judgement applied in assessing the outcomes could materially impact the financial statements of the Group.</p>	<p>We performed the following audit procedures:</p> <ul style="list-style-type: none"> • Obtained an understanding of management's process to identify new contingent liabilities and provisions and changes in existing contingent liabilities and provisions for the compliance with the Group's policy and the requirements of MFRS 137 Provisions, Contingent Liabilities and Contingent Assets; • Analysed significant changes in material contingent liabilities and provisions from prior periods, if any, and obtained a detailed understanding of these changes and assumptions applied; • Reviewed the exchanges between the Group and its legal and tax advisors and assessed their replies to our enquiries. We considered developments up to the issue date of our report; and • Assessed the appropriateness of disclosures to the financial statements of the Group. <p>Based on the procedures performed above, we did not identify any material exceptions.</p>
<p>Accuracy of mobile services revenue recorded given the complexity of systems</p> <p>Refer to Note 3(q) – Material accounting policy information – Revenue and Note 6 – Revenue.</p> <p>The Group's revenue from contracts with customers totalling RM9.9 billion during the financial year ended 31 December 2025 comprised primarily mobile services revenue of RM6.8 billion.</p> <p>We focused on this area because there is an inherent risk around the accuracy of revenue recorded, given the complexity of the systems and the impact of various pricing models for different revenue products. Revenue processed by billing systems is complex and involves large volume of data on different products and services sold and price changes.</p>	<p>We performed the following audit procedures:</p> <ul style="list-style-type: none"> • Evaluated the relevant IT systems and the design of controls, and tested the operating effectiveness of controls over the: <ul style="list-style-type: none"> - capturing and recording of revenue transactions; - authorisation of rate changes and the input of this information into the billing systems; and - accuracy of calculation of amounts billed to customers; • Checked reconciliation of revenue amount from billing systems to accounting systems; • Obtained supporting evidence such as customer contracts, invoices and relevant supporting documents to test the accuracy of revenue recognition on a sampling basis; • Assessed the accounting treatment for significant new products and promotions launched with multiple element arrangements and tested that they are appropriately incorporated in the billing system; and • Read and understood the key terms and conditions of revenue agreements entered into during the financial year and modifications to existing contracts, if any, to check the accuracy of revenue recognition; and • Examined material non-standard journal entries and adjustments posted to revenue accounts. <p>Based on the procedures performed above, we did not identify any material exceptions.</p>

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF AXIATA GROUP BERHAD

(Incorporated in Malaysia)

Registration No. 199201010685 (242188-H)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

We have determined that there are no key audit matters to report for the Company.

Information other than the financial statements and auditors' report thereon

The Directors of the Company are responsible for the other information. The other information comprises the Directors' Report and Statement on Risk Management and Internal Control, which we obtained prior to the date of this auditors' report, and Axiata Integrated Annual Report 2025 Suite, which is expected to be made available to us after that date. Other information does not include the financial statements of the Group and of the Company and our auditors' report thereon.

Our opinion on the financial statements of the Group and of the Company does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Group and of the Company, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Group and of the Company or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditors' report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the financial statements

The Directors of the Company are responsible for the preparation of the financial statements of the Group and of the Company that give a true and fair view in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia. The Directors are also responsible for such internal control as the Directors determine is necessary to enable the preparation of financial statements of the Group and of the Company that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Group and of the Company, the Directors are responsible for assessing the Group's and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or the Company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Group and of the Company as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- (a) Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- (b) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and of the Company's internal control.
- (c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- (d) Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's or on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.
- (e) Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that achieves fair presentation.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF AXIATA GROUP BERHAD

(Incorporated in Malaysia)

Registration No. 199201010685 (242188-H)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

Auditors' responsibilities for the audit of the financial statements (continued)

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also: (continued)

- (f) Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the Group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Directors, we determine those matters that were of most significance in the audit of the financial statements of the Group and of the Company for the current financial year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In accordance with the requirements of the Companies Act 2016 in Malaysia, we report that the subsidiaries of which we have not acted as auditors, are disclosed in Note 43 to the financial statements.

OTHER MATTERS

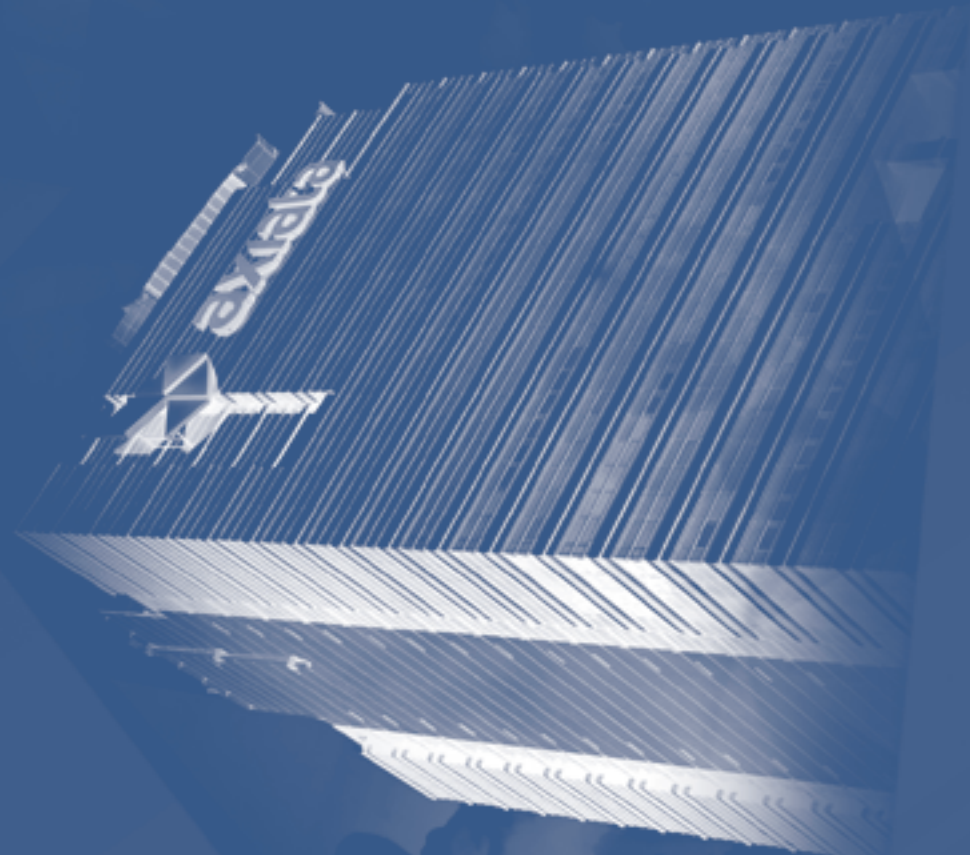
This report is made solely to the members of the Company, as a body, in accordance with Section 266 of the Companies Act 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.



Kuala Lumpur
31 March 2026



▷ OTHER INFORMATION



SHAREHOLDING STATISTICS

As at 31 March 2026

ANALYSIS OF SHAREHOLDINGS

Issued Shares:

- 9,188,142,482 Ordinary shares
- Voting Right : 1 vote per shareholder on a show of hands
1 vote per ordinary share on a poll

Total No. of Shareholders:

- 24,090

DISTRIBUTION OF SHAREHOLDINGS

(without aggregating the securities from different securities accounts belonging to the same Depositor)

Size of Shareholdings	Shareholders				Shares			
	Malaysian		Foreign		Malaysian		Foreign	
	No.	%	No.	%	No.	%	No.	%
Less than 100	2,641	11.48	47	4.31	49,352	0.00 ¹	1,142	0.00 ¹
100 - 1,000	6,242	27.14	106	9.71	3,941,373	0.05	54,692	0.00 ¹
1,001 - 10,000	11,165	48.54	198	18.15	41,477,832	0.50	841,536	0.09
10,001 - 100,000	2,543	11.06	246	22.55	69,782,021	0.85	10,570,258	1.13
100,001 - 459,407,123 (less than 5% of issued shares)	404	1.76	494	45.28	2,124,247,004	25.75	926,803,763	98.78
459,407,123 and above (5% and above of issued shares)	4	0.02	0	0.00	6,010,373,509	72.85	0	0.00
Total	22,999	100.00	1,091	100.00	8,249,871,091	100.00	938,271,391	100.00

Note:

¹ Less than 0.01%

CATEGORY OF SHAREHOLDINGS

Category of Shareholders	No. of Shareholders	% of Shareholders	No. of Shares Held	% of Issued Shares
Individuals	18,039	74.88	120,665,691	1.31
Bank/Finance Companies	43	0.18	2,055,720,632	22.37
Investments Trusts/Foundations/Charities	15	0.06	220,497	0.00 ¹
Industrial and Commercial Companies	177	0.74	8,298,644	0.09
Government Agencies/Institutions	10	0.04	3,365,703,256	36.63
Nominees	5,804	24.09	3,637,526,704	39.60
Others	2	0.01	7,058	0.00 ¹
Trustee	0	0.00	0	0.00
Total	24,090	100.00	9,188,142,482	100.00

Note:

¹ Less than 0.01%

SHAREHOLDING STATISTICS As at 31 March 2026

SUBSTANTIAL SHAREHOLDERS (HOLDING 5% & ABOVE)

(as per Register of Substantial Shareholders)

No.	Name	Direct Interest		Indirect/ Deemed Interest		Total Interest	
		No. of Shares Held	% of Issued Shares	No. of Shares Held	% of Issued Shares	No. of Shares Held	% of Issued Shares
1.	Khazanah Nasional Berhad	3,371,238,617	36.69	-	-	3,371,238,617	36.69
2.	Citigroup Nominees (Tempatan) Sdn Bhd - Employees Provident Fund Board	1,779,119,380	19.36	-	-	1,779,119,380	19.36
3.	AmanahRaya Trustees Berhad - Amanah Saham Bumiputera	1,146,703,787	12.48	-	-	1,146,703,787	12.48

DIRECTORS' DIRECT AND INDIRECT INTERESTS IN THE COMPANY AND ITS RELATED CORPORATIONS

The Directors' direct and/or indirect interest in the Company based on the Register of Directors' Shareholdings are as follows:

Interest in the Company	Number of Ordinary Shares					
	Direct Interest		Indirect Interest		Total Interest	
	No. of Shares Held	% of Issued Shares	No. of Shares Held	% of Issued Shares	No. of Shares Held	% of Issued Shares
Vivek Sood	2,497,000	0.03	-	-	2,497,000	0.03
Didi Syafruddin Yahya	-	-	5,126	0.00 ¹	5,126 ²	0.00 ¹

Interest in the Company	PBLTIP/RSA/RSP over number of Ordinary Shares					
	Direct Interest		Indirect Interest		Total Interest	
	No. of Shares Held	% of Issued Shares	No. of Shares Held	% of Issued Shares	No. of Shares Held	% of Issued Shares
Vivek Sood - PBLTIP and LTIP	3,714,550	0.04	-	-	3,714,550	0.04

Notes:

¹ Less than 0.01%

² Shares held through spouse

Save as disclosed above, none of the Directors of the Company has any interest direct or indirect in the Company and its related corporations.

SHAREHOLDING STATISTICS

As at 31 March 2026

LIST OF TOP THIRTY LARGEST SHAREHOLDERS

(without aggregating the securities from different securities accounts belonging to the same Depositor)

No.	Name	No. of Shares Held	% of Issued Shares
1.	Khazanah Nasional Berhad	3,343,841,357	36.40
2.	AmanahRaya Trustees Berhad <i>Amanah Saham Bumiputera</i>	1,146,703,787	12.48
3.	Citigroup Nominees (Tempatan) Sdn Bhd <i>Employees Provident Fund Board</i>	1,030,002,066	11.21
4.	Citigroup Nominees (Tempatan) Sdn Bhd <i>Employees Provident Fund Board (Islamic)</i>	489,826,299	5.33
5.	Kumpulan Wang Persaraan (Diperbadankan)	227,795,534	2.48
6.	AmanahRaya Trustees Berhad <i>Amanah Saham Malaysia</i>	126,428,574	1.38
7.	Lembaga Tabung Haji	122,028,300	1.33
8.	Permodalan Nasional Berhad	119,903,481	1.30
9.	Citigroup Nominees (Tempatan) Sdn Bhd <i>Exempt An For AIA Bhd</i>	117,797,275	1.28
10.	Amanahraya Trustees Berhad <i>Amanah Saham Malaysia 2 - Wawasan</i>	116,172,143	1.26
11.	Cartaban Nominees (Tempatan) Sdn Bhd <i>PAMB For Prulink Equity Fund</i>	103,229,248	1.12
12.	AmanahRaya Trustees Berhad <i>Amanah Saham Malaysia 3</i>	93,577,880	1.02
13.	Citigroup Nominees (Tempatan) Sdn Bhd <i>Employees Provident Fund Board (AHAM AM)</i>	81,827,071	0.89
14.	HSBC Nominees (Asing) Sdn Bhd <i>JPMCB NA For Vanguard Total International Stock Index Fund</i>	65,777,335	0.72
15.	Cartaban Nominees (Tempatan) Sdn Bhd <i>Prudential Assurance Malaysia Berhad For Prulink Strategic Fund</i>	62,705,100	0.68
16.	HSBC Nominees (Asing) Sdn Bhd <i>JPMCB NA For Vanguard Emerging Markets Stock Index Fund</i>	62,068,249	0.68
17.	Citigroup Nominees (Tempatan) Sdn Bhd <i>Employees Provident Fund Board (ASIANISLAMIC)</i>	57,015,851	0.62
18.	AmanahRaya Trustees Berhad <i>Amanah Saham Bumiputera 3 - Didik</i>	41,000,000	0.45
19.	Citigroup Nominees (Tempatan) Sdn Bhd <i>Great Eastern Life Assurance (Malaysia) Berhad (Par 1)</i>	40,196,925	0.44
20.	HSBC Nominees (Asing) Sdn Bhd <i>JPMCB NA For Vanguard Fiduciary Trust Company Institutional Total International Stock Market Index Trust II</i>	32,831,300	0.36
21.	Cartaban Nominees (Tempatan) Sdn Bhd <i>PAMB For Prulink Equity Focus Fund</i>	31,948,020	0.35
22.	Cartaban Nominees (Tempatan) Sdn Bhd <i>PBTB For Takafulink Dana Ekuiti</i>	29,613,600	0.32
23.	Citigroup Nominees (Tempatan) Sdn Bhd <i>Employees Provident Fund Board (BNP Najmah EQ)</i>	25,043,200	0.27
24.	Citigroup Nominees (Asing) Sdn Bhd <i>Exempt An For Citibank New York (Norges Bank 19)</i>	23,569,600	0.26
25.	Citigroup Nominees (Tempatan) Sdn Bhd <i>Employees Provident Fund Board (CIMB PRIN)</i>	21,983,735	0.24
26.	Cartaban Nominees (Tempatan) Sdn Bhd <i>PAMB For Prulink Equity Income Fund</i>	21,517,800	0.23
27.	Cartaban Nominees (Tempatan) Sdn Bhd <i>PAMB For Participating Fund</i>	21,312,133	0.23
28.	HSBC Nominees (Asing) Sdn Bhd <i>HSBC-FS G For People's Bank of China (SICL Asia EM)</i>	21,144,485	0.23
29.	Citigroup Nominees (Asing) Sdn Bhd <i>CBNY For Ishares Core MSCI Emerging Markets ETF</i>	20,484,900	0.22
30.	Amanahraya Trustees Berhad <i>Amanah Saham Bumiputera 2</i>	20,421,573	0.22
TOTAL		7,717,766,821	84.0

LIST OF TOP TEN PROPERTIES

For the financial year ended 31 December 2025

No	Address / Location	Freehold land and/or buildings	Current usage of land and buildings	Approximate age of buildings (years)	Date of acquisition / capitalisation	Land area (sq. meter)	Built-up area (sq. meter)	Net book value as at 31 Dec 2025 RM'000
1	Office Building - 475, Union Place Colombo 02, Sri Lanka	Freehold building	Telecommunication, operation, network offices and transmission station	9	31.08.2015	-	13,713	18,716,056
2	Welivita Road, Malabe, Sri Lanka	Freehold land	Transmission stations	-	31.12.2013	163,895	15,000	6,625,123
3	Centennial Tower Ground Floor, Ji. Gatot Subroto Kav. 24 & 25, Karet Semanggi, Setiabudi, Indonesia	Freehold building	Office building and data centre	7	27.01.2021	-	934	6,168,094
4	Centennial Tower 26th Floor, Ji. Gatot Subroto Kav. 24 & 25, Karet Semanggi, Setiabudi, Indonesia	Freehold building	Office building	7	31.07.2021	-	757	6,023,690
5	No. 24 Foster Lane, Union Place Colombo 02, Sri Lanka	Freehold land and building	Office building	9	30.06.2015	10,482	61,266	4,960,713
6	Ji. Bulevar Gajah Mada, Lippo Cyber Park No. 2170, 2172, 2176, 2178, 2180 & 2182, Panunggangan Barat, Cibodas, Indonesia	Freehold building	Office building	27	30.06.2020	-	2,100	3,741,676
7	Ji. Padang No. 21, RT 005/RW0 08, Pasar Manggis, Setiabudi, Indonesia	Freehold building	Office building	19	18.08.2021	-	469	3,098,356
8	CDC Building, 21 Samarakoon Mawatha, Piliyandala, Sri Lanka	Freehold land and building	Telecommunication, operation, network offices and transmission station	1	31.01.2021	400	2,554	3,053,314
9	Ji. Kusuma Bangsa No. 106, Tambaksari, Indonesia	Freehold building	Office building and data centre	1	31.01.2020	-	600	2,783,550
10	Ji. Bulevar Gajah Mada, Lippo Cyber Park No. 2005, 2007, 2009, 2038 & 2050, Panunggangan Barat, Cibodas, Indonesia	Freehold building	Office building	27	21.08.2020	-	1,750	2,684,751

NET BOOK VALUE OF LAND & BUILDINGS For the financial year ended 31 December 2025

Location	Freehold		Net book value of land	Net book value of buildings
	No. of Lots	Area ('000 sq ft)	RM'000	RM'000
1. Malaysia				
(a) Selangor	1	6	490	-
(b) Perak	1	1	254	-
(c) Johor	1	295	350	-
2. Indonesia	17	49	2,761	76,663
3. Sri Lanka	39	1,027	10,424	47,327
4. Bangladesh	264	1,400	9,771	26,409
5. Cambodia	-	-	-	3,729
Total	323	2,778	24,050	154,128

GLOSSARY

ABAC Anti-Bribery and Anti-Corruption	COI Conflict of interest	ERM Enterprise Risk Management	HSPA Evolved High-Speed Packet Access
ABIC Axiata Board Investment Committee	CoPA Coverage of Populated Area	ESG Environment, Social and Governance	IAR Integrated Annual Report
ACFC Axiata Cyber Fusion Center	CREST Council of Registered Ethical Security Testers	ESH Environmental, Safety, and Health	IAX India-Asia Expressway
ADIF Axiata Digital Innovation Fund Sdn Bhd	CRM Customer Relationship Management	e-SIM/ eSIM Embedded Subscriber Identity Module	IEA International Energy Agency
AI Artificial Intelligence	CSAM Child Sexual Abuse Material	FIRST Forum of Incident Response and Security Teams	IFRS International Financial Reporting Standards
APPLE Action Pour Les Enfants	CSF Cybersecurity Framework	F&P Policy Fit & Proper Policy	ILO International Labour Organization
ARMC Annual Report Management Committee	CT Continuous Testing	FTTH Fibre to the Home	INED Independent Non-Executive Director
B40 Bottom 40% (income group)	CX/ CE Customer Experience	G20 Group of Twenty	IPTV Internet Protocol Television
BAC Board Audit Committee	DADIF Dialog Axiata Digital Innovation Fund (Private) Limited	GAFS Governance and Audited Financial Statements	IPv6 Internet Protocol version 6
BAMS Branding, Advertising, Marketing and Sponsorship	DC-HSPA Dual-Carrier High-Speed Packet Access	GCEO Group Chief Executive Officer	ISO International Organization for Standardization
BCI Bursa's Common Indicator	DIA Dedicated Internet Access	GDP Gross Domestic Product	ISSB International Sustainability Standards Board
BCP Business Continuity Programme	DIB Digital Inclusion Benchmark	GDPR General Data Protection Regulation	ITU International Telecommunication Union
BEE Board Effectiveness Evaluation	DLP Data Leakage Prevention	GDS Gifts, Donations & Sponsorship	IVR Interactive Voice Response
BEEP Basic Education Equivalency Programme	DOCSIS Data Over Cable Service Interface Specification	GeSI Global Enabling Sustainability Initiative	Khazanah Khazanah Nasional Berhad
BNRC Board Nomination and Remuneration Committee	DPIA Digitised Data Privacy Impact Assessments	GEM Group Executive Management	KPIs Key Performance Indicators
BRCC Board Risk and Compliance Committee	DPO Data Protection Officer	GET Green Electricity Tariff	KRI Key Risk Indicators
BSC Board Sustainability Committee	DPS Dividends Per Share	GIAS Global Internal Audit Standard	LOA Limits of Authority
BVCM Beyond Value Chain Mitigation	DSR Data Subject Rights	GHG Greenhouse Gas	LTE-A Long-Term Evolution Advanced
CAC Computer-Aided Cooling	DTH Direct-to-Home	GHs Group Heads	LTIR Lost Time Incident Frequency Rate
CD Continuous Delivery	EDs Executive Directors	GLC Government-Linked Company	M&A Mergers and Acquisitions
CG Report Corporate Governance Report	EES Employee Engagement Survey	GSMA Global System for Mobile Communications Association	MACC Malaysian Anti-Corruption Commission
CI Continuous Integration	EESG Environmental, Economic, Social, and Governance	HFC Hybrid Fiber-Coaxial	MAP Mandatory Accreditation Programme
CMMI Capability Maturity Model Integration	eKYC e-Know Your Customer	HRT High-Risk Transaction	MCCG Malaysian Code on Corporate Governance
COC Code of Conduct	EPF Employees Provident Fund	HSE Health, Safety & Environment	

GLOSSARY

MCPTT
Mission Critical Push-To-Talk

MDeC
Malaysia Digital Economy Corporation

MDM
Mobile Device Management

MFS
Mobile Financial Services

MoU
Memorandum of Understanding

MSME
Micro, Small, and Medium-sized Enterprises

MRCB
Malaysian Resources Corporation Berhad

NACSA
National Cyber Security Agency

NED
Non-Executive Director

NINED
Non-Independent Non-Executive Director

NIST
National Institute of Standards and Technology

NPS
Net Promoter Score

NSRF
National Sustainability Reporting Framework

NTC
National Tower Company

OFCF
Operating Free Cash Flow

OHS
Occupational Health & Safety

OpCos
Operating Companies

PAM
Privileged Access Management

PbD
Privacy by Design

PCU
Power Control Unit

PwC
PricewaterhouseCoopers

PWD
Persons with Disabilities

PETs
Privacy Enhancing Technologies

PMS
Performance Management System

PPA
Power Purchase Agreement

PUE
Power Usage Effectiveness

PV
Photovoltaic

QoS
Quality of Service

RAN
Radio Access Network

RCMC
Risk & Compliance Management Committee

RCO
Risk and Compliance Officer

REC
Renewable Energy Certificate

RFPs
Requests for Proposals

RMS
Remote Monitoring System

RRPT
Recurrent Related Party Transactions

SADIF
Smart Axiata Digital Innovation Fund

SBTi
Science Based Targets Initiative

SCOC
Supplier Code of Conduct

SIA
Service Interaction Assistant

SIEM
Security Information and Event Management

SINED
Senior Independent Non-Executive Director

SLA
Service Level Agreement

SLT
Senior Leadership Team

SOC
Service Operation Centre

SORMIC
Statement on Risk Management and Internal Control

SPII
Sensitive Personally Identifiable Information

SR
Sustainability Report

SRM
Sustainability Reporting Manual

SRv6
Segment Routing over IPv6

Steering Committee
Axiata Sustainability Steering Committee

TCFD
Task Force on Climate-related Financial Disclosures

TechCo
Technology Company

Telco
Telecommunications Company

TM Forum
TeleManagement Forum

TPDD
Third-Party Due Diligence

TPRM
Third-Party Risk Management

TVET
Technical and Vocational Education

TVM
Threat & Vulnerability Management

UN SDGs
United Nations Sustainable Development Goals

UN WEP
United Nations Women's Empowerment Principles

UN Women
United Nations Entity for Gender Equality and the Empowerment of Women

UNESCO
United Nations Educational, Scientific and Cultural Organization

UNGCMYB
United Nations Global Compact Network Malaysia & Brunei

USO
Universal Service Obligation

USSD
Unstructured Supplementary Service Data

VAPT
Vulnerability Assessment and Penetration Testing

VDP
Vendor Development Programme

W20
Women 20

WAMA
The Women of Axiata and Male Allies

WBA
World Benchmarking Alliance

WiBAS
Wireless Broadband Access Systems

WIN
Women's Inspiring Network

Summary of average and closing rates used for FY2024 and FY2025 are as follows:

FY2024

Local Currency:	Average	Closing
1 BDT: RM	0.039761	0.037247
1 INR: RM	0.054706	0.052270
1 LKR: RM	0.015529	0.015270
1 THB: RM	0.129689	0.131500
1 USD: RM	4.575762	4.472000
1 SGD: RM	3.423653	3.291900
1 IDR: RM	0.000289	0.000277
1 PKR: RM	0.016437	0.016059
1 PHP: RM	0.079928	0.077117

FY2025

Local Currency:	Average	Closing
1 BDT: RM	0.035185	0.033217
1 INR: RM	0.049192	0.045090
1 LKR: RM	0.014257	0.013130
1 THB: RM	0.130281	0.128446
1 USD: RM	4.284858	4.047000
1 SGD: RM	3.277049	3.151500
1 IDR: RM	0.000260	0.000241
1 PKR: RM	0.015209	0.014450
1 PHP: RM	0.074541	0.068765

